

## APPENDIX 4D

<b>Name of Entity:</b>	Love Group Global Ltd (ASX:LVE)
<b>ABN:</b>	82 009 027 178
<b>Current Financial Period Ended:</b>	Half-Year ended 31 December 2019
<b>Previous Corresponding Reporting Period:</b>	Half-Year ended 31 December 2018

### 1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Percentage change Up or Down	%		\$
Revenue from continuing activities	Down	17%	to	2,431,305
Profit from ordinary activities after tax attributable to members	Up	14829%	to	484,223
Profit for the period attributable to members	Up	471%	to	479,449

### 2. DIVIDENDS AND DISTRIBUTIONS

Dividends	Amount per Security	Franked amount per security
Interim Dividend – Current reporting period	Nil	Nil
Final Dividend	Nil	Nil
Previous corresponding period	Nil	Nil

**Record date for determining entitlements to dividends (if any):**

Not Applicable

**Brief explanation of any of the figures reported above necessary to enable the figures to be understood:**

Refer to Half Year Financial Report (Attachment 1).

The half-yearly financial report is to be read in conjunction with the most recent annual financial report.

### 3. NET TANGIBLE ASSETS PER SECURITY

Net Tangible Liabilities (NTL)	December 2019	December 2018
Net Tangible Liabilities per security (before tax)	(0.42) cents per share	(0.40) cents per share
Net Tangible Liabilities per security (after tax)	(0.42) cents per share	(0.40) cents per share

### 4. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

None

### 5. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

None

### 6. REVIEW STATUS

This report is based on the Half-Year Financial Report which has been independently reviewed by our Company's auditor. The review report is not subject to a modified opinion, emphasis of matter or other matter paragraph. A copy of the auditor's review report is included in the Half-Year Financial Report (Attachment 1).

### 7. ATTACHMENTS FORMING PART OF APPENDIX 4D

Attachment Number	Details
1	Financial Report for the Half Year Ended 31 December 2019

**Signed By (Director):**

A handwritten signature in black ink, appearing to read 'Michael Ye', is centered within the signature box.

**Print Name:**

Michael Ye

**Date:**

28 February 2020

**LOVE** GROUP

Stock code: LVE

**LOVE GROUP GLOBAL LTD**

ABN 82 009 027 178

Interim Financial Report  
For the half-year ended 31 December 2019

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# Love Group Global Ltd

## Directors' Report – 31 December 2019

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The Directors of Love Group Global Ltd (the "Company") present the financial report of the Company and its controlled entities (the "Group") for the half-year ended 31 December 2019.

### Directors

Details of the Directors of the Company in office at any time during or since the end of the half-year end at the date of this report are:

Terence Grigg	Chairman and Non-Executive Director
Michael Ye	Executive Director and Chief Executive Officer
Tod McGrouther	Non-Executive Director

### Company Secretaries

Nicholas Ong - Company Secretary

### Principal activities

The principal continuing activities of the Group was Dating Services which including provision of matchmaking and dating product and services, including personalised matchmaking services, the Lovestruck and Noonswoon dating apps and member events.

## Operating Results and Financial Review

Below is a summary of the operating results for the period:

	<b>31-Dec-19</b>	<b>31-Dec-18</b>
	<b>\$</b>	<b>\$</b>
Revenue	2,431,305	2,926,782
Net Profit before tax	484,223	3,243

### ***Financial Performance***

Revenue: H1 FY2020 total revenues decreased 17% to \$2,431,305 compared to \$2,926,782 for the H1 of FY 2019.

Net Profit / (loss): H1 FY2020 net profit before tax and net profit as a percentage of revenue were \$484,223 and 20%, respectively, compared to net profit \$3,243 and 0.1%, respectively, for the H1 of FY2019.

While pursuing for revenue growth, the Group concentrated on controlling expenditure and generating efficiencies.

### ***Operating Cash Flow and Cash Balance***

H1 FY2020 net operating cash outflow was \$13,806. As of December 31, 2019, total cash and cash equivalents, were \$1,421,844, and no borrowings.

### ***Outlook***

The key focus for the Group in H2 FY2020 will be on growing market share in our existing cities, exploring new revenue streams, and increasing cash flow profit margin.

The Group will also increase its focus on monetizing its large and growing active matchmaking client base through membership renewals, upselling of higher priced matchmaking packages, cross-selling of complementary products and services such as image consulting, date coaching and relationship coaching, and restaurant partnerships.

Citing an array of political and economic risks including ongoing protests in Hong Kong, and the coronavirus outbreak, the Group is still assessing the potential financial cost amid continued uncertainty. The Group forecasts its second-half financial results will be "significantly" lower than in the first.

