

APPENDIX 4D

Name of Entity:	Love Group Global Ltd (ASX:LVE)
ABN:	82 009 027 178
Current Financial Period Ended:	Half-Year ended 31 December 2018
Previous Corresponding Reporting Period:	Half-Year ended 31 December 2017

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Percentage change Up or Down	%		\$
Revenue from continuing activities	Up	22%	to	2,926,782
Profit / (Loss) from ordinary activities after tax attributable to members	Up	100%	to	3,243
Profit/ (Loss) for the period attributable to members	Up	100%	to	3,243

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 Assets / (Liabilities) (NTA)	December 2018	December 2017
Net Tangible Assets / (Liabilities) per security (before tax)	(0.40) cents per share	1.05 cents per share
Net Tangible Assets / (Liabilities) per security (after tax)	(0.40) cents per share	1.05 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. AUDIT / REVIEW STATUS

This report is based on the Half-Year Financial Report which has been independently reviewed by our Company's auditors. The review report is not subject to a modified opinion, emphasis of matter or other matter paragraph. A copy of the 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 2018

Signed By (Director):

A handwritten signature in black ink, appearing to be 'Michael Ye', written in a cursive style.

Print Name:

Michael Ye

Date:

26 February 2019



Stock code: LVE

LOVE GROUP GLOBAL LTD

ABN 82 009 027 178

Interim Financial Report
For the half-year ended 31 December 2018

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Love Group Global Ltd

Directors' Report – 31 December 2018

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 2018.

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 (Appointed 11 February 2019)

Daniel Smith - Company Secretary (Resigned 11 February 2019)

Principal activities

The principal continuing activities of the Group were:

- Dating Services: Provision of matchmaking and dating product and services, including personalised matchmaking services, the Lovestruck and Noonswoon dating apps and member events; and
- Enterprise Services: Provision of software solutions, including implementation and training support services.

Operating Results and Financial Review

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

	31-Dec-18	31-Dec-17
	\$	\$
Revenue	2,926,782	2,390,926
Net Profit / (loss) before tax	3,243	(7,103,231)

Financial Performance

Revenue: H1 FY2019 total revenues increased 22% to \$2,926,782 compared to \$2,390,926 for the H1 of FY 2018.

Net Profit / (loss): H1 FY2019 net profit before tax and net profit as a percentage of revenue were \$3,243 and 0.1%, respectively, compared to net loss \$7,103,231 and -297%, respectively, for the H1 of 2018.

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

Operating Cash Flow and Cash Balance

H1 FY2019 net operating cash inflow was \$359,045. As of December 31, 2018, total cash and cash equivalents, were \$1,581,771, and no debt.

Outlook

The key focus for the Group in H2 FY2019 will be on growing market share in our existing cities, exploring new revenue streams, and increasing cash flow profit margin, while exploring new markets to expand in a capital efficient manner.

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.

