

**a2a GN Ltd**

**ACN 621 583 882**

**Preliminary Half Year Report - 30 June 2020**

**a2a GN Ltd**  
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**30 June 2020**

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**a2a GN Ltd**  
**Corporate directory**  
**30 June 2020**

Directors	Saw Leng Yue Tai Shoo Loo Yee Mun Loo Chih Chong James Stephen Barrie
Company secretary	James Stephen Barrie
Registered office	Level 8 350 Collins Street Melbourne Vic 3000
Principal place of business	1205 – 1208, Level 12, Faber Tower 2, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Malaysia
Auditor	William Buck Level 20 181 William Street Melbourne VIC 3000
Website	<a href="http://www.a2aglobalnetwork.com">www.a2aglobalnetwork.com</a>
Stock exchange listing	A2A GN Ltd shares are listed on the National Stock Exchange of Australia (NSX) under code NSX: A2A

**a2a GN Ltd**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2020**

	<b>Note</b>	<b>Consolidated June 2020 \$</b>	<b>June 2019 \$</b>
<b>Revenue</b>	1	41,251	34,847
<b>Expenses</b>			
Marketing		(10,543)	(44,001)
Occupancy		(43,336)	(185,427)
Administration		(378,694)	(503,667)
Professional fees		(133,907)	(237,239)
Travelling expenses		(8,552)	(46,715)
Other expenses		(28,334)	(50,956)
Finance costs		(6,842)	(21,000)
<b>Loss before income tax expense</b>		(568,957)	(1,054,158)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of a2a GN Ltd</b>		(568,957)	(1,054,158)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		26,456	5,551
Other comprehensive income for the half-year, net of tax		26,456	5,551
<b>Total comprehensive income for the half-year attributable to the owners of a2a GN Ltd</b>		<u>(542,501)</u>	<u>(1,048,607)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share		(0.32)	(0.68)
Diluted loss per share		(0.32)	(0.68)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**a2a GN Ltd**  
**Consolidated statement of financial position**  
**As at 30 June 2020**

		<b>Consolidated</b>	<b>December</b>
	<b>Note</b>	<b>June 2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		91,715	18,003
Trade and other receivables		92,915	126,458
Other		2,332	3,651
Total current assets		<u>186,962</u>	<u>148,112</u>
<b>Non-current assets</b>			
Property, plant and equipment		71,934	73,031
Right-of-use assets		99,484	173,863
Intangibles		187,957	180,627
Total non-current assets		<u>359,375</u>	<u>427,521</u>
<b>Total assets</b>		<u>546,337</u>	<u>575,633</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	2	459,256	444,670
Contract liabilities		-	1,083
Borrowings	3	284,022	528,004
Lease liabilities		101,564	143,032
Total current liabilities		<u>844,842</u>	<u>1,116,789</u>
<b>Non-current liabilities</b>			
Lease liabilities		-	35,757
Total non-current liabilities		<u>-</u>	<u>35,757</u>
<b>Total liabilities</b>		<u>844,842</u>	<u>1,152,546</u>
<b>Net liabilities</b>		<u>(298,505)</u>	<u>(576,913)</u>
<b>Equity</b>			
Issued capital	4	3,106,855	2,341,470
Reserves	5	199,786	117,806
Accumulated losses		<u>(3,605,146)</u>	<u>(3,036,189)</u>
<b>Total deficiency in equity</b>		<u>(298,505)</u>	<u>(576,913)</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**a2a GN Ltd**  
**Consolidated statement of changes in equity**  
**For the half-year ended 30 June 2020**

	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
<b>Consolidated</b>				
Balance at 1 January 2019	898,480	113,507	(992,002)	19,985
Loss after income tax expense for the half-year	-	-	(1,054,158)	(1,054,158)
Other comprehensive income for the half-year, net of tax	-	5,551	-	5,551
Total comprehensive income for the half-year	-	5,551	(1,054,158)	(1,048,607)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	612,606	-	-	612,606
Balance at 30 June 2019	<u>1,511,086</u>	<u>119,058</u>	<u>(2,046,160)</u>	<u>(416,016)</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
<b>Consolidated</b>				
Balance at 1 January 2020	2,341,470	117,806	(3,036,189)	(576,913)
Loss after income tax expense for the half-year	-	-	(568,957)	(568,957)
Other comprehensive income for the half-year, net of tax	-	26,456	-	26,456
Total comprehensive income for the half-year	-	26,456	(568,957)	(542,501)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 4)	765,368	-	-	765,368
Share-based payments	-	55,541	-	55,541
Balance at 30 June 2020	<u>3,106,838</u>	<u>199,803</u>	<u>(3,605,146)</u>	<u>(298,505)</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**a2a GN Ltd**  
**Consolidated statement of cash flows**  
**For the half-year ended 30 June 2020**