# Love Group Global Ltd

## Directors' Report – 31 December 2019

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### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half-year is set out immediately after this directors' report.

Signed in accordance with a resolution of the Directors made pursuant to s.306(3)(a) of the *Corporations Act 2001*.



**Michael Ye**

Director

Hong Kong

28 February 2020

**RSM Australia Partners**

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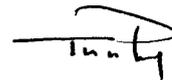
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Love Group Global Ltd for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 28 February 2020

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31 Dec 2019 \$	31 Dec 2018 \$
Revenue from continuing operations			
Enterprise Services		-	1,476
Dating Services		2,430,587	2,917,245
Interest Income		704	6,050
	3	<u>2,431,291</u>	<u>2,924,771</u>
Other Income	3	14	2,011
Expenses			
Auditing and accounting fees		19,225	19,855
Consulting fees		47,122	20,282
Depreciation and amortisation		271,136	52,541
Employee benefits expense - SG&A		584,630	981,188
Employee benefits expense - R&D		169,728	152,595
Event expenses		2,365	12,412
Finance costs		46,382	5,001
Insurance		20,664	-
Marketing expenses		513,345	1,051,167
Matchmaking expenses		38,338	121,395
Office Rent		-	218,795
Other expenses		40,902	101,047
Payment process fees		144,445	120,133
Recruitment expenses		2,393	9,263
Research and development		19,067	19,386
Share-based payment expense		-	5,619
Software expenses		15,473	23,790
Travel expenses		11,867	7,302
Foreign exchange gains and losses		-	1,768
		<u>1,947,082</u>	<u>2,923,539</u>
<b>Profit before income tax</b>		<u>484,223</u>	<u>3,243</u>
Income tax		-	-
<b>Profit for the period from continuing business</b>		<u>484,223</u>	<u>3,243</u>
Profit from Discontinuing Business		-	-
<b>Profit for the period</b>		<u>484,223</u>	<u>3,243</u>
<b>Other comprehensive income for the period</b>			
Exchange difference on conversion of foreign operation		(4,774)	(132,505)
<b>Total comprehensive income / (loss) for the period</b>		<u>479,449</u>	<u>(129,262)</u>
<b>Earnings/(loss) per share for profit / (loss) for continuing operations attributable to the ordinary equity holders of the Company</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings / (loss) per share		1.2	0.0
Diluted earnings / (loss) per share		1.2	0.0
<b>Earnings/(loss) per share for profit / (loss) attributable to the ordinary equity holders of the Company</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings / (loss) per share		1.2	0.0
Diluted earnings / (loss) per share		1.2	0.0

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

# Love Group Global Ltd

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	31 Dec 2019 \$	30 Jun 2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,421,844	1,658,004
Trade and other receivables		18,891	79,901
Other assets		144,938	147,460
<b>Total Current Assets</b>		<b>1,585,673</b>	<b>1,885,365</b>
<b>Non-current assets</b>			
Plant and equipment		160,852	222,391
Right-of-use asset		941,898	-
<b>Total Non-Current Assets</b>		<b>1,102,750</b>	<b>222,391</b>
<b>Total Assets</b>		<b>2,688,423</b>	<b>2,107,756</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payable		258,170	471,048
Contract liabilities		688,426	1,348,368
Lease liabilities		417,924	-
<b>Total Current Liabilities</b>		<b>1,364,520</b>	<b>1,819,416</b>
<b>Non-current liabilities</b>			
Lease liabilities		556,114	-
<b>Total Non-current Liabilities</b>		<b>556,114</b>	<b>-</b>
<b>Total Liabilities</b>		<b>1,920,634</b>	<b>1,819,416</b>
<b>Net Assets</b>		<b>767,789</b>	<b>288,340</b>
<b>EQUITY</b>			
Contributed equity	4	16,500,232	16,500,232
Reserves		879,501	884,275
Accumulated loss		(16,611,944)	(17,096,167)
<b>Total Equity</b>		<b>767,789</b>	<b>288,340</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Contributed equity \$	Share based payments reserve \$	Accumulated losses \$	Foreign currency translation reserve \$	Total equity \$
<b>Balance at 1 July 2018</b>	<b>16,681,389</b>	<b>1,054,232</b>	<b>(18,065,902)</b>	<b>(137,015)</b>	<b>(467,296)</b>
Adjustment for change in accounting policy (note 1)			426,343		426,343
<b>Balance at 1 July 2018 - restated</b>	<b>16,681,389</b>	<b>1,054,232</b>	<b>(17,639,559)</b>	<b>(137,015)</b>	<b>(40,953)</b>
Profit for the half-year	-	-	3,243	-	3,243
Other comprehensive income	-	-	-	(132,505)	(132,505)
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>	<b>3,243</b>	<b>(132,505)</b>	<b>(129,262)</b>
<b>Transactions with owners in their capacity as owners</b>					
Share based payments expense on security granted for:					
* employee services	-	5,619	-	-	5,619
	-	5,619	-	-	5,619
<b>Balance at 31 December 2018</b>	<b>16,681,389</b>	<b>1,059,851</b>	<b>(17,636,316)</b>	<b>(269,520)</b>	<b>(164,596)</b>