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

26 February 2019

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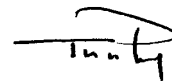
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Love Group Global Ltd for the half-year ended 31 December 2018, 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: 26 February 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	31 Dec 2018 A\$	31 Dec 2017 A\$
Revenue from continuing operations			
Enterprise Services		1,476	4,384
Dating Services		2,917,245	2,354,795
Interest Income		<u>6,050</u>	<u>9,490</u>
	3	2,924,771	2,368,669
Other Income	3	2,011	22,257
Expenses			
Auditing and accounting fees		19,855	23,179
Bad debts		-	1,980
Consulting fees		20,282	19,765
Depreciation and amortisation		52,541	69,585
Employee benefits expense - SG&A		981,188	1,033,455
Employee benefits expense - R&D		152,595	167,414
Event expenses		12,412	25,072
Finance costs		5,001	3,655
Impairment of intangible assets		-	6,895,873
Loss on disposal of assets		-	8,753
Marketing expenses		1,051,167	635,891
Matchmaking expenses		121,395	140,223
Office Rent		218,795	199,876
Other expenses		101,047	85,281
Payment process fees		120,133	113,625
Recruitment expenses		9,263	1,659
Research & Development		19,386	11,247
Share based payments expenses		5,619	26,938
Software expenses		23,790	24,271
Travel expenses		7,302	8,371
Foreign exchange gains and losses		<u>1,768</u>	<u>(1,956)</u>
		2,923,539	9,494,157
Profit / (Loss) before income tax		<u>3,243</u>	<u>(7,103,231)</u>
Income tax		-	-
Profit / (Loss) for the half year from continuing business		<u>3,243</u>	<u>(7,103,231)</u>
Profit from Discontinuing Business		-	-
Profit / (Loss) for the half year		<u>3,243</u>	<u>(7,103,231)</u>
Other comprehensive income for the half year			
Exchange difference on conversion of foreign operation		(132,505)	(30,580)
Total Comprehensive loss for the half year		<u>(129,262)</u>	<u>(7,133,811)</u>
Earnings per share for profit / (loss) from continuing operations attributable to the ordinary equity holders of the Company		Cents	Cents
Basic profit / (loss) per share		0.0	(17.5)
Diluted profit / (loss) per share		0.0	(17.5)
Earnings per share for profit / (loss) attributable to the ordinary equity holders of the Company		Cents	Cents
Basic profit / (loss) per share		0.0	(17.5)
Diluted profit / (loss) per share		0.0	(17.5)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	31 Dec 2018 \$	30 Jun 2018 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,581,771	1,309,373
Trade and other receivables		112,972	49,723
Other assets		122,490	241,325
Total Current Assets		<u>1,817,233</u>	<u>1,600,421</u>
Non-current assets			
Plant and equipment		<u>293,432</u>	<u>205,985</u>
Total Non-Current Assets		<u>293,432</u>	<u>205,985</u>
Total assets		<u>2,110,665</u>	<u>1,806,406</u>
LIABILITIES			
Current liabilities			
Trade and other payable		409,475	359,522
Prepaid income from customers		1,865,786	1,914,180
Total Current liabilities		<u>2,275,261</u>	<u>2,273,702</u>
Total liabilities		<u>2,275,261</u>	<u>2,273,702</u>
Net assets		<u>(164,596)</u>	<u>(467,296)</u>
EQUITY			
Contributed equity	4	16,681,389	16,681,389
Reserves		790,331	917,217
Accumulated loss		<u>(17,636,316)</u>	<u>(18,065,902)</u>
Total Equity		<u>(164,596)</u>	<u>(467,296)</u>

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 2018

	Contributed equity \$	Share based payments reserve \$	Accumulated losses \$	Foreign currency translation reserve \$	Total equity \$
Balance at 1 July 2017	16,177,350	1,523,226	(10,159,563)	(2,498)	7,538,515
Loss for the year	-	-	(7,103,231)	-	(7,103,231)
Other comprehensive income	-	-	-	(30,580)	(30,580)
Total comprehensive income for the year	-	-	(7,103,231)	(30,580)	(7,133,811)
Transactions with owners in their capacity as owners					
Share based payments expense on security granted for:					
* employee services	-	26,938	-	-	26,938
	-	26,938	-	-	26,938
Balance at 31 December 2017	16,177,350	1,550,164	(17,262,794)	(33,078)	431,642
Balance at 1 July 2018	16,681,389	1,054,232	(18,065,902)	(137,015)	(467,296)
Adjustment for change in accounting policy (note 1)			426,343		426,343
Balance at 1 July 2018 - restated	16,681,389	1,054,232	(17,639,559)	(137,015)	(40,953)
Profit for the half-year	-	-	3,243	-	3,243
Other comprehensive income	-	-	-	(132,505)	(132,505)
Total comprehensive income for the half-year	-	-	3,243	(132,505)	(129,262)
Transactions with owners in their capacity as owners					
Share based payments expense on security granted for:					
* employee services	-	5,619	-	-	5,619
	-	5,619	-	-	5,619
Balance at 31 December 2018	16,681,389	1,059,851	(17,636,316)	(269,520)	(164,596)

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 2018

	31 Dec 2018	31 Dec 2017
	\$	\$
Cash flows from operating activities		
Receipts from customers	3,128,004	2,486,140
Payments to suppliers and employees	(2,775,040)	(2,880,257)
Interest received	6,081	10,598
Net cash from / (used in) operating activities	<u>359,045</u>	<u>(383,519)</u>
Cash flows from investing activities		
Payments for plant and equipment	(135,427)	(63,542)
Proceeds from sales of vehicles & equipments	-	15,583
Payment to acquire domain name and website	-	(3,352)
Net cash (used in) investing activities	<u>(135,427)</u>	<u>(51,311)</u>
Net increase / (decrease) in cash held	223,618	(434,830)
Cash and cash equivalents at the beginning of the half year	1,309,373	1,723,166
Effects of exchange changes on the balances held in foreign countries	<u>48,780</u>	<u>(29,657)</u>
Cash and cash equivalents at the end of the half year	<u>1,581,771</u>	<u>1,258,679</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 2018

1. BASIS OF PREPARATION

This consolidated interim financial statements for the half-year reporting period ended 31 December 2018 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 2018 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.

