

I-Global Holdings Limited

ABN 28 611 470 010

Consolidated Financial Statements

For the Half Year Ended 30 June 2019

I-Global Holdings Limited

ABN 28 611 470 010

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For the Half Year Ended 30 June 2019

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I-Global Holdings Limited

ABN 28 611 470 010

Directors' Report **For the Half Year Ended 30 June 2019**

The directors submit the consolidated financial report of the Group, being I-Global Holdings Limited ("the Company") and its controlled entities, for the half year ended 30 June 2019.

Information on directors

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

Koon Lip Choo

Francesco Cannavo

Justyn Peter Stedwell

Principal activities and significant changes in nature of activities

The principal activities of I-Global Holdings Limited during the financial half year were the provision of management and corporate consulting services to Australian and international clients.

There were no significant changes in the nature of I-Global Holdings Limited's principal activities during the financial half year.

Review of operations

Operations during the period were focused on the continued growth of the management and corporate consulting business. 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 is expected to generate the main source of income for the Group.

Significant changes in state of affairs

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

- On 14 September 2017, all securities of the Company were placed under a trading halt due to failure to release the financial statements for the half year ended 30 June 2017, pursuant with NSX Listing Rule 6.10. The securities were subsequently suspended on 18 September 2017 and as at the date of this report, remains suspended until the Company satisfies its obligations according to the NSX Listing Rules. The Company is in the process of lodging its outstanding financial statements in order for the suspension to be lifted.

Events after the reporting date

Following a review of operations and corporate structure, it was deemed that i-Global Holdings Pte Ltd was no longer required and was therefore divested on 23 December 2019, with 100% of the shares in i-Global Holdings Pte Ltd sold for \$1 consideration.

On 14 August 2019, the Group entered into a loan agreement with GACH Limited for S\$22,000 for a period of 2 years until 13 August 2021. Interest is payable at 10% per annum.

On 22 August 2019, the Group entered into a loan agreement with Global Asset Inc. for USD25,000 for a period of 2 years until 22 August 2021. Interest is payable at 10% per annum. On 18 December 2019, another loan agreement was entered into with Global Asset Inc. for A\$15,000 for a period of 2 years until 18 December 2021. Interest is payable at 10% per annum.

On 28 October 2019, the Group entered into a loan agreement with i-Global Capital Limited for A\$15,000 for a period of 2 years until 29 October 2021. Interest is payable at 10% per annum.

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Directors' Report

For the Half Year Ended 30 June 2019

Events after the reporting date (continued)

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 \$150,000 available to the Group commencing 15 December 2019 which may be drawn down as required until 15 February 2021. 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 February 2022, or sooner in the event that the Group completes a capital raising of more than \$150,000.

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

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 30 June 2019 has been received and can be found on page 3 of the consolidated financial report.

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



Director:

Dr Koon Lip Choo

Dated this 24th day of February 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of I-Global Holdings Limited for the half-year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of I-Global holdings Limited and the entities it controlled during the period.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Melbourne
24 February 2020



**Michael Gummery
Partner**

hlb.com.au

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 30 June 2019

| | Note | 30 June 2019 \$ | 30 June 2018 \$ |
|--|------|-----------------------|-----------------------|
| Continuing Operations | | | |
| Revenue | 4 | 25,455 | 39,206 |
| Employee benefits expense (including directors' fees and remuneration) | | (12,000) | (12,000) |
| Depreciation and amortisation expense | | (263) | (4,670) |
| Accounting and audit fees | | (40,031) | (26,640) |
| Consulting and professional fees | | (16,381) | (17,360) |
| Share registry and listing fees | | (10,241) | (24,325) |
| Other expenses | | (936) | (8,565) |
| Finance costs | | (6,447) | (4,959) |
| Loss before income tax | | (60,844) | (59,313) |
| Income tax expense | | - | - |
| Loss from continuing operations | | (60,844) | (59,313) |
| Profit/(loss) from discontinued operations | 5 | - | 462,933 |
| Net profit/(loss) for the half year | | (60,844) | 403,620 |
| Other comprehensive income, net of income tax | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Items that will be reclassified to profit or loss when specific conditions are met: | | | |
| - Exchange differences on translating foreign controlled entities | | (3,240) | 8,536 |
| - Net fair value movements for available-for-sale financial assets | | - | (15,913) |
| Other comprehensive income for the half year, net of tax | | (3,240) | (7,377) |
| Total comprehensive income for the half year | | (64,084) | 396,243 |
| Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company: | | | |
| Basic earnings per share (cents) | | (0.08) | (0.08) |
| Diluted earnings per share (cents) | | (0.08) | (0.08) |
| Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Company: | | | |
| Basic earnings per share (cents) | | (0.08) | 0.54 |
| Diluted earnings per share (cents) | | (0.08) | 0.54 |