	Contributed equity \$	Share based payments reserve \$	Accumulated losses \$	Foreign currency translation reserve \$	Total equity \$
<b>Balance at 1 July 2019</b>	<b>16,500,232</b>	<b>1,176,600</b>	<b>(17,096,167)</b>	<b>(292,325)</b>	<b>288,340</b>
Profit for the year	-	-	484,223	-	484,223
Other comprehensive loss	-	-	-	(4,774)	(4,774)
<b>Total comprehensive income for the year</b>	<b>16,500,232</b>	<b>1,176,600</b>	<b>(16,611,944)</b>	<b>(297,099)</b>	<b>767,789</b>
<b>Balance at 31 December 2019</b>	<b>16,500,232</b>	<b>1,176,600</b>	<b>(16,611,944)</b>	<b>(297,099)</b>	<b>767,789</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 Dec 2019	31 Dec 2018
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	1,697,073	3,128,004
Payments to suppliers and employees	(1,711,646)	(2,775,040)
Interest received	767	6,081
Net cash (used in) / from operating activities	<u>(13,806)</u>	<u>359,045</u>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	<u>(2,250)</u>	<u>(135,427)</u>
Net cash (used in) investing activities	<u>(2,250)</u>	<u>(135,427)</u>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	<u>(213,942)</u>	<u>-</u>
Net cash (used in) financing activities	<u>(213,942)</u>	<u>-</u>
<b>Net (decrease) / increase in cash held</b>	(229,998)	223,618
Cash and cash equivalents at the beginning of the half year	1,658,004	1,309,373
Effects of exchange changes on the balances held in foreign countries	(6,162)	48,780
Cash and cash equivalents at the end of the half year	<u>1,421,844</u>	<u>1,581,771</u>

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

## NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### 1. BASIS OF PREPARATION

This consolidated interim financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB134 '*Interim Financial Reporting*'. Compliance with AASB134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The interim financial statements reflect the operations and performance for the Company and its controlled entities as a consolidated group (the "Group").

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of the Group for the year ended 30 June 2019 and considered together with any public announcements made by Love Group Global Ltd during the interim reporting period.

##### a) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group earned a profit of \$484,223 and had net cash outflows from operating and financing activities of \$13,806 and \$213,942 respectively for the half-year ended 31 December 2019. As at that date, the Group had net current assets of \$221,153 and net assets of \$767,789.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate for it to adopt the going concern basis in the preparation of the financial report, due to:

- the cash balance of the Group as at 31 December 2019 is sufficient to meet the budgeted expenditure for the next 12 months from the date of this report; and
- included in the current liabilities, is an amount of \$688,426 relating to income received in advance from customers which will be recognised as revenue during the next financial year along with the related costs of earning that revenue. The contract liability will unwind when the services are delivered by the Group in future financial periods.

The accounting policies and methods of computation are consistent with those adopted in the most recent annual financial report and the corresponding interim reporting period, except as set out below:

##### b) New and amended standards adopted by the Group

The Group has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations that are mandatory to the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### 1. BASIS OF PREPARATION (Continued)

#### b) New and amended standards adopted by the Group (Continued)

The following Accounting Standard and Interpretations are most relevant to the Group:

The Group has adopted AASB 16 'Leases' from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The Group leases buildings for its offices under lease agreements with options to extend. The terms of the leases are renegotiated on renewal.

#### *Impact of adoption*

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated.

