

LOVE Group Global Ltd (ASX:LVE)  
ABN: 82 009 027 178

## LOVE GROUP GLOBAL LTD

### PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

#### APPENDIX 4E - GIVEN TO THE ASX UNDER LISTING RULE 4.3A

#### 1. Details of reporting period

|                                |              |
|--------------------------------|--------------|
| Reporting Period:              | 30 June 2021 |
| Previous corresponding period: | 30 June 2020 |

#### 2. Results for Announcement to the Market

|   | Percentage<br>change Up<br>or Down | %     |    | \$'000 |
|---|------------------------------------|-------|----|--------|
| Revenue from ordinary activities                                  | Down                               | -34%  | to | 2,726  |
| Loss from continuing activities after tax attributable to members | Down                               | -180% | to | (597)  |
| Loss for the year attributable to members                         | Down                               | -180% | to | (597)  |

#### 3. Dividends and Distributions

| Dividends  | Amount per Security | Franked amount per security |
|--|---------------------|-----------------------------|
| Interim Dividend   | Nil                 | Nil                         |
| Final Dividend   | Nil                 | Nil                         |
| <b>Record date for determining entitlements to dividends</b> |                     |                             |
| - Interim Dividend   |                     | Not Applicable              |
| - Final Dividend   |                     | Not Applicable              |
| <b>Dividend payment date</b>                                 |                     |                             |
| - Interim Dividend   |                     | Not Applicable              |
| - Final Dividend   |                     | Not Applicable              |

LOVE Group Global Ltd (ASX:LVE)  
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#### 4. Net Tangible Assets per security

|   |                  |                  |
|---|------------------|------------------|
| <b>Net Tangible Assets (NTA)</b>        | <b>June 2021</b> | <b>June 2020</b> |
| <b>Net Tangible Assets per security</b> | 1.1 Cents        | 2.5 Cents        |

#### 5. Details of Entities over which control has been gained or lost during the period

Entities over which control has been lost during the period are as follows:

| <b>Name of Entity</b> | <b>Date control lost</b> | <b>Contribution to profit / (loss) from ordinary activities during the period \$'000</b> |
|-----------------------|--------------------------|--|
| Lovestruck Sdn Bhd    | 19 February 2021         | -  |

#### 6. Other information

There were no associated or joint venture entities during the reporting period.

This report is based on, and should be read in conjunction with, the attached audited Financial Report.

Any other information required pursuant to ASX Listing Rule 4.3A not contained in this Appendix 4E can be found in the Attached Annual Report.



Michael Ye  
Director  
25 August 2021

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# LOVE GROUP

## LOVE GROUP GLOBAL LTD

ABN 82 009 027 178

Annual Report  
For the year ended 30 June 2021

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## **Chief executive officer's report**

Dear shareholders,

FY21 continued to be a challenging year for Love Group as a result of the ongoing global COVID-19 pandemic that has impacted our operations in all of our operating markets. Our team endeavoured, when possible, to forward plan and optimize our operations and manage our expenses to reduce cash outflow and preserve our balance sheet liquidity.

Our revenue declined by 34% year-on-year to \$2,689k in FY21 compared to \$4,084k in FY20, while our net loss before tax was \$597k in FY21, compared to a profit of \$747k in FY20 which is a very disappointing result. Geographically, Hong Kong and Singapore remained our largest markets, accounting for 69% and 25%, respectively, of our total cash receipts in FY21.

Cash receipts from our Personal Matchmaking business decreased 1% year-on-year to \$2,828k in FY21, down from \$2,870k in FY20, primarily driven by a decrease in the number of matchmaking consultation in Hong Kong.

Cash receipts from our Dates business increased 96% year-on-year to \$157k in FY21, up from \$80k in FY20, as a result of an increase in the number of date credit packages sold.

Cash receipts from our Online Dating business decreased 67% year-on-year to \$66k in FY21, down from \$202k in FY20, primarily as a result of a decrease in the number of online dating subscriptions purchased.

Cash receipts from our Events business decreased 92% year-on-year to \$4k in FY21, down from \$50k in FY20, primarily due to a significantly lower number of events hosted as a result of the COVID-19 pandemic.

Geographically, our cash receipts in FY21 increased in Singapore and Bangkok, and declined in Hong Kong and London:

- Hong Kong: 9% decrease year-on-year in cash receipts to \$2,129k in FY21, down from \$2,337k in FY20
- Singapore: 7% increase year-on-year in cash receipts to \$771k in FY21, up from \$718k in FY20
- Bangkok: 107% increase year-on-year in cash receipts to \$139k in FY21, up from \$67k in FY20
- London: 77% decrease year-on-year in cash receipts to \$15k in FY21, down from \$65k in FY20

### **FY22 Outlook**

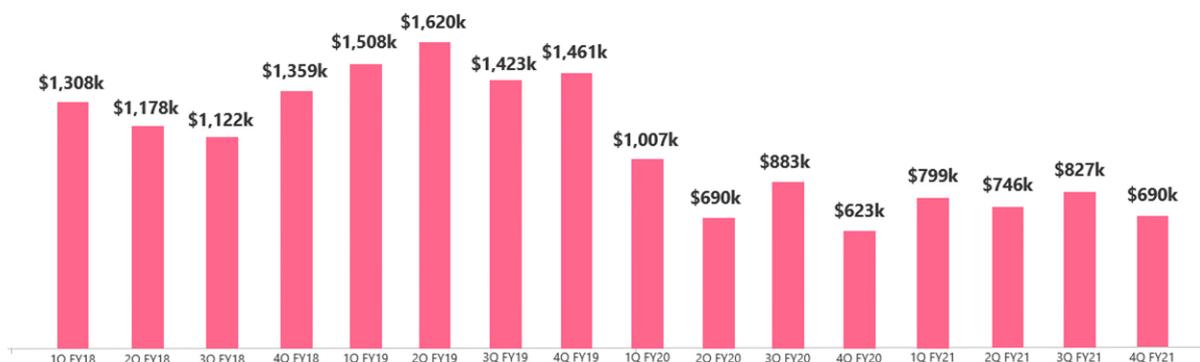
Looking ahead to fiscal year 2022, we will continue to prudently manage growth and our balance sheet in light of the ongoing COVID-19 pandemic disruptions in our operating markets. In particular, we will focus on growing our sales and market share in our largest market Hong Kong, where COVID restrictions are relatively relaxed relative to our other markets at this time.

Growth strategy for FY22:

- Continue focus on maximizing Return on Ad Spend by optimizing marketing mix across online and offline marketing channels
- Grow personal matchmaking revenue by increasing lead volume and consultation volume in both existing and new cities
- Grow online dating revenue by improving the Lovestruck app experience to convert more free users to paid users via membership subscriptions and virtual items

**Love Group Global Ltd**  
**Directors' Report – 30 June 2021**

Customer cash receipts



Net cash from operating activities



The Board, Executive Team and staff take this opportunity to thank our loyal Shareholders for their continued support. We look forward to a more predictable environment as the COVID-19 pandemic disruptions hopefully subside in our geographic locations and to enable our Team to further grow our brand presence and revenue and to return to profit.

Michael Ye  
 Director

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# Love Group Global Ltd

## Directors' Report – 30 June 2021

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The Directors of Love Group Global Ltd (the "Company") submit herewith the Financial Report of the Company and its controlled entities (the "Group") for the financial year ended 30 June 2021.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

### Directors

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

|   |   |
|---|---|
| <b>Terence Grigg</b>                    | Chairman and Non-Executive Director   |
| Experience and qualification            | <p>Terry was appointed a director and Chairman of the Company on 30 November, 2017.</p> <p>Terry has had 25 years' experience as an Executive Financial Director of Ausfine Foods International Pty Ltd (1988-2013) - Importer and Exporter of meat and dairy products worldwide.</p> <p>Terry's vast knowledge and experience in purchasing, sales and marketing, import and export logistics, accounting and financial management, foreign currency hedging and mitigation and banking facility negotiation will support the Company in achieving its market growth strategy and enhance the existing capabilities on the Board.</p>  |
| Other directorships in listed entities: | Non Executive Director of SKS Technologies Limited ASX:SKS (Formerly Enevis Limited ASX:ENE ) Appointed February 2017   |
| Former directorships in listed entities |   |
| In last 3 years:                        | Nil   |
| Interests in shares and options:        | Nil   |
| <b>Michael Ye</b>                       | Managing Director and Chief Executive Officer   |
| Experience and qualification            | <p>Michael was appointed a director of the Company on 26 November 2015 and Chief Executive Officer on 1 February 2016.</p> <p>Michael founded DateTix in 2013 and has led the company's strategic direction since its inception. Michael was previously an investment analyst at Imperial Investment Group in Hong Kong, focusing on the internet sector. Prior to that, Michael was a Senior Business Development Manager at GDC Technology Limited, where he led advised the CEO and board on potential acquisitions and investment opportunities. Michael has also worked in the investment banking divisions of Morgan Stanley, J.P. Morgan and Credit Suisse, with extensive experience advising technology and internet companies in Greater China and Asia.</p> <p>Michael holds a Bachelor of Mathematics degree in Computer Science from the University of Waterloo, and an MBA from The Wharton School at the University of Pennsylvania.</p> |
| Other directorships in listed entities: | Nil   |
| Former directorships in listed entities |   |
| In last 3 years:                        | Nil   |

**Directors (continued)**

**Michael Ye (continued)**

Interests in shares and options: 9,000,000 ordinary shares

**Tod McGrouther**

Non-Executive Director

Tod was appointed as a non-executive director on 1 February, 2018.