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Consolidated Statement of Financial Position**As At 30 June 2019**

| | | 30 June 2019 | 31 December 2018 |
|--------------------------------------|------|------------------|---------------------|
| | Note | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 3,251 | 11,350 |
| Trade and other receivables | | 8,387 | 33,870 |
| Other assets | | 22,601 | 9,021 |
| TOTAL CURRENT ASSETS | | 34,239 | 54,241 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 419 | 682 |
| TOTAL NON-CURRENT ASSETS | | 419 | 682 |
| TOTAL ASSETS | | 34,658 | 54,923 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 143,047 | 108,840 |
| Borrowings | 8 | 364,106 | 354,494 |
| TOTAL CURRENT LIABILITIES | | 507,153 | 463,334 |
| TOTAL LIABILITIES | | 507,153 | 463,334 |
| NET ASSETS/(NET DEFICIENCY) | | (472,495) | (408,411) |
| EQUITY/(NET DEFICIENCY) | | | |
| Issued capital | 9 | 2,447,510 | 2,447,510 |
| Reserves | | (59,095) | (55,855) |
| Accumulated losses | | (2,860,910) | (2,800,066) |
| TOTAL EQUITY/(NET DEFICIENCY) | | (472,495) | (408,411) |

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Half Year Ended 30 June 2019

| | Issued Capital | Accumulated Losses | Foreign Currency Translation Reserve | Other Reserve | Total |
|--|-------------------|-----------------------|---|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 January 2019 | 2,447,510 | (2,800,066) | (55,855) | - | (408,411) |
| Net profit/(loss) for the half year | - | (60,844) | - | - | (60,844) |
| Foreign currency translation gain | - | - | (3,240) | - | (3,240) |
| Balance at 30 June 2019 | 2,447,510 | (2,860,910) | (59,095) | - | (472,495) |
| Balance at 1 January 2018 | 2,447,510 | (3,198,248) | (2,972) | (29,405) | (783,115) |
| Net profit/(loss) for the half year | - | 403,620 | - | - | 403,620 |
| Foreign currency translation gain | - | - | 8,536 | - | 8,536 |
| Fair value adjustment on available-for-sale financial assets | - | - | - | (15,913) | (15,913) |
| Balance at 30 June 2018 | 2,447,510 | (2,794,628) | 5,564 | (45,318) | (386,872) |

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows For the Half Year Ended 30 June 2019

| | 30 June 2019 \$ | 30 June 2018 \$ |
|---|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 25,455 | 30,711 |
| Payments to suppliers and employees | (58,961) | (56,004) |
| GST recovered/(paid) | 25,482 | - |
| Net cash provided by/(used in) operating activities | (8,024) | (25,293) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Subsidiary cash paid in divestment | - | (43,162) |
| Net cash provided by/(used in) investing activities | - | (43,162) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from/(repayment of) KMP loan | - | (25,920) |
| Net cash provided by/(used in) financing activities | - | (25,920) |
| Effects of exchange rate changes on cash and cash equivalents | (75) | (3,506) |
| Net increase/(decrease) in cash and cash equivalents held | (8,099) | (97,881) |
| Cash and cash equivalents at beginning of the half year | 11,350 | 125,722 |
| Cash and cash equivalents at end of the half year | 3,251 | 27,841 |

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Half Year Ended 30 June 2019

The interim condensed consolidated financial report covers I-Global Holdings Limited and its controlled entities (collectively, "the Group") for the six months ended 30 June 2019.

I-Global Holdings Limited ("the Company") is a for-profit Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded. The shares have been suspended from trading on the NSX since 14 September 2017.

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 24 February 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

This interim financial report for the reporting period ended 30 June 2019 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of I-Global Holdings Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within I-Global Holdings Limited. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of I-Global Holdings Limited for the year ended 31 December 2018, together with any public announcements made during the half year.