As at 31 December 2018, the Group had net current liabilities of \$458,028 and net liabilities of \$164,596.

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 prepaid income from customers of \$1,865,786 which is recognised as a current liability as at 31 December 2018 (refer to consolidated statement of financial position). No cash outflows are expected to be required to settle this liability as it will unwind when the service is provided by the Group during the years ended 30 June 2019, 30 June 2020 and 30 June 2021.

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. There has been no material impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards.

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

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

The Group has adopted AASB 15 from 1 July 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

1. BASIS OF PREPARATION (Continued)

when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

Impact of adoption

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been restated.

The impact of adoption on opening accumulated losses as at 1 July 2018 was as follows:

	1 July 2018
	\$
Prepaid Income from customers (AASB15)	426,343
	\$
Impact on opening accumulated losses as at 1 July 2018	<u>426,343</u>

The impact of the new AASB 15 compared with the previous AASB 15 on the current reporting period is as follows:

	New	Previous	Difference
	\$	\$	\$
Revenue - Dating Services	2,917,245	2,620,082	297,163
Profit / (loss) before income tax expense	3,243	(293,920)	297,163
Profit / (loss) after income tax expense	3,243	(293,920)	297,163
Prepaid income from customers	1,865,786	2,589,292	(723,506)
Net liabilities	(164,596)	(888,102)	723,506

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

1. BASIS OF PREPARATION (Continued)

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered or when it is received or when the right to receive payment is established.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the services to the customer.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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
Corporate	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.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. OPERATING SEGMENT (Continued)

Half Year 31 December 2018	Dating Services	Enterprise Services	Other	Total
	\$	\$	\$	\$
Revenue				
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				2,926,783
EBITDA	680,448	(996)	(624,717)	54,735
Depreciation and amortisation				(52,541)
Interest revenue				6,050
Finance costs				(5,001)
Loss before income tax expense				3,243
Income tax expense				-
Loss after income tax expense				3,243
Asset and Liabilities				
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

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. OPERATING SEGMENT (Continued)

Half Year 31 December 2017	Dating Services	Enterprise Services	Other	Total
	\$	\$	\$	\$
Revenue				
Sales to external customers	2,354,795	4,384	-	2,359,179
Other Revenue	-	-	22,257	22,257
Total segment revenue	2,354,795	4,384	22,257	2,381,436
Interest revenue				9,490
Total Revenue				2,390,926
EBITDA	(6,329,755)	(2,722)	(707,004)	(7,039,481)
Depreciation and amortisation				(69,585)
Interest revenue				9,490
Finance costs				(3,655)
Loss before income tax expense				(7,103,231)
Income tax expense				-
Loss after income tax expense				(7,103,231)
Asset and Liabilities				
Asset	Dating Services	Enterprise Services	Other	Total
	\$	\$	\$	\$
Segment assets	225,406	37,316	1,357	264,079
Unallocated assets:				
Cash and cash equivalents				1,258,679
Total assets	225,406	37,316	1,357	1,522,758
Liabilities	Dating Services	Enterprise Services	Other	Total
	\$	\$	\$	\$
Segment Liabilities	1,034,795	33,113	23,208	1,091,116
Total Liabilities	1,034,795	33,113	23,208	1,091,116

Major customers

No single customer contributed 10% or more to the Group's external revenue during the half-years ended 31 December 2018 and 31 December 2017.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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	
	2018	2017
	\$	\$
Oceania	3,184	4,384
Asia	2,815,228	1,644,245
Europe	100,308	710,550
	<u>2,918,721</u>	<u>2,359,179</u>

No individual customer constitutes more than 10% of revenue.