The impact of adoption on opening accumulated losses as at 1 July 2019 was as follows:

	1 July 2019
	\$
Operating lease commitments as at 1 July 2019 (AASB 117)	1,229,611
Operating lease commitments discount based on the weighted average incremental borrowing rate of 5% (AASB 16)	<u>(79,753)</u>
Right-of-use assets (AASB 16)	<u>1,149,858</u>
Lease liabilities - current (AASB 16)	(417,924)
Lease liabilities - non-current (AASB 16)	<u>(731,934)</u>
	<u>1,149,858</u>
Reduction in opening accumulated losses as at 1 July 2019	<u><u>-</u></u>

## NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### 1. BASIS OF PREPARATION (Continued)

##### b) New and amended standards adopted by the Group (Continued)

###### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

###### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### 2. OPERATING SEGMENT

The operating segments are based on the units identified in the operating reports reviewed by the Board and executive management, and that are used to make strategic decision, in conjunction with the quantitative thresholds established by *AASB 8 Operating segments*. As such, there are three identifiable and reportable segments which are outlined below:

Dating Services	the online, events, restaurant commission and matchmaking services in China, Hong Kong, Singapore, Thailand, and United Kingdom
Enterprise Services	the licence and support services in Australia
Other	indirect expenses like auditing and accounting fees, employee benefits expenses for G&A and R&D staffs, transaction costs, and office rent, etc.

Management measures the performance of the segments identified at the 'net profit before tax' level.

# Love Group Global Ltd

## NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### 2. OPERATING SEGMENT (Continued)

Half Year 31 December 2019	Dating Services	Enterprise Services	Other	Total
	\$	\$	\$	\$
<b>Revenue</b>				
Sales to external customers	2,430,587	-	-	2,430,587
Other Revenue			14	14
Total segment revenue	2,430,587	-	14	2,430,601
Interest revenue				704
Total Revenue				2,431,305
<b>EBITDA</b>				
	1,613,647	-	(812,610)	801,037
Depreciation and amortisation				(271,136)
Interest revenue				704
Finance costs				(46,382)
<b>Loss before income tax expense</b>				484,223
Income tax expense				-
<b>Loss after income tax expense</b>				484,223
<b>Asset and Liabilities</b>				
Asset	Dating Services	Enterprise Services	Other	Total
	\$	\$	\$	\$
Segment assets	1,246,553	-	20,026	1,266,579
<i>Unallocated assets:</i>				
Cash and cash equivalents				1,421,844
Total assets	1,246,553	-	20,026	2,688,423
Liabilities	Dating Services	Enterprise Services	Other	Total
	\$	\$	\$	\$
Segment Liabilities	(1,847,174)	-	(73,460)	(1,920,634)
Total Liabilities	(1,847,174)	-	(73,460)	(1,920,634)

## NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### 2. OPERATING SEGMENT (Continued)

Half Year 31 December 2018	Dating Services	Enterprise Services	Other	Total
	\$	\$	\$	\$
<b>Revenue</b>				
Sales to external customers	2,917,245	1,476	-	2,918,721
Other Revenue	-	-	2,011	2,011
Total segment revenue	2,917,245	1,476	2,011	2,920,732
Interest revenue				6,050
Total Revenue				2,926,782
<b>EBITDA</b>				
	680,448	(996)	(624,717)	54,735
Depreciation and amortisation				(52,541)
Interest revenue				6,050
Finance costs				(5,001)
<b>Loss before income tax expense</b>				3,243
Income tax expense				-
<b>Loss after income tax expense</b>				3,243
<b>Asset and Liabilities</b>				
Asset	Dating Services	Enterprise Services	Other	Total
	\$	\$	\$	\$
Segment assets	528,894	-	-	528,894
<i>Unallocated assets:</i>				
Cash and cash equivalents				1,581,771
Total assets	528,894	-	-	2,110,665
Liabilities	Dating Services	Enterprise Services	Other	Total
	\$	\$	\$	\$
Segment Liabilities	2,209,643	93	65,525	2,275,261
Total Liabilities	2,209,643	93	65,525	2,275,261

#### Major customers

No single customer contributed 10% or more to the Group's external revenue during the half-years ended 31 December 2019 and 31 December 2018.

## NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### 2. OPERATING SEGMENT (Continued)

#### Revenue by Geographical area

The Group operates in 3 regions. The sales revenue for each region is as follows:

	Sales to external customers	
	2019	2018
	\$	\$
Oceania	194	3,184
Asia	2,288,299	2,815,228
Europe	142,094	100,308
	<u>2,430,587</u>	<u>2,918,720</u>

No individual customer constitutes more than 10% of revenue.