Experience and qualification:

Tod has over 30 years of financial services and corporate advisory service. He is a co-founder and current director at KTM Capital, a Sydney-based boutique investment bank specialising in corporate advisory and underwriting services for high-growth companies. Since KTM's inception in 1988, the Company has assisted over 60 clients in more than 150 transactions, raising over \$600 million of equity capital. Prior to founding KTM Capital, Tod was a Director of the Corporate Finance Department of Prudential Bache Securities Limited, and prior to that, he was an Associate Director at Bankers Trust Australia. Tod specialises in the provision of strategic advice in the areas of valuation, capital raising and investor relations services for ASX listed companies.

Other directorships in listed entities:

Director of Urbanise Limited and NSX Limited

Former directorships in listed entities

In last 3 years:

Director of IOT Group Limited

Interests in shares and options:

3,457,000 ordinary shares

**Company Secretary**

**Nicholas Ong**

Company Secretary

Nicholas Ong was appointed as Company Secretary of the Company on 11 February 2019.

Nicholas was a principal adviser at the Australian Securities Exchange in Perth and brings 15 years of experience in listing rules compliance and corporate governance.

# Love Group Global Ltd

## Directors' Report – 30 June 2021

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### Meetings of directors

The following table sets out the number of meetings of the Company's Directors during the year ended 30 June 2021 and the number of meetings attended by each director.

During the financial year, 12 board meetings were held in addition to the Company's Annual General Meeting held on 23 November 2020.

In view of the size of the Board, the Board has elected not to appoint separate committees.

| Director       | Board Meeting |      |
|----------------|---------------|------|
|                | Attended      | Held |
| Terence Grigg  | 12            | 12   |
| Michael Ye     | 12            | 12   |
| Tod McGrouther | 12            | 12   |

### Principal activities

The principal continuing activities of the Group during the year:

Dating Services: Provision of social and dating product and services, including the Datetix, Lovestruck and Noonswoon application, personalised matchmaking services, member events and lounge business.

### Review of operations and Financial Position

#### Consolidated Results

|                                    | Year ended<br>30 June<br>2021<br>\$ | Year ended<br>30 June<br>2020<br>\$ |
|------------------------------------|-------------------------------------|-------------------------------------|
| Revenue                            | 2,688,716                           | 4,084,490                           |
| Net (loss) / profit before tax     | (597,045)                           | 746,684                             |
| Net cash from operating activities | 97,618                              | 163,289                             |
| Net assets                         | 376,834                             | 939,634                             |

The financial result for the year ended 30 June 2021 is a net loss after tax of -\$597k (2020: +\$747k) due to the sales decreased resulted from COVID-19 outbreak.

Love Group's revenue decreased from \$4,084k in FY20 to \$2,689k in FY21, down 34% year-on-year as main markets of Hong Kong, Singapore and Bangkok have been significantly impacted as a result of the COVID-19 outbreak.

Net cash from operating activities is +\$98k (2020: +\$163k).

### **Significant changes in the state of affairs**

400,000 unlisted options exercisable at \$0.40 each have expired unexercisable on 31 December 2020.

On 18 February 2021, the Group has appointed Lewis Murawski as Chief Marketing Office. Lewis is eligible to receive up to 1,000,000 performance rights on 31 December 2021, based on the achievement of cash receipts and marketing expense targets set by the board. Each performance right converts into 1 fully paid ordinary share in the Group. The performance right will be cancelled in the event the Consultancy Agreement is cancelled prior to 31 December 2021. Lewis must advise the Group in writing by no later than 31 January 2022 to convert the performance rights into fully paid ordinary shares.

Lovestruck Sdn Bhd incorporated in Malaysia on 21 January 2019 and deregistered on 19 February 2021.

Cancellation of 666,666 Class C Performance Rights issued to Mr Michael Ye due to share price hurdle not met as of 30 June 2021.

There were no other significant changes in the state of affairs of the Group during the financial year.

### **Matters subsequent to the end of financial year**

There were no matters which have significantly affected the Group's operations, results or state of affairs, or may do so in future years.

### **Likely developments and expected results of operations**

Looking ahead to fiscal year 2022, we will continue to prudently manage growth and our balance sheet in light of the ongoing COVID-19 pandemic in our operating markets. In particular, we will focus on growing our sales and market share in our largest market Hong Kong, where COVID restrictions are relatively relaxed relative to our other markets.

Growth strategy for FY22:

- Continue focus on maximizing Return on Ad Spend by optimizing marketing mix across online and offline marketing channels
- Grow personal matchmaking revenue by increasing lead volume and consultation volume in both existing and new cities
- Grow online dating revenue by improving the Lovestruck app experience to convert more free users to paid users via membership subscriptions and virtual items
- Selectively expand into new geographic markets using capital efficient go-to market strategy and testing Return on Ad Spend in each market

### **Environmental regulation**

The Group's operations are not regulated by any significant environmental regulation under a law of the Australian Commonwealth or of any jurisdiction where it intends to operate.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

## Remuneration report (Audited)

The directors present the Love Group Global Ltd remuneration report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year. The information provided in this remuneration report has been audited as required by the *Corporations Act 2001*.

The report is structured as follows:

- Key Management Personnel (KMP) covered in this report
- Remuneration policy and link to Group performance
- Use of remuneration consultants
- Non-executive director remuneration policy
- Executive remuneration and benefits
- Details of remuneration
- Service agreements
- Details of share-based compensation
- Equity instruments held by Key Management Personnel
- Other transactions with Key Management Personnel

## Key Management Personnel disclosed in this report

|                                   |                |
|-----------------------------------|----------------|
| <b>Non-executive directors</b>    | Terence Grigg  |
|                                   | Tod McGrouther |
| <b>Executive director and CEO</b> | Michael Ye     |

## Remuneration policy and link to Group performance

The Board's policy for determining the nature and amount of remuneration of key management personnel of the Company and the Group is designed to:

- Maintain the ability to attract and retain senior executives and directors;
- Avoid paying excessive remuneration;
- Remunerate fairly having regard to market conditions and individual contribution; and
- Align the interests of employees and directors with that of the Company and the Group as much as possible.

The Company was originally listed on the Australian Securities Exchange on 5 December 2014, and suspended on 12 October 2015 following approval by shareholders to change the Company's activities by the acquisition of Datetix Limited (now known as Love Group Hong Kong Limited), a Hong Kong based on-demand dating platform business. The Company was reinstated to official quotation on ASX on 27 November 2015 following completion of the acquisition and, since reinstatement, the primary objectives of the Company have been:

- Consolidating the change of activities, including the sale of the non-core services business;
- Expanding a team of development and marketing personnel for the Datetix on-demand dating business in existing and new market areas;
- Developing, releasing and improving iOS and Android apps for the on-demand dating platform;
- Growing the suite of revenue sources associated with the platform; and
- Acquiring related businesses to generate synergies in marketing and product offerings.

## Remuneration policy and link to Group performance (continued)

Company acquired both Lovestruck Limited and Noonswoon Co., Ltd and all key intellectual property of Noonswoon Inc. during FY2017.