	<b>Consolidated</b>	
	<b>June 2020</b>	<b>June 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	37,080	32,591
Payments to suppliers and employees	(315,466)	(1,077,894)
Other revenue	3,507	-
Payments for security deposits	-	(19,948)
Income taxes paid	-	(7,173)
	<hr/>	<hr/>
Net cash used in operating activities	(274,879)	(1,072,424)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(24,588)	(5,310)
Payments for intangibles	(14,363)	-
	<hr/>	<hr/>
Net cash used in investing activities	(38,951)	(5,310)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	361,389	787,750
Proceeds received in advance of share issue	-	260,374
Proceeds from borrowings	119,493	438,431
Share issue transaction costs	(28,603)	(175,142)
Repayment of borrowings	(14,518)	-
Repayment of lease liabilities	(77,225)	-
	<hr/>	<hr/>
Net cash from financing activities	360,536	1,311,413
Net increase in cash and cash equivalents	46,706	233,679
Cash and cash equivalents at the beginning of the financial half-year	18,003	79,442
Effects of exchange rate changes on cash and cash equivalents	27,006	5,551
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	<u>91,715</u>	<u>318,672</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**a2a GN Ltd**  
**Notes to the consolidated financial statements**  
**30 June 2020**

**Note 1. Revenue**

	<b>Consolidated</b>	
	<b>June 2020</b>	<b>June 2019</b>
	<b>\$</b>	<b>\$</b>
<i>Revenue from contracts with customers</i>		
Sales - consulting services	7,294	13,107
Sales - commissions	1,667	20,209
Sales - memberships	28,783	1,526
	<u>37,744</u>	<u>34,842</u>
<i>Other revenue</i>		
Other revenue	<u>3,507</u>	<u>5</u>
Revenue	<u><u>41,251</u></u>	<u><u>34,847</u></u>

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>Consolidated</b>	
	<b>June 2020</b>	<b>June 2019</b>
	<b>\$</b>	<b>\$</b>
<i>Geographical regions</i>		
Malaysia	<u><u>37,744</u></u>	<u><u>34,842</u></u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u><u>37,744</u></u>	<u><u>34,842</u></u>

**Note 2. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>June 2020</b>	<b>December</b>
	<b>\$</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables and accruals	231,402	162,012
Deposits	59,985	62,849
Proceeds of share issue received in advance of issue of shares	-	34,800
Interest on convertible notes payable	-	42,000
Other payables	<u>167,869</u>	<u>143,009</u>
	<u><u>459,256</u></u>	<u><u>444,670</u></u>



**Note 3. Current liabilities - borrowings**

	Consolidated June 2020 \$	December 2019 \$
Convertible notes	-	350,000
Loans from director - Saw Leng Yue	126,089	143,276
Loan from director - Tai Shoo Loo	38,440	34,728
Loan - other	119,493	-
	<u>284,022</u>	<u>528,004</u>

The director loans from Saw Leng Yue are on 6 months terms which may be extended and attract zero interest.

The director loan from Tai Shoo Loo is due for repayment in monthly instalments of RM 10,000 (AU\$3,473) starting with interest payable at 12% per annum.

The other loan is due for repayment on or before 31 December 2020, and interest accrues and is payable at 8% per annum.

**Note 4. Equity - issued capital**

	June 2020 Shares	Consolidated December 2019 Shares	June 2020 \$	December 2019 \$
Ordinary shares - fully paid	<u>202,087,325</u>	<u>166,764,726</u>	<u>3,106,855</u>	<u>2,341,470</u>

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 January 2020	166,764,726		2,341,470
Share issue	23 March 2020	240,000	\$0.145	34,800
Share issue	24 April 2020	35,082,599	\$0.022	759,188
Cost of capital raised		-	\$0.000	(28,603)
Balance	30 June 2020	<u>202,087,325</u>		<u>3,106,855</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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.

*Share buy-back*

There is no current on-market share buy-back.

**Note 5. Equity - reserves**

	<b>Consolidated</b>	<b>December</b>
	<b>June 2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	144,245	117,806
Share-based payments reserve	55,541	-
	<u>199,786</u>	<u>117,806</u>

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

<b>Consolidated</b>	Foreign currency \$	Share based payments \$	Total \$
Balance at 1 January 2020	117,806	-	117,806
Foreign currency translation	26,439	-	26,439
Share based payments	-	55,541	55,541
	<u>144,245</u>	<u>55,541</u>	<u>199,786</u>
Balance at 30 June 2020	<u>144,245</u>	<u>55,541</u>	<u>199,786</u>

**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange.

Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed.
4. This statement is based on financial statements to which one of the following applies:
- |  |   |
|--|---|
| <input type="checkbox"/> The financial statements have been audited.   | <input type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input checked="" type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed.                                 |
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications will follow immediately they are available.
6. The *issuer* has a formally constituted audit committee.

Sign here:

  
(Director/Company secretary)

Date: 13 SEPTEMBER 2020

Print name:

JAMES BARRIE