### 3. REVENUE

	2019	2018
	\$	\$
<b>From continuing operations</b>		
<i>Sales revenue</i>		
Dating Services	2,430,587	2,917,245
Enterprise Services	-	1,476
Interest Income	704	6,050
	<u>2,431,291</u>	<u>2,924,771</u>
<i>Other Income</i>	14	2,011
	<u>14</u>	<u>2,011</u>
Total revenue and other income	<u>2,431,305</u>	<u>2,926,782</u>

# Love Group Global Ltd

## NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### 3. REVENUE (Continued)

##### *Disaggregation of revenue*

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

	2019	2018
	\$	\$
Australia	194	1,709
Malaysia	2,955	-
Hong Kong	1,657,639	2,171,350
London	142,094	100,308
Singapore	531,592	376,896
Bangkok	96,113	266,982
	<u>2,430,587</u>	<u>2,917,245</u>

##### Timing of revenue recognition

Goods transferred at a point in time	826,143	871,201
Services transferred over time	1,604,444	2,046,044
	<u>2,430,587</u>	<u>2,917,245</u>

#### 4. CONTRIBUTED EQUITY

	NUMBER OF SHARES		SHARE CAPITAL	
	31-Dec-19	30-Jun-19	31-Dec-19	30-Jun-19
			\$	\$
Ordinary shares - fully paid (no par value)	40,534,169	40,534,169	16,500,232	16,500,232
Total Share Capital			<u>16,500,232</u>	<u>16,500,232</u>

##### Movements in ordinary share capital:

DETAILS	ORDINARY SHARES	Issue Price	31-Dec-19	30-Jun-19
	No.	\$	\$	\$
Balance at start of period	40,534,169		16,500,232	16,500,232
Balance at end of period	<u>40,534,169</u>		<u>16,500,232</u>	<u>16,500,232</u>

## NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### 4. CONTRIBUTED EQUITY (Continued)

#### Terms and Conditions of Issued Capital

##### *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

##### *Shares in escrow*

There were 160,000 shares in escrow at 31 December 2019 (30 June 2019: 360,000).

##### *Options*

There were 700,000 shares under option as at 31 December 2019 (30 June 2019: 2,095,504).

##### *Performance rights*

On 4 December 2019, the Company cancelled 240,000 performance rights previously issued to the Company's Vice President of Engineering following his resignation.

## NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### 5. EVENTS OCCURRING AFTER REPORTING DATE

Citing an array of political and economic risks including ongoing protests in Hong Kong, and the coronavirus outbreak, the Group is still assessing the potential financial cost amid continued uncertainty. The Group forecasts its second-half financial results will be “significantly” lower than in the first.

The Company has recently experienced a data security breach incident whereby a hacker had gained access to the server including CRM files. On receiving notice of the data breach, the Company immediately implemented measures to secure all company data. The Company sorted legal advice and reported the incident to the Hong Kong Police. The Company also referred the incident to the Office of the Privacy Commissioner for Personal Data in Hong Kong, Personal Data Protection Commission in Singapore and the Information Commissioner of United Kingdom. The Company is working closely with the authorities on their respective investigation.

Clients of the Company who were affected by this security breach were notified individually. The Company has since implemented various measures to strengthen its data security protection. It will continue to work with its IT consultant to consistently scan for vulnerability of its systems.

On February 18, 2020, the directors changed the company name of Noonswoon Co., Ltd to Lovestruck Co., Ltd to better reflect its active brand name.

There are no other matters or circumstances, other than those disclosed within the financial statements, which have arisen since 31 December 2019 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

#### 6. CONTINGENT LIABILITIES

There are no matters which the Group consider would result in a contingent liability as at 31 December 2019 (30 June 2019: Nil).

#### 7. COMMITMENTS

There are no additional capital and lease commitments after 30 June 2019 other than the impact of the adoption of AASB 16 Leases as noted in Note 1 to the financial statements.

**DIRECTORS' DECLARATION**

In the Directors' opinion:

- (a) the interim financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - i) complying with Australian Accounting Standard AASB:134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - ii) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date,
  
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.



**Michael Ye**

Director

Hong Kong

28 February 2020



**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
LOVE GROUP GLOBAL LTD**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Love Group Global Ltd which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of 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.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Love Group Global Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Love Group Global Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

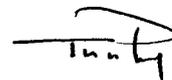
*Conclusion*

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 Love Group Global Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 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 *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 28 February 2020

## Corporate Directory

### Board of Directors

Terence Grigg, Non-executive Chairman

Michael Ye, Executive Director, Chief Executive Officer

Tod McGrouther, Non-Executive Director

### Company Secretary

Minerva Corporate Pty Ltd

Nicholas Ong

### Website

[www.lovegroup.co](http://www.lovegroup.co)

### Lawyers

Mills Oakley Lawyers

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Australia

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### Registered Office

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Australia

**Corporate Directory (Continued)**

**Auditor**

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