Details of market price movements in the Company's ordinary share price at 30 June each year are:

|                                    | 2021        | 2020        | 2019        | 2018          | 2017          |
|------------------------------------|-------------|-------------|-------------|---------------|---------------|
| Share price at year end            | \$0.097     | \$0.059     | \$0.090     | \$0.081       | \$0.25        |
| Change in share price <sup>1</sup> | +\$0.038    | -\$0.031    | +\$0.009    | -\$0.169      | -\$0.15       |
| TSR - Year on year <sup>2</sup>    | +64.4%      | -34.4%      | +11.1%      | -67.6%        | -37.5%        |
| Market capitalisation <sup>3</sup> | \$3,931,814 | \$2,391,516 | \$3,648,075 | \$3,332,084   | \$9,259,210   |
| (Loss) / Profit for the year       | (\$597,045) | \$746,685   | \$543,391   | (\$7,906,339) | (\$3,420,163) |
| KMP remuneration                   | \$292,597   | \$417,533   | \$610,703   | \$587,768     | \$608,763     |

1. The change in share price as measured by the price at the end of the year from the opening share price.
2. Total shareholder return (TSR) – measured as the percentage change in the share price over the year.
3. Market capitalisation – calculated as the total ordinary shares on issue multiplied by the closing share price.

The link between remuneration, company performance and shareholder wealth generation is tenuous during the establishment and user acquisition phase of an internet based business.

The Company operates an Employee Incentive Plan. Under the plan, shares under a limited recourse loan were provided to a KMP and options have been granted to the Key Management Personnel (KMP) and other employees. Details of share-based compensation granted to KMP are set out below.

### Voting and comments made at the Company's 2020 Annual General Meeting (AGM)

At the 2020 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

### Use of remuneration consultants

During the year the Company did not engage an independent remuneration consultant to review remuneration practices for the Key Management Personnel.

**Love Group Global Ltd**  
**Directors' Report – 30 June 2021**

**Non-executive Director remuneration policy**

Non-executive directors' fees and payments reflect the demands made on, and the responsibilities of, the non-executive directors. The fees are determined within a pool limit, which is periodically reviewed and proposed changes recommended for approval by shareholders. The pool is currently limited to \$300,000 per annum. Non-executive directors do not receive performance-based pay. There are no retirement allowances for non-executive directors. No additional fees are payable to non-executive directors.

The following base fees, exclusive of superannuation contributions required under the Australian superannuation guarantee legislation currently apply.

|  | Date                  | Per Annum |
|--|-----------------------|-----------|
| Chairman<br>- Terence Grigg                | From 30 November 2017 | \$36,000  |
| Non-executive director<br>- Tod McGrouther | From 1 February 2018  | \$30,000  |

**Executive remuneration and benefits**

Executive payments currently consist of base salary plus statutory superannuation, other benefits and in the case of the former CEO, the provision of a loan to acquire shares or the issue of options under the Employee Incentive Plan. Base pay is structured as a total employment package which may be delivered as a combination of prescribed non-financial benefits at the executives' discretion. There are no guaranteed base pay increases in any executives' contracts.

Throughout the year all remuneration for key management personnel was fixed and not linked to performance except for shares and options issued under the employee incentive plan.

**Details of remuneration**

2021

| Name                           | Short term benefit                      |             |  | Post-employment benefit |                           | Total          |
|--------------------------------|---|-------------|--|-------------------------|---------------------------|----------------|
|                                | Cash Salary<br>Consultancy & fees<br>\$ | Other<br>\$ | Equity settled<br>Share Base Payment<br>\$ | Superannuation<br>\$    | Termination Benefit<br>\$ |                |
| <b>Non-executive directors</b> |   |             |  |                         |                           |                |
| T Grigg                        | 36,000                                  | -           | -  | -                       | -                         | 36,000         |
| T McGrouther                   | 30,000                                  | -           | -  | -                       | -                         | 30,000         |
| <b>Executive directors</b>     |   |             |  |                         |                           |                |
| M Ye                           | 223,494                                 | -           | -  | 3,103                   | -                         | 226,597        |
| <b>Total</b>                   | <b>289,494</b>                          | <b>-</b>    | <b>-</b>                                   | <b>3,103</b>            | <b>-</b>                  | <b>292,597</b> |

No long service leave accrued in respect of any key management personnel.

Love Group Global Ltd  
Directors' Report – 30 June 2021

Executive remuneration and benefits (continued)

Details of remuneration (continued)

2020

| Name                                  | Short term benefit                      |              |  | Post-employment benefit |                           | Total          |
|---------------------------------------|---|--------------|--|-------------------------|---------------------------|----------------|
|                                       | Cash Salary<br>Consultancy & fees<br>\$ | Other<br>\$  | Equity settled<br>Share Base Payment<br>\$ | Superannuation<br>\$    | Termination Benefit<br>\$ |                |
| <b>Non-executive directors</b>        |   |              |  |                         |                           |                |
| T Grigg                               | 36,000                                  | -            | -  | -                       | -                         | 36,000         |
| T McGrouther                          | 30,000                                  | -            | -  | -                       | -                         | 30,000         |
| <b>Executive directors</b>            |   |              |  |                         |                           |                |
| M Ye                                  | 261,389                                 | -            | -  | 3,443                   | -                         | 264,832        |
| <b>Other key management personnel</b> |   |              |  |                         |                           |                |
| W Hui (note 1)                        | 82,253                                  | 3,013        | -  | 1,435                   | -                         | 86,701         |
| <b>Total</b>                          | <b>409,642</b>                          | <b>3,013</b> | <b>-</b>                                   | <b>4,878</b>            | <b>-</b>                  | <b>417,533</b> |

Note (1) Wendy Hui resigned as CFO on 3 December 2019.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name                                  | Fixed remuneration |      | At risk - STI |      | At risk - LTI |      |
|---------------------------------------|--------------------|------|---------------|------|---------------|------|
|                                       | 2021               | 2020 | 2021          | 2020 | 2021          | 2020 |
| <b>Non-executive directors</b>        |                    |      |               |      |               |      |
| T Grigg                               | 100%               | 100% | -             | -    | -             | -    |
| T McGrouther                          | 100%               | 100% | -             | -    | -             | -    |
| <b>Executive directors</b>            |                    |      |               |      |               |      |
| M Ye                                  | 100%               | 100% | -             | -    | -             | -    |
| <b>Other key management personnel</b> |                    |      |               |      |               |      |
| W Hui                                 | -                  | 100% | -             | -    | -             | -    |

**Love Group Global Ltd**  
**Directors' Report – 30 June 2021**

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**Service agreements**

On appointment to the Board, all non-executive directors sign a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of engagement for the Chief Executive Officer, and the Chief Financial Officer are also formalised in service agreements which include provision for participation in the Employee Incentive Plan.

| <b>Name</b>  | <b>Term of agreement</b>  | <b>Base salary including any superannuation</b>   | <b>Other benefits</b>   |
|--|---|---|---|
| <b>T Grigg<sup>1</sup></b><br><i>Chairman</i>                        | Ongoing,<br>commenced 30<br>November 2017                             | \$36,000  | Not Applicable  |
| <b>T McGrouther<sup>1</sup></b><br><i>Non-Executive<br/>Director</i> | Ongoing,<br>commenced 1 February<br>2018                              | \$30,000  | Not Applicable  |
| <b>M Ye<sup>1</sup></b><br><i>Chief Executive<br/>Officer</i>        | Ongoing,<br>commenced 1 June<br>2017<br><br>Notice period six months. | \$223,494<br>+ MPF contribution<br>+ Cash bonus<br>under STI<br>+ Performance<br>rights under LTI | Mobile phone and associated<br>costs. Participation in Group<br>health insurance plan |

<sup>1</sup> Key management personnel have no entitlement to any termination benefit. Options lapse on termination are the decision of the board.

Love Group Global Ltd  
Directors' Report – 30 June 2021

Details of Equity Settled share-based compensation

2021

| Name                           | Type               | Grant Date       | Granted |       | Exercised |       | Forfeited   |       |
|--------------------------------|--------------------|------------------|---------|-------|-----------|-------|-------------|-------|
|                                |                    |                  | Number  | Value | Number    | Value | Number      | Value |
| <b>Non-executive directors</b> |                    |                  |         |       |           |       |             |       |
| T Grigg                        | N/A                | N/A              | NIL     | NIL   | NIL       | NIL   | NIL         | NIL   |
| T McGrouther                   | N/A                | N/A              | NIL     | NIL   | NIL       | NIL   | NIL         | NIL   |
| <b>Executive directors</b>     |                    |                  |         |       |           |       |             |       |
| M Ye                           | Performance Rights | 16 November 2018 | NIL     | NIL   | NIL       | NIL   | (666,666) ① | NIL   |

- 1) 2,000,000 performance rights with three tranches were granted on 16 November 2018 for no cash consideration upon approval at the Annual General Meeting. The fair value of the performance rights on grant date was valued at \$NIL due to the probability of meeting the vesting condition is less than probable. 666,666 Class C Performance Rights under tranche 3 were lapsed on 30 June 2021 due to share price condition was not met. Refer to Equity instruments held by Key Management Personnel for details on vesting conditions.