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

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

Going concern

The Group made a loss from continuing operations for the half year of \$60,844 (6 months to 30 June 2018: loss of \$59,313) and as at 30 June 2019, the Group was in a net liability position of \$472,495 (2018: net liability of \$408,411) and a net current liability position of \$472,914 (2018: net current liability of \$409,093). 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 \$150,000 available to the Group commencing 15 December 2019 which may be drawn down as required until 15 February 2021. 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 February 2022, or sooner in the event that the Group completes a capital raising of more than \$150,000.

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

1 Basis of Preparation (continued)

Going concern (continued)

- 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 \$NIL, will not be called upon before 31 March 2021.
- Mr Wei Ming Goh has signed a letter of support confirming that he will not call upon the amount of \$117,754 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 \$31,578 payable by the Group before 2 December 2021.
- In addition to the loan facility from Dr Koon Lip Choo, the following loan agreements were entered into subsequent to 30 June 2019:
 - On 14 August 2019, the Group entered into a loan agreement with GACH Limited for S\$22,000 for a period of 2 years until 13 August 2021. Interest is payable at 10% per annum.
 - On 22 August 2019, the Group entered into a loan agreement with Global Asset Inc. for USD25,000 for a period of 2 years until 22 August 2021. Interest is payable at 10% per annum. On 18 December 2019, another loan agreement was entered into with Global Asset Inc. for A\$15,000 for a period of 2 years until 18 December 2021. Interest is payable at 10% per annum.
 - On 28 October 2019, the Group entered into a loan agreement with i-Global Capital Limited for A\$15,000 for a period of 2 years until 29 October 2021. Interest is payable at 10% per annum.
- 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 \$150,000 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 February 2021. In the event that sufficient revenues are not generated, the Directors of the Group have pledged that they will forego their fees to the extent required.

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.

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

2 Change in Accounting Policy

Leases - Adoption of AASB 16

The Group has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the half year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

Group as a lessee

Under AASB 117, the Group assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Group or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the consolidated statement of financial position (except for short-term leases and leases of low value assets).

As the Group does not have any leases, there was no impact on reported financial performance or position.

3 Summary of Changes to Key Policies Not Previously Disclosed

(a) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 January 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group and are outlined in Note 2.

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Notes to the Financial Statements For the Half Year Ended 30 June 2019

4 Revenue and Other Income

Revenue from continuing operations

| | 30 June 2019 \$ | 30 June 2018 \$ |
|---|-----------------------|-----------------------|
| Revenue from contracts with customers: | | |
| - Consultancy fees * | 13,455 | 19,187 |
| - Brand royalty fees * | 12,000 | 18,000 |
| Other revenue: | | |
| - Government grant | - | 2,019 |
| Total revenue | 25,455 | 39,206 |

* All revenue from contracts with customers is derived from the Group's operations in Australia over time. The total income earned in the half year ended 30 June 2019 is from three clients.

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

5 Discontinued Operations

During the half year ended 30 June 2019, the parent company did not dispose of any businesses.

During the half year ended 30 June 2018, following a review of its operations and corporate structure, the Group decided to dispose of Avant Group Sdn Bhd ("Avant"), thereby discontinuing its operations in this business segment.

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

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

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

| | 30 June 2019 \$ | 30 June 2018 \$ |
|---|-----------------------|-----------------------|
| Revenue | - | - |
| Expenses | - | (20,397) |
| Profit/(loss) before income tax | - | (20,397) |
| Income tax expense | - | - |
| Profit/(loss) after income tax of discontinued operation | - | (20,397) |
| Gain on sale of the subsidiary after income tax (see below) | - | 483,330 |
| Profit from discontinued operation | - | 462,933 |
| Exchange differences on translation of discontinued operation | - | (10,810) |
| Other comprehensive income from discontinued operations | - | (10,810) |
| Basic earnings per share of discontinued operation (cents) | - | 0.62 |
| Diluted earnings per share of discontinued operation (cents) | - | 0.62 |
| The net cash flows of the discontinuing division which have been incorporated into the consolidated statement of cash flows are as follows: | | |
| Net cash inflow/(outflow) from operating activities | - | 7,500 |
| Net cash inflow/(outflow) from financing activities | - | (30,385) |
| Net cash increase in cash generated by the discontinued division | - | (22,885) |
| Net gain on sale of discontinued division | | |
| Consideration received or receivable: | | |
| Initial cash consideration | - | 517,955 |
| Liabilities waived/offset | - | (114,749) |
| Total disposal consideration | - | 403,206 |
| Carrying amount of net liabilities sold | - | 90,934 |
| Gain on sale before income tax and reclassification of foreign currency translation reserve | - | 494,140 |
| Reclassification of foreign currency translation reserve | - | (10,810) |
| Income tax expense on gain | - | - |
| Gain on sale after income tax | - | 483,330 |