3. REVENUE

	2018	2017
	\$	\$
From continuing operations		
<i>Sales revenue</i>		
Dating Services	2,917,245	2,354,795
Enterprise Services	1,476	4,384
Interest Income	6,050	9,490
	<u>2,924,771</u>	<u>2,368,669</u>
 <i>Other Income</i>	 2,011	 22,257
	<u>2,011</u>	<u>22,257</u>
 Total revenue and other income	 <u>2,926,782</u>	 <u>2,390,926</u>

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

3. REVENUE (Continued)

Disaggregation of revenue

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

	Dating Services \$	Total
Consolidated - 31 Dec 2018		
<i>Geographical regions</i>		
Australia	1,709	1,709
Hong Kong	2,171,350	2,171,350
Singapore	376,896	376,896
Thailand	266,982	266,982
United Kingdom	<u>100,308</u>	<u>100,308</u>
	<u><u>2,917,245</u></u>	<u><u>2,917,245</u></u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	871,201	871,201
Services transferred over time	<u>2,046,044</u>	<u>2,046,044</u>
	<u><u>2,917,245</u></u>	<u><u>2,917,245</u></u>

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

**NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

4. CONTRIBUTED EQUITY

	NUMBER OF SHARES		SHARE CAPITAL	
	31-Dec-18	30-Jun-18	31-Dec-18	30-Jun-18
			\$	\$
Ordinary shares - fully paid (no par value)	41,136,841	41,136,841	16,681,389	16,681,389
Total Share Capital			<u>16,681,389</u>	<u>16,681,389</u>
Movements in ordinary share capital:				
DETAILS	ORDINARY SHARES No.	Issue Price \$	31-Dec-18 \$	30-Jun-18 \$
Balance at start of period	41,136,841		16,681,389	16,177,350
Issue of Shares as conversion of class A performance rights	-	-	-	479,039
Issue of Shares for employee services	-	-	-	25,000
Balance at end of period	<u>41,136,841</u>		<u>16,681,389</u>	<u>16,681,389</u>

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 900,000 shares in escrow at 31 December 2018 (30 June 2018: 2,800,000).

Options

There were 3,445,504 shares under option as at 31 December 2018 (30 June 2018: 3,445,504).

Performance rights

On 16 November 2018, the Company granted 2,000,000 performance rights to director, Michael Ye, for no cash consideration. Performance rights vesting in three tranches subject to share price and employment continuity from FY2019 to FY2021. The performance rights were valued at nil at grant date, as the probability of the share price milestones being met was assessed as less than probable on grant date.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

5. EVENTS OCCURRING AFTER REPORTING DATE

Effective from 1 January 2019, the operation of Enterprise services (revenue of \$1,476 on H1 FY2019) will be shut down.

A new entity named Love Lounge Limited was registered on 21 January 2019 in Hong Kong for new business development in Asia.

The Share Sales Facility for holders of small parcels of shares in the Company closed on 18 January 21, 2019. The final number of shares eligible to be sold under the Facility was 607,672 ordinary shares from 183 shareholders, which represents approximately 43% of the total number of shareholders presently holding shares in the Company. 607,672 ordinary shares were cancelled on 1 February 2019.

On 22 January 2019, the Group has completed the de-registration of Datetix China Shenzhen Limited. Datetix China Limited will be kept for business operations in China.

The Group announced for on-market buy back on 1 February 2019 up to a maximum of 10% of the issued ordinary shares in the Company, being 4,037,416 shares. The Buyback is being conducted to buy shares that are trading at a value below what the Board believes is the intrinsic value of the shares. It commenced no earlier than 11 February 2019 and will end within 12 months from the date of announcement.

1,000,000 employee options exercisable at \$0.40 on or before 31 December 2020 were cancelled on 4 February 2019.

Nicholas Ong was appointed as Company Secretary effective from 11 February 2019, following the resignation of Daniel Smith.

There are no other matters or circumstances, other than those disclosed within the financial statements, which have arisen since 31 December 2018 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 2018 (30 June 2018: Nil).

7. COMMITMENTS

There are no additional capital and operating lease commitments after 30 June 2018.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the interim financial statements and notes of the Group 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 2018 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

26 February 2019

RSM Australia Partners

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

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 2018, 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 2018 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.

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RSM Australia Partners ABN 36 965 185 036

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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.

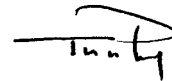
Conclusion

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 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 26 February 2019

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 (appointed on 11 February 2019)

Daniel Smith (resigned on 11 February 2019)

Websites

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Lawyers

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Australia

www.millsoakley.com.au

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1 Centro Avenue

Subiaco WA 6008

Australia

Corporate Directory (Continued)

Auditor

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Share Registry

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Nedlands, WA 6009
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