2020

| Name                                  | Type               | Grant Date       | Granted |       | Exercised |       | Forfeited   |              |
|---------------------------------------|--------------------|------------------|---------|-------|-----------|-------|-------------|--------------|
|                                       |                    |                  | Number  | Value | Number    | Value | Number      | Value        |
| <b>Non-executive directors</b>        |                    |                  |         |       |           |       |             |              |
| T Grigg                               | N/A                | N/A              | NIL     | NIL   | NIL       | NIL   | NIL         | NIL          |
| T McGrouther                          | N/A                | N/A              | NIL     | NIL   | NIL       | NIL   | NIL         | NIL          |
| <b>Executive directors</b>            |                    |                  |         |       |           |       |             |              |
| M Ye                                  | Performance Rights | 16 November 2018 | NIL     | NIL   | NIL       | NIL   | (666,667) ① | NIL          |
| <b>Other key management personnel</b> |                    |                  |         |       |           |       |             |              |
| W Hui                                 | Performance Rights | 30 June 2017     | NIL     | NIL   | NIL       | NIL   | (200,000) ② | (\$13,766) ② |

- 1) 2,000,000 performance rights with three tranches were granted on 16 November 2018 for no cash consideration upon approval at the Annual General Meeting. The fair value of the performance rights on grant date was valued at \$NIL. 666,667 Class B Performance Rights under tranche 2 were lapsed on 30 June 2020 due to share price condition was not met. Refer to Equity instruments held by Key Management Personnel for details on vesting conditions.
- 2) On 30 June 2019, \$13,766 share-based payment expense was pertaining to the remaining 200,000 performance rights. Cancelled upon Chief Financial Officer Wendy Hui resignation on 3 December 2019.

### Terms and conditions of share-based compensation

|  | Grant date            | Vesting date       | Expiry date  | Exercise price | Value per security at grant date | Hurdle to be achieved   | % vested |
|--|-----------------------|--------------------|--------------|----------------|----------------------------------|---|----------|
| <b>Performance rights granted during the year ended 30 June 2019</b> |                       |                    |              |                |                                  |   |          |
| 1  | 23 November 2018      |                    |              |                |                                  |   |          |
|  | Escrowed 30 June 2020 | 30 June 2019 - 34% | 30 June 2019 | \$0.00         | \$0.00                           | \$0.40 share price over any 20-day WAPP on or before 30 June 2019, escrowed until 30 June 2020, and remaining employed at end of FY19 | -        |
|  | Escrowed 30 June 2021 | 30 June 2020 - 33% | 30 June 2020 | \$0.00         |                                  | \$0.60 share price over any 20-day WAPP on or before 30 June 2020, escrowed until 30 June 2021, and remaining employed at end of FY20 | -        |
|  | Escrowed 30 June 2022 | 30 June 2021 - 33% | 30 June 2021 | \$0.00         |                                  | \$0.80 share price over any 20-day WAPP on or before 30 June 2021, escrowed until 30 June 2022, and remaining employed at end of FY21 | -        |

### Equity instruments held by Key Management Personnel

The number of shares, performance rights and options in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, including their associates, are set out below.

| 2021             |                      | Balance at start of the year | Granted as compensation | Received during the year on exercise of options | Other changes during the year | Note | Balance at end of the year |
|------------------|----------------------|------------------------------|-------------------------|---|-------------------------------|------|----------------------------|
| <b>Directors</b> |                      |                              |                         |   |                               |      |                            |
| T.Grigg          | Shares               | -                            | -                       | -   | -                             | -    | -                          |
|                  | Options              | -                            | -                       | -   | -                             | -    | -                          |
| T McGrouther     | Shares               | 3,457,000                    | -                       | -   | -                             | -    | 3,457,000                  |
|                  | Options              | -                            | -                       | -   | -                             | -    | -                          |
| M Ye             | Shares               | 9,000,000                    | -                       | -   | -                             | -    | 9,000,000                  |
|                  | B Performance rights | -                            | -                       | -   | -                             | -    | -                          |
|                  | C Performance rights | 666,667                      | -                       | -   | (666,667)                     | (1)  | -                          |
|                  | C Performance rights | -                            | -                       | -   | -                             | -    | -                          |
|                  | Options              | 400,000                      | -                       | -   | (400,000)                     | (2)  | -                          |

- 2,000,000 performance rights with three tranches were granted on 16 November 2018 upon approval at the Annual General Meeting. 666,667 Class C Performance Rights under tranche 3 were lapsed on 30 June 2021 due to share price condition was not met. The vesting conditions for Class C performance rights: 666,667 shares vesting upon achievement of \$0.80 share price over any 20-day WAPP on or before 30 June 2021, escrowed until 30 June 2022, and remaining employed at end of FY21.
- Cancellation of 400,000 unlisted options exercisable at \$0.40. Options have expired unexercised on 31 December 2020.

Love Group Global Ltd  
Directors' Report – 30 June 2021

Equity instruments held by Key Management Personnel (continued)

| 2020   |                      | Balance at start of the year | Granted as compensation | Received during the year on exercise of options | Other changes during the year | Note | Balance at end of the year |
|--|----------------------|------------------------------|-------------------------|---|-------------------------------|------|----------------------------|
| <b>Directors</b>                                   |                      |                              |                         |   |                               |      |                            |
| T.Grigg  | Shares               | -                            | -                       | -   | -                             |      | -                          |
|  | Options              | -                            | -                       | -   | -                             |      | -                          |
| T McGrouther                                       | Shares               | 3,457,000                    | -                       | -   | -                             |      | 3,457,000                  |
|  | Options              | -                            | -                       | -   | -                             |      | -                          |
| M Ye   | Shares               | 8,000,000                    | -                       | -   | 1,000,000                     | (1)  | 9,000,000                  |
|  | B Performance rights | 666,667                      | -                       | -   | (666,667)                     | (2)  | -                          |
|  | C Performance rights | 666,667                      | -                       | -   | -                             |      | 666,667                    |
|  | C Performance rights | 2,560,000                    | -                       | -   | (2,560,000)                   | (1)  | -                          |
|  | Options              | 400,000                      | -                       | -   | -                             |      | 400,000                    |
| <b>Other Key Management Personnel of the Group</b> |                      |                              |                         |   |                               |      |                            |
| W Hui  | Shares               | 300,000                      | -                       | -   | -                             |      | 300,000                    |
|  | Performance rights   | 200,000                      | -                       | -   | (200,000)                     | (3)  | -                          |

(1) 1,000,000 shares were purchased from open market. 2,560,000 C Performance rights were lapsed on 3 December 2019.

(2) 2,000,000 performance rights with three tranches were granted on 16 November 2018 upon approval at the Annual General Meeting. 666,667 Class B Performance Rights under tranche 2 were lapsed on 30 June 2020 due to share price condition was not met. The vesting conditions are as follows:

- i. Class B performance rights: 666,667 shares vesting upon achievement of \$0.60 share price over any 20-day WAPP on or before 30 June 2020, escrowed until 30 June 2021, and remaining employed at end of FY20.
- ii. Class C performance rights: 666,660 shares vesting upon achievement of \$0.80 share price over any 20-day WAPP on or before 30 June 2021, escrowed until 30 June 2022, and remaining employed at end of FY21.

(3) 200,000 Performance rights have been cancelled.

**Other transactions with Key Management Personnel**

**(a) Transactions with Key Management Personnel and their related parties**

No transactions with Key Management Personnel and their related parties during the year ended 30 June 2021 (2020: Nil).

**(b) Outstanding balances arising from sales/purchases of goods and services, transactions**

No outstanding balances with related parties during the year ended 30 June 2021 (2020: Nil).

**(c) Loans to Key Management Personnel and their related parties**

No outstanding loans to Key Management Personnel and their related parties during the year ended 30 June 2021 (2020: Nil).

No other transactions occurred between Key Management Personnel and their related entities with the Group during the year (2020: Nil), not disclosed above or in note 20.

END OF AUDITED REMUNERATION REPORT

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## Love Group Global Ltd Directors' Report – 30 June 2021

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### Shares under option

#### 2021

There are no unissued ordinary shares of the Company under option at the date of this report.

#### 2020

Ordinary shares of the Company under option at the date of the 30 June 2020 report are as follows:

| Date options granted | Expiry date | Escrowed until | Issue price of shares | Number under option |
|----------------------|-------------|----------------|-----------------------|---------------------|
| 23 Nov 2015          | 31 Dec 2020 | 27 Nov 2020    | \$0.40                | 400,000             |
| 23 Nov 2015          | 31 Dec 2020 | 27 Nov 2020    | \$0.40                | 200,000             |
| 23 Nov 2015          | 31 Dec 2020 | n/a            | \$0.40                | 100,000             |

The option granted will give the option holder the right to acquire ordinary shares in capital of the Company upon exercise (option). Option holders also have the right to participate in future share issues.

### Shares issued on the exercise of options

The Company did not issue any shares during the year ended 30 June 2021 and up to date of this report on the exercise of options granted.

### Insurance of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring directors, secretaries and executive officers of the Company and its controlled entities against any liability incurred as director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of its controlled entity against a liability incurred as such an officer or auditor.

### Proceedings on behalf of the Company

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

### **Non-audit services**

The Directors are satisfied that the provision of non-audit services during the period by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Board assesses the provision of non-audit services by the auditors to ensure that the auditor independence requirements of the Corporations Act 2001 in relation to the audit are met.

Details of amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in note 18 to the financial statements.

The directors are of the opinion that the services as disclosed in note 18 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

### **Officers of the company who are former partners of RSM Australia Partners**

There are no officers of the company who are former partners of RSM Australia Partners.

### **Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, RSM Australia Partners, to provide the directors of Love Group Global Ltd with an Independence Declaration in relation to the audit of the attached Financial Statements. This Independence Declaration is included in this Financial Report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



**Michael Ye**  
Director  
25 August 2021

**Corporate Governance**

The Company's Corporate Governance Statement, prepared in accordance with the third edition of Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, can be found at:  
<http://www.lovegroup.co/investors.htm>

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**RSM Australia Partners**

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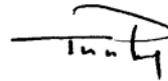
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Love Group Global Ltd for the year ended 30 June 2021, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 25 August 2021

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

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

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# Love Group Global Ltd

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

For the year ended 30 June 2021

|   | Note | 30 Jun 2021<br>\$ | 30 Jun 2020<br>\$ |
|---|------|-------------------|-------------------|
| Dating Services   |      | 2,688,485         | 4,083,478         |
| Interest Income   |      | 231               | 1,012             |
|   | 5    | <u>2,688,716</u>  | <u>4,084,490</u>  |
| Other Income  | 5    | 37,527            | 60,374            |
| <b>Expenses</b>   |      |                   |                   |
| Auditing and accounting fees  |      | 70,619            | 61,623            |
| Bad Debts   |      | 11,524            | 697               |
| Consulting fees   |      | 32,914            | 56,192            |
| Depreciation and amortisation   | 6    | 343,552           | 482,909           |
| Employee benefits expense - SG&A  |      | 961,865           | 1,080,516         |
| Employee benefits expense - R&D   |      | 170,596           | 287,789           |
| Event expenses  |      | 1,256             | 4,363             |
| Finance costs   |      | 29,474            | 30,946            |
| Insurance   |      | 33,525            | 35,176            |
| Loss on disposal of fixed assets  |      | (47)              | 1,588             |
| Marketing expenses  |      | 1,397,569         | 849,103           |
| Matchmaking expenses  |      | 1,001             | 54,125            |
| Other expenses  |      | 143,657           | 160,836           |
| Payment process fees  |      | 103,743           | 215,196           |
| Recruitment expenses  |      | 7,109             | 4,928             |
| Research and development  |      | 24,097            | 58,185            |
| Share-based payment expense   |      | -                 | (13,766)          |
| Travel expenses   |      | 109               | 13,598            |
| Foreign exchange gains and losses   |      | (9,275)           | 14,176            |
|   |      | <u>3,323,288</u>  | <u>3,398,180</u>  |
| <b>(Loss) / Profit before income tax</b>  |      | <u>(597,045)</u>  | <u>746,684</u>    |
| Income tax  | 8    | -                 | -                 |
| <b>(Loss) / Profit for the year</b>   |      | <u>(597,045)</u>  | <u>746,684</u>    |
| <b>Other comprehensive income for the year</b>  |      |                   |                   |
| Exchange difference on conversion of foreign operation  |      | 34,245            | (81,624)          |
| <b>Total comprehensive (loss) / income for the year</b>   |      | <u>(562,800)</u>  | <u>665,060</u>    |
| <b>Earnings per share for profit for continuing operations attributable to the ordinary equity holders of the Company</b> |      | <b>Cents</b>      | <b>Cents</b>      |
| Basic (losses) / earnings per share   |      | (1.5)             | 1.8               |
| Diluted (losses) / earnings per share   |      | (1.5)             | 1.8               |
| <b>Earnings per share for profit attributable to the ordinary equity holders of the Company</b>                           |      | <b>Cents</b>      | <b>Cents</b>      |
| Basic (losses) / earnings per share   |      | (1.5)             | 1.8               |
| Diluted (losses) / earnings per share   |      | (1.5)             | 1.8               |

The above statement should be read in conjunction with the accompanying notes.

# Love Group Global Ltd

## Consolidated Statement of Financial Position

As at 30 June 2021

|                                      | Note | 30 Jun 2021<br>\$ | 30 Jun 2020<br>\$ |
|--------------------------------------|------|-------------------|-------------------|
| <b>ASSETS</b>                        |      |                   |                   |
| <b>Current assets</b>                |      |                   |                   |
| Cash and cash equivalents            | 9    | 1,384,036         | 1,512,111         |
| Trade and other receivables          | 10   | 2,028             | 15,049            |
| Other assets                         | 11   | 88,870            | 111,682           |
| <b>Total Current Assets</b>          |      | <b>1,474,934</b>  | <b>1,638,842</b>  |
| <b>Non-current assets</b>            |      |                   |                   |
| Plant and equipment                  | 12   | 8,772             | 98,657            |
| Right-of-use asset                   | 12   | 181,836           | 580,736           |
| <b>Total Non-Current Assets</b>      |      | <b>190,608</b>    | <b>679,393</b>    |
| <b>Total Assets</b>                  |      | <b>1,665,542</b>  | <b>2,318,235</b>  |
| <b>LIABILITIES</b>                   |      |                   |                   |
| <b>Current liabilities</b>           |      |                   |                   |
| Trade and other payable              | 13   | 246,553           | 284,833           |
| Contract liabilities                 | 14   | 791,882           | 458,581           |
| Lease liabilities                    |      | 229,564           | 300,992           |
| <b>Total Current Liabilities</b>     |      | <b>1,267,999</b>  | <b>1,044,406</b>  |
| <b>Non-current liabilities</b>       |      |                   |                   |
| Lease liabilities                    |      | 20,709            | 334,195           |
| <b>Total Non-current Liabilities</b> |      | <b>20,709</b>     | <b>334,195</b>    |
| <b>Total Liabilities</b>             |      | <b>1,288,708</b>  | <b>1,378,601</b>  |
| <b>Net Assets</b>                    |      | <b>376,834</b>    | <b>939,634</b>    |
| <b>EQUITY</b>                        |      |                   |                   |
| Contributed equity                   | 15   | 16,500,232        | 16,500,232        |
| Reserves                             | 16   | 823,130           | 788,885           |
| Accumulated loss                     |      | (16,946,528)      | (16,349,483)      |
| <b>Total Equity</b>                  |      | <b>376,834</b>    | <b>939,634</b>    |

The above statement should be read in conjunction with the accompanying notes.

# Love Group Global Ltd

## Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

|  | Contributed<br>equity<br>\$ | Share based<br>payments<br>reserve<br>\$ | Accumulated<br>losses<br>\$ | Foreign<br>currency<br>translation<br>reserve<br>\$ | Total equity<br>\$ |
|--|-----------------------------|--|-----------------------------|---|--------------------|
| <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                            | -                           | -  | 746,684                     | -   | 746,684            |
| Other comprehensive loss                       | -                           | -  | -                           | (81,624)  | (81,624)           |
| Performance rights cancelled                   | -                           | (13,766)                                 | -                           | -   | (13,766)           |
| <b>Total comprehensive income for the year</b> | <b>-</b>                    | <b>(13,766)</b>                          | <b>746,684</b>              | <b>(81,624)</b>                                     | <b>651,294</b>     |
| <b>Balance at 30 June 2020</b>                 | <b>16,500,232</b>           | <b>1,162,834</b>                         | <b>(16,349,483)</b>         | <b>(373,949)</b>                                    | <b>939,634</b>     |
| <b>Balance at 1 July 2020</b>                  | <b>16,500,232</b>           | <b>1,162,834</b>                         | <b>(16,349,483)</b>         | <b>(373,949)</b>                                    | <b>939,634</b>     |
| Loss for the year                              | -                           | -  | (597,045)                   | -   | (597,045)          |
| Other comprehensive income                     | -                           | -  | -                           | 34,245  | 34,245             |
| <b>Total comprehensive income for the year</b> | <b>-</b>                    | <b>-</b>                                 | <b>(597,045)</b>            | <b>34,245</b>                                       | <b>(562,800)</b>   |
| <b>Balance at 30 June 2021</b>                 | <b>16,500,232</b>           | <b>1,162,834</b>                         | <b>(16,946,528)</b>         | <b>(339,704)</b>                                    | <b>376,834</b>     |

*The above statement should be read in conjunction with the accompanying notes.*

# Love Group Global Ltd

## Consolidated Statement of Cash Flows

For the year ended 30 June 2021

|   | Note | 30 Jun 2021<br>\$ | 30 Jun 2020<br>\$ |
|---|------|-------------------|-------------------|
| <b>Cash flows from operating activities</b>                           |      |                   |                   |
| Receipts from customers   |      | 3,061,726         | 3,203,178         |
| Payments to suppliers and employees                                   |      | (2,972,160)       | (3,046,815)       |
| Interest paid   |      | (29,474)          | (30,946)          |
| Other revenue   |      | 37,295            | 36,777            |
| Interest received   |      | 231               | 1,095             |
| Net cash from operating activities                                    | 25   | <u>97,618</u>     | <u>163,289</u>    |
| <b>Cash flows from investing activities</b>                           |      |                   |                   |
| Payments for plant and equipment                                      |      | (652)             | (2,297)           |
| Proceeds from disposal of plant and equipment                         |      | 1,010             | -                 |
| Net cash from / (used in) investing activities                        |      | <u>358</u>        | <u>(2,297)</u>    |
| <b>Cash flows from financing activities</b>                           |      |                   |                   |
| Payment of lease liabilities  |      | (192,362)         | (308,428)         |
| Net cash (used in) financing activities                               |      | <u>(192,362)</u>  | <u>(308,428)</u>  |
| <b>Net decrease in cash held</b>                                      |      |                   |                   |
|   |      | (94,386)          | (147,436)         |
| Cash and cash equivalents at the beginning of the year                |      | 1,512,111         | 1,658,004         |
| Effects of exchange changes on the balances held in foreign countries |      | (33,689)          | 1,543             |
| Cash and cash equivalents at the end of the year                      | 9    | <u>1,384,036</u>  | <u>1,512,111</u>  |

*The above statement should be read in conjunction with the accompanying notes.*

**Love Group Global Ltd**  
**Notes to the Financial Statements**  
**30 June 2021**

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**Note 1: Summary of significant accounting policies**

Love Group Global Ltd is a listed public company domiciled in Australia. The address of the Company's registered office is Level 8, 99 St Georges Terrace, Perth WA 6000. The financial statements are for the year ended 30 June 2021.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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**Note 1: Summary of significant accounting policies (continued)**

**a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for the purpose of preparing the financial statements. These general purpose financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

The financial statements were authorised for issue on 25 August 2021 by the Board of Love Group Global Ltd.

**i) Compliance with IFRS**

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements of the Group comply with International Financial Reporting Standards (IFRS).

**ii) Historical cost convention**

These financial statements have been prepared under the historical cost convention.

**iii) 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 incurred a loss of \$597,045 and had net cash used in investing activities of \$192,363 for the year ended 30 June 2021.

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 group is forecasting that it will achieve an operating profit during the current year;
- Cash as at 30 June 2021 is \$1,384,036; and
- The contract liabilities of \$791,882 recognised as a current liability as at 30 June 2021 (refer to Note 14) which no cash outflows are expected to be required to settle this liability, other than the cash outflows that will be incurred as a result of providing the services to fulfil the contract liabilities. The contract liabilities will unwind when the service is provided by the Group during the years ended 30 June 2022 and 30 June 2023.

**b) Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 21.

**Note 1: Summary of significant accounting policies (continued)**

**c) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Love Group Global Ltd ('the Company' or 'the Parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Love Group Global Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**d) Operating segments**

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Further information is contained in Note 4.

## Note 1: Summary of significant accounting policies (continued)

### e) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

### f) Revenue recognition

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity 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 good or 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 goods or 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.

Revenue is recognised for the major business activities as follows:

#### (i) Dating Services

It comprises of online, subscription fee, events and matchmaking services.

- Matchmaking Income - Online:  
Revenue derived from the provision of workforce mobilisation services and dating

**Note 1: Summary of significant accounting policies (continued)**

**f) Revenue recognition (continued)**

services via the internet is recognised when the Group has delivered services to the purchaser and there is no unfulfilled obligation that could affect the purchasers' acceptance of service. This applied to Datetix and Noonswoon Apps. For Lovestruck apps, as service packages offered ranged from one month to twelve months, revenue will be recognised over the service period.

- **Event Income:**  
This relates to events held. Income is mainly derived through the sales of tickets. Revenue is recognised at a point in time upon delivery of the service to the customer.
- **Matchmaking Income - Consultation:**  
This relates to revenue derived from Premium matchmaking services targeting singles seeking serious relationships and marriage. Service packages offered range from one month to twenty-four months. Revenue will be recognised over the service period and upon satisfaction of performance obligation.
- **Dates Income:**  
This relates to revenue derived from restaurant commission and lounge business income. Revenue is recognised at a point in time upon delivery of the service to the customer.

**g) Income Tax**

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable, profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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## **Note 1: Summary of significant accounting policies (continued)**

### **h) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

### **i) Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **j) Cash and cash equivalents**

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities on the Statement of Financial Position.

**Note 1: Summary of significant accounting policies (continued)**

**k) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for unexpected credit losses. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**l) Plant and equipment**

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which it is incurred.

Depreciation is calculated using the straight line method to allocate the cost or revalued amounts, net of their residual values, over the estimated useful lives as follows:

- Office leasehold, furniture and equipment; 1-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

**m) Goodwill**

Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash generating unit (group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised.

## Note 1: Summary of significant accounting policies (continued)

### m) Goodwill (continued)

When goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

### n) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

## Note 1: Summary of significant accounting policies (continued)

### o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 – 60 days of recognition. Amounts received in respect of subscriptions for software products or services are also included in trade and other payables until the product or service is delivered.

### p) Contract liabilities

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

### q) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method. Fees paid for establishing loan facilities are recognised as transaction costs if it is probable that some or all of the facility will be drawn down, and deferred until the draw down occurs. If it is not probable that the facility will be drawn down, fees are capitalised as prepayments for liquidity services and amortised over the period to which the facility relates.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract has been discharged, cancelled or expires. The difference between the carrying amount of the borrowing derecognised and the consideration paid is recognised in profit or loss as other income or finance costs.

Where the terms of a borrowing are renegotiated and the Group issues equity instruments to a creditor to extinguish all or part of a borrowing, the equity instruments issued as part of the debt for equity swap are measured at the fair value of the equity instruments issued, unless the fair value cannot be measured reliably, in which case, they are measured at the fair value of the debt extinguished. The difference between the carrying amount of the debt extinguished and the fair value of the equity instruments issued is recognised as a gain or loss in profit or loss.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### r) Employee benefits

#### (i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Note 1: Summary of significant accounting policies (continued)**

**r) Employee benefits (continued)**

**(ii) Other long-term employee benefits**

The liability for annual leave and long service leave not expected to be settled wholly within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(iii) Share-based payments**

The Company established an Employee Share Ownership Plan, and issued share options and performance rights to employees under the Plan. The share options and performance rights constitute equity based payments in accordance with AASB 2 Share-Based Payments, and the options and performance rights have been valued in accordance with the requirements of AASB 2. The options have been valued by independent consultants who used appropriate pricing models to determine the value of the options. Performance rights are measured at fair value on grant date.

**s) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**t) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at reporting date.

**u) Earnings per share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**Note 1: Summary of significant accounting policies (continued)**

**v) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. Where the GST is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

**w) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

**x) Discontinued operations**

A discontinued operations is the components of consolidated entity that has been disposed of or is classified as held for sales that represents a separate major line of business or geographic area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is subsidiary acquired exclusively with a view of resale. The result of discontinued operation are presented separately on the face of a statement of profit or loss and other comprehensive income.

**y) New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

*Conceptual Framework for Financial Reporting (Conceptual Framework)*

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

## Note 2: Financial risk management

### a) General Objectives, Policies and Processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

Financial Assets:

- Cash and cash equivalents
- Trade and other receivables

Financial Liabilities:

- Trade and other payables

The carrying amounts of the Group's financial assets and liabilities at the reporting date are:

|                              | Year ended<br>30 June<br>2021<br>\$ | Year ended<br>30 June<br>2020<br>\$ |
|------------------------------|-------------------------------------|-------------------------------------|
| <b>Financial Assets</b>      |                                     |                                     |
| Cash and cash equivalents    | 1,384,036                           | 1,512,111                           |
| Trade and other receivables  | 2,028                               | 15,049                              |
| Total Financial Assets       | <u>1,386,064</u>                    | <u>1,527,160</u>                    |
| <b>Financial Liabilities</b> |                                     |                                     |
| Trade and other payables     | 246,553                             | 284,833                             |
| Total Financial Liabilities  | <u>246,553</u>                      | <u>284,833</u>                      |

The Board has overall responsibility for the determination of the Group's risk management objectives and policies.

The Group's activities expose it to a variety of financial risks: market risk (interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure different types of risk to which it is exposed.

**Note 2: Financial risk management (Continued)**

**a) General Objectives, Policies and Processes (continued)**

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

**(b) Interest rate risk**

The Group's exposure to interest rates related primarily to the Group's cash deposits.

|                           | Year ended<br>30 June<br>2021<br>\$ | Year ended<br>30 June<br>2020<br>\$ |
|---------------------------|-------------------------------------|-------------------------------------|
| Cash and cash equivalents | 1,384,036                           | 1,512,111                           |

The Group regularly analyses its interest rate opportunity and exposure. Within this analysis consideration is given to existing positions and alternative arrangements for its deposits.

The following sensitivity analysis is based on the interest rate risk relating to cash deposits at reporting date.

At 30 June 2021, if interest rates had increased or decreased by 50 basis points from the year end rates, as illustrated in the table below, with all other variables held constant, post-tax loss for the year would have been affected as follows:

|   | Year ended<br>30 June<br>2021<br>\$ | Year ended<br>30 June<br>2020<br>\$ |
|---|-------------------------------------|-------------------------------------|
| Judgement of reasonable possible movement |                                     |                                     |
| +0.5% (50 basis points)                   | 6,920                               | 7,561                               |
| -0.5% (50 basis points)                   | -6,920                              | -7,561                              |

The movement in losses are due to higher/lower interest received. As the Group does not have any derivative instruments the movements in equity are those of profit only. A movement of + and - 0.5% is selected because this historically is within a range of rate movements.

**(c) Foreign currency risk**

The group operates internationally and is exposed to foreign currency risk from various currency exposures, primarily with respect to the HK dollars, Sterling pound, Singapore dollars, Thai Bhat and Chinese Renminbi.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were not significant.

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**Note 2: Financial risk management (continued)**

**(d) Credit risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. The maximum exposure to credit risk at reporting date is the balances recognised in cash and trade and other receivables. Cash is deposited with major banks in Australia, London, China, Hong Kong and Singapore. Trade and other receivables are closely monitored and in most cases services are invoiced in advance or progressively, which limits the chance of financial loss.

The consolidated entity has a credit risk exposure, which as at 30 June 2021. Customers owed the consolidated entity \$2,028 (2020: \$15,049). This balance was within its terms of trade and no impairment was made as at 30 June 2021. There are no guarantees against this receivable but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

**(e) Fair value**

The carrying value of cash and cash equivalents, receivables and payables represent reasonable approximations of their fair values due to their short-term nature.

**(f) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through access to debt or equity funding sources. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group has Total Liabilities of \$1,288,708 (2020: \$1,378,601) of which \$791,882 (2020: \$458,581) is recorded as payment received for services not yet delivered and lease liabilities \$229,564 (current liability) and \$20,709 (non-current liability) (2020: \$334,195). The Group has trade and other receivables of \$2,028 (2020: \$15,049), trade and other payables of \$246,553 (2020: \$284,833), and total assets of \$1,665,542 (2020: \$2,318,235) of which \$1,384,036 (2020: \$1,512,111) consists of cash or cash equivalents providing the Board with comfort that the Group is solvent and can meet its payment obligations in full as they fall due.

## Note 2: Financial risk management (continued)

### (f) Liquidity risk (continued)

#### Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| 2021                     | \$             |                  |
|--------------------------|----------------|------------------|
|                          | 0-6 Months     | Carrying Amounts |
| Trade and other payables | 246,553        | 246,553          |
|                          | <u>246,553</u> | <u>246,553</u>   |

| 2020                     | \$             |                  |
|--------------------------|----------------|------------------|
|                          | 0-6 Months     | Carrying Amounts |
| Trade and other payables | 284,833        | 284,333          |
|                          | <u>284,833</u> | <u>284,333</u>   |

## Note 3: Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. In the opinion of the Directors, there are no estimates and assumptions in the financial report that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## Note 4: Operating segments

### a) Identification of reportable operating segments

The consolidated entity is organised into three operating segments based on differences in products and services provided: Dating services and Corporate.

The operating segments are based on the units identified in the operating reports reviewed by the Board and executive management who are identified as the Chief Operating Decision Makers (CODM) and that are used to make strategic decisions and in assessing performance. The Board considers the Group from both a business unit and geographic perspective and has identified three reportable segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported is on a monthly basis.

#### *Type of products and services*

The principal products and services of each of these operating segments are as follows:

|                 |   |
|-----------------|---|
| Dating Services | the online, events and matchmaking services in Hong Kong, London, Singapore and Thailand.   |
| Corporate       | indirect expenses which include auditing and accounting fees, employee benefits expenses for General and Administrative and Research and Development staff and office rent. |

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Note 4: Operating segments (continued)

b) Operating segment information

| Consolidated - 2021                     | Dating Services<br>\$         | Other<br>\$         | Total<br>\$         |
|---|-------------------------------|---------------------|---------------------|
| <b>Revenue</b>                          |                               |                     |                     |
| Sales to external customers             | 2,688,485                     | -                   | 2,688,485           |
| Other Revenue                           | -                             | 37,527              | 37,527              |
| Total segment revenue                   | 2,688,485                     | 37,527              | 2,726,012           |
| Interest revenue                        |                               |                     | 231                 |
| Total Revenue                           |                               |                     | 2,726,243           |
| <b>EBITDA</b>                           | 538,911                       | (792,635)           | (253,724)           |
| Depreciation and amortisation           |                               |                     | (343,552)           |
| Interest revenue                        |                               |                     | 231                 |
| <b>Profit before income tax expense</b> |                               |                     | (597,045)           |
| Income tax expense                      |                               |                     | -                   |
| <b>Profit after income tax expense</b>  |                               |                     | (597,045)           |
| <b>Asset and Liabilities</b>            |                               |                     |                     |
| <b>Asset</b>                            | <b>Dating Services<br/>\$</b> | <b>Other<br/>\$</b> | <b>Total<br/>\$</b> |
| Segment assets                          | 90,898                        | -                   | 90,898              |
| <i>Unallocated assets:</i>              |                               |                     |                     |
| Cash and cash equivalents               |                               |                     | 1,384,036           |
| Plant and equipment                     |                               |                     | 190,608             |
| Total assets                            | 90,898                        | -                   | 1,665,542           |
| <b>Liabilities</b>                      | <b>Dating Services<br/>\$</b> | <b>Other<br/>\$</b> | <b>Total<br/>\$</b> |
| Segment Liabilities                     | 1,273,881                     | 14,827              | 1,288,708           |
| Total Liabilities                       | 1,273,881                     | 14,827              | 1,288,708           |
| <b>Consolidated - 2020</b>              |                               |                     |                     |
|   | <b>Dating Services<br/>\$</b> | <b>Other<br/>\$</b> | <b>Total<br/>\$</b> |
| <b>Revenue</b>                          |                               |                     |                     |
| Sales to external customers             | 4,083,478                     | -                   | 4,083,478           |
| Other Revenue                           | -                             | 60,374              | 60,374              |
| Total segment revenue                   | 4,083,478                     | 60,378              | 4,143,852           |
| Interest revenue                        |                               |                     | 1,012               |
| Total Revenue                           |                               |                     | 4,144,864           |
| <b>EBITDA</b>                           | 2,274,287                     | (1,045,706)         | 1,228,581           |
| Depreciation and amortisation           |                               |                     | (482,909)           |
| Interest revenue                        |                               |                     | 1,012               |
| <b>Profit before income tax expense</b> |                               |                     | 746,684             |
| Income tax expense                      |                               |                     | -                   |
| <b>Profit after income tax expense</b>  |                               |                     | 746,684             |
| <b>Asset and Liabilities</b>            |                               |                     |                     |
| <b>Asset</b>                            | <b>Dating Services<br/>\$</b> | <b>Other<br/>\$</b> | <b>Total<br/>\$</b> |
| Segment assets                          | 126,731                       | -                   | 126,731             |
| <i>Unallocated assets:</i>              |                               |                     |                     |
| Cash and cash equivalents               |                               |                     | 1,512,111           |
| Plant and equipment                     |                               |                     | 679,393             |
| Total assets                            | 126,731                       | -                   | 2,318,235           |
| <b>Liabilities</b>                      | <b>Dating Services<br/>\$</b> | <b>Other<br/>\$</b> | <b>Total<br/>\$</b> |
| Segment Liabilities                     | 1,311,470                     | 67,131              | 1,378,601           |
| Total Liabilities                       | 1,311,470                     | 67,131              | 1,378,601           |

**Note 4: Operating segments (continued)**

**Geographical information**

|         | Sales to external customers |                  |
|---------|-----------------------------|------------------|
|         | 2021                        | 2020             |
|         | \$                          | \$               |
| Oceania | -                           | 194              |
| Asia    | 2,633,297                   | 3,880,823        |
| Europe  | 55,188                      | 202,461          |
|         | <u>2,688,485</u>            | <u>4,083,478</u> |

No individual customer constitute more than 10% of revenue.

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Note 5: Revenue

|                                   | 2021             | 2020             |
|-----------------------------------|------------------|------------------|
|                                   | \$               | \$               |
| <b>From continuing operations</b> |                  |                  |
| <i>Sales revenue</i>              |                  |                  |
| Dating Services                   | 2,688,485        | 4,083,478        |
| Interest Income                   | 231              | 1,012            |
|                                   | <u>2,688,716</u> | <u>4,084,490</u> |
| <br>                              |                  |                  |
| <i>Other Income</i>               | <u>37,527</u>    | <u>60,374</u>    |
|                                   | <u>37,527</u>    | <u>60,374</u>    |
| <br>                              |                  |                  |
| Total revenue and other income    | <u>2,726,243</u> | <u>4,144,864</u> |

**Disaggregation of revenue**

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

| Consolidated - 2021 | Dates        | Event        | Matchmaking      |               | Interest Income | Others        | Total            |
|---------------------|--------------|--------------|------------------|---------------|-----------------|---------------|------------------|
|                     |              |              | Consulting       | Online        |                 |               |                  |
|                     | \$           | \$           | \$               |               | \$              | \$            | \$               |
| Australia           | -            | -            | -                | -             | 181             | -             | 181              |
| Bangkok             | (490)        | -            | 107,981          | 3,541         | 14              | -             | 111,046          |
| China               | 730          | -            | 7,090            | -             | 27              | -             | 7,847            |
| Hong Kong           | 19,846       | 3,714        | 1,827,322        | 3,269         | 9               | 28,264        | 1,882,424        |
| London              | -            | -            | (474)            | 55,662        | -               | -             | 55,188           |
| Singapore           | (11,571)     | 1,132        | 670,663          | 70            | -               | 9,263         | 669,557          |
| Others              | -            | -            | -                | -             | -               | -             | -                |
|                     | <u>8,515</u> | <u>4,846</u> | <u>2,612,582</u> | <u>62,542</u> | <u>231</u>      | <u>37,527</u> | <u>2,726,243</u> |

**Timing of revenue recognition**

|   |              |              |                  |               |            |               |                  |
|---|--------------|--------------|------------------|---------------|------------|---------------|------------------|
| Goods transferred at a point in time    | 8,515        | 4,846        | -                | -             | -          | 37,527        | 50,888           |
| Services transferred over time          | -            | -            | -                | 62,542        | 231        | -             | 62,773           |
| Services transferred at a point in time | -            | -            | 2,612,582        | -             | -          | -             | 2,612,582        |
|   | <u>8,515</u> | <u>4,846</u> | <u>2,612,582</u> | <u>62,542</u> | <u>231</u> | <u>37,527</u> | <u>2,726,243</u> |

| Consolidated - 2020 | Dates         | Event         | Matchmaking      |                | Interest Income | Others        | Total            |
|---------------------|---------------|---------------|------------------|----------------|-----------------|---------------|------------------|
|                     |               |               | Consulting       | Online         |                 |               |                  |
|                     | \$            | \$            | \$               |                | \$              | \$            | \$               |
| Australia           | -             | -             | 194              | -              | 656             | 9,504         | 10,354           |
| Bangkok             | 24            | 1,098         | 140,272          | 13,360         | 117             | -             | 154,871          |
| China               | -             | -             | -                | -              | 6               | -             | 6                |
| Hong Kong           | 59,212        | 39,034        | 2,730,968        | 1,693          | 69              | 320           | 2,831,296        |
| London              | -             | -             | 7,931            | 194,530        | -               | -             | 202,461          |
| Singapore           | 17,311        | 10,074        | 862,542          | -              | -               | 50,550        | 940,477          |
| Others              | -             | -             | 5,235            | -              | 164             | -             | 5,399            |
|                     | <u>76,547</u> | <u>50,206</u> | <u>3,747,142</u> | <u>209,583</u> | <u>1,012</u>    | <u>60,374</u> | <u>4,144,864</u> |

**Timing of revenue recognition**

|   |               |               |                  |                |              |               |                  |
|---|---------------|---------------|------------------|----------------|--------------|---------------|------------------|
| Goods transferred at a point in time    | 76,547        | 50,206        | -                | -              | -            | 60,374        | 187,127          |
| Services transferred over time          | -             | -             | -                | 209,583        | 1,012        | -             | 210,595          |
| Services transferred at a point in time | -             | -             | 3,747,142        | -              | -            | -             | 3,747,142        |
|   | <u>76,547</u> | <u>50,206</u> | <u>3,747,142</u> | <u>209,583</u> | <u>1,012</u> | <u>60,374</u> | <u>4,144,864</u> |

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**Note 6: Expenses**

| Profit/(Loss) before income tax includes the following specific expenses: | 2021<br>\$     | 2020<br>\$     |
|---|----------------|----------------|
| <b>Continuing Operation</b>   |                |                |
| <b>Depreciation</b>   |                |                |
| Office furniture, equipment and leasehold                                 | 343,552        | 482,909        |
| <b>Total depreciation and amortisation</b>                                | <b>343,552</b> | <b>482,909</b> |

**Note 7: Share-based payments**

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the appropriate pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

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**Note 7: Share-based payments (Continued)**

**a) Share-based payments to Chief Financial Officer**

On 30 June 2017, the Company issued 100,000 shares and 400,000 performance rights to Chief Financial Officer, Wendy Hui, for no cash consideration. Performance rights vesting in four tranches subject to employment continuity from FY2018 to FY2020. The fair value of the shares on grant date was measured at a total of \$25,000 and recorded as an expense and credited to the Share capital at 30 June 2017. No value was recognised in the 30 June 2017 financial year for the 400,000 performance rights as the performance rights were granted on 30 June 2017.

On 30 June 2018, 100,000 performance rights have vested and been converted into ordinary shares. The fair value of the shares was measured at a total of \$25,000 and recorded as share-based payment expense and credited to the share capital at 30 June 2018. The balance of 300,000 performance rights have been cancelled on 30 June 2018.

During the year ended 30 June 2019, 300,000 performance rights were re-granted to Chief Financial Officer. \$13,