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

6 Operating Segments

Segment information

Identification of reportable segments

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

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

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

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

(b) Segment assets

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

(c) Segment liabilities

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

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Notes to the Financial Statements For the Half Year Ended 30 June 2019

6 Operating Segments (continued)

(d) Segment performance

| | Australia | | Singapore | | Elimination | | Total | | Discontinued Operations | |
|--|-----------------|-----------------|----------------|---------------|-------------|-----------------|-----------------|-----------------|-------------------------|----------------|
| | 30 June | 30 June | 30 June | 30 June | 30 June | 30 June | 30 June | 30 June | 30 June | 30 June |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| REVENUE | | | | | | | | | | |
| Revenue from external customers | 25,455 | 37,187 | - | - | - | - | 25,455 | 37,187 | - | - |
| Gain on divestment of subsidiary | - | - | - | - | - | - | - | - | - | 483,330 |
| Other segment income | - | - | - | 20,714 | - | (18,695) | - | 2,019 | - | - |
| Total segment revenue | 25,455 | 37,187 | - | 20,714 | - | (18,695) | 25,455 | 39,206 | - | 483,330 |
| Depreciation and amortisation | 138 | 246 | 125 | 4,424 | - | - | 263 | 4,670 | - | 13,893 |
| Interest expense | 6,447 | 4,959 | - | - | - | - | 6,447 | 4,959 | - | - |
| Other segment expenses | 77,418 | 80,894 | 2,171 | 7,996 | - | - | 79,589 | 88,890 | - | 6,504 |
| Total segment expenses | 84,003 | 86,099 | 2,296 | 12,420 | - | - | 86,299 | 98,519 | - | 20,397 |
| Segment operating profit/(loss) | (58,548) | (48,912) | (2,296) | 8,294 | - | (18,695) | (60,844) | (59,313) | - | 462,933 |

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Notes to the Financial Statements For the Half Year Ended 30 June 2019

6 Operating Segments (continued)

(e) Segment assets

| | Australia | | Singapore | | Elimination | | Total | |
|---|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|---------------|
| | 30 June | 31 December | 30 June | 31 December | 30 June | 31 December | 30 June | 31 December |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Segment assets | 32,303 | 50,314 | 63,562 | 65,816 | (61,207) | (61,207) | 34,658 | 54,923 |
| Segment asset increases for the period: | | | | | | | | |
| - Capital expenditure | - | - | - | - | - | - | - | - |
| Total segment assets | 32,303 | 50,314 | 63,562 | 65,816 | (61,207) | (61,207) | 34,658 | 54,923 |

(f) Segment liabilities

| | | | | | | | | |
|----------------------------------|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|----------------|
| Segment liabilities | 348,573 | 308,037 | 219,787 | 216,504 | (61,207) | (61,207) | 507,153 | 463,334 |
| Total segment liabilities | 348,573 | 308,037 | 219,787 | 216,504 | (61,207) | (61,207) | 507,153 | 463,334 |

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

7 Trade and Other Payables

| | 30 June 2019 | 31 December 2018 |
|---|-----------------|---------------------|
| | \$ | \$ |
| CURRENT | | |
| <i>Unsecured liabilities:</i> | | |
| Trade payables and accruals | 109,642 | 75,435 |
| Other payables | 33,405 | 33,405 |
| Total current trade and other payables | 143,047 | 108,840 |

Trade payables and accruals 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.

8 Borrowings

| | 30 June 2019 | 31 December 2018 |
|---|-----------------|---------------------|
| | \$ | \$ |
| CURRENT | | |
| Unsecured liabilities: | | |
| Related party payables: | | |
| - Payable to key management personnel * | 151,563 | 149,342 |
| - Payable to director related entity * | 63,211 | 62,267 |
| Other loans from third party ** | 149,332 | 142,885 |
| Total current borrowings | 364,106 | 354,494 |

* These amounts are non-interest bearing.

** 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 Half Year Ended 30 June 2019

9 Issued Capital

| | 30 June 2019 | 31 December 2018 |
|--|------------------|---------------------|
| | \$ | \$ |
| 74,587,001 (2018: 74,587,001) fully paid ordinary shares | 2,774,666 | 2,774,666 |
| Share issue costs | (327,156) | (327,156) |
| Total issued capital | 2,447,510 | 2,447,510 |

(a) Ordinary shares

| | 30 June 2019 | 31 December 2018 |
|---|-------------------|---------------------|
| | No. | No. |
| At the beginning of the reporting period | 74,587,001 | 74,587,001 |
| At the end of the reporting period | 74,587,001 | 74,587,001 |

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

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

(b) Capital Management

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

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

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

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

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

10 Interests in Subsidiaries

Composition of the Group

| | Principal place of business / Country of Incorporation | Percentage Owned (%) [*] 2019 | Percentage Owned (%) [*] 2018 |
|---------------------------|--|--|--|
| Subsidiaries: | | | |
| i-Global Holdings Pte Ltd | Singapore | 100 | 100 |

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

11 Contingent liabilities

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

12 Related Parties

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

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

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

(b) Transactions with related parties

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

The following table provides the total amount of transactions that have been entered into with related parties during the periods ended 30 June 2019 and 2018, as well as balances with related parties as at 30 June 2019 and 31 December 2018:

| | Sales \$ | Purchases \$ | Balance outstanding Owed to the Group \$ | Owed by the Group \$ |
|--|-------------|-----------------|---|----------------------------|
| KMP related parties | | | | |
| Loan from Dr Koon Lip Choo, Director: | | | | |
| 2019 | - | - | - | 151,563 |
| 2018 | - | - | - | 149,342 |
| Loan from Global Assets Inc Limited: | | | | |
| 2019 | - | - | - | 63,211 |
| 2018 | - | - | - | 62,267 |

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

12 Related Parties (continued)

(c) Other transactions with related parties

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 (\$15,455) 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. For the half year ended 30 June 2019, directors Koon Lip Choo and Frank Cannavo did not receive any income from IGC.

As at 30 June 2019, the Group had amounts payable to Mr Wei Ming Goh of \$117,754 and GACH Limited, of which Wei Ming Goh is a director, of \$31,578. Wei Ming Goh is a shareholder and director of IGC.

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.

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.

I-Global Holdings Limited

ABN 28 611 470 010

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

13 Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on 24 February 2020 by the board of directors.

Following a review of operations and corporate structure, it was deemed that i-Global Holdings Pte Ltd was no longer required and was therefore divested on 23 December 2019, with 100% of the shares in i-Global Holdings Pte Ltd sold for \$1 consideration.

On 14 August 2019, the Group entered into a loan agreement with GACH Limited for S\$22,000 for a period of 2 years until 13 August 2021. Interest is payable at 10% per annum.

On 22 August 2019, the Group entered into a loan agreement with Global Asset Inc. for USD25,000 for a period of 2 years until 22 August 2021. Interest is payable at 10% per annum. On 18 December 2019, another loan agreement was entered into with Global Asset Inc. for A\$15,000 for a period of 2 years until 18 December 2021. Interest is payable at 10% per annum.

On 28 October 2019, the Group entered into a loan agreement with i-Global Capital Limited for A\$15,000 for a period of 2 years until 29 October 2021. Interest is payable at 10% per annum.

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 \$150,000 available to the Group commencing 15 December 2019 which may be drawn down as required until 15 February 2021. 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 February 2022, or sooner in the event that the Group completes a capital raising of more than \$150,000.

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

14 Statutory Information

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


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

Directors' Declaration

The directors of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 4 to 20 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, based on the factors outlined in Note 1 Going Concern.

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



Director

Dr Koon Lip Choo

Dated this 24th day of February 2020

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of I-Global Holdings Limited ("the company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2019, 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

We draw attention to the Going Concern section in Note 1 of the half-year financial report, which indicates that the Group incurred a loss from continuing operations of \$60,844 during the half-year ended 30 June 2019 and, as of that date, the Group's current liabilities exceeded its current assets by \$472,914. 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 may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB

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134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Melbourne
24 February 2020



**Michael Gummery
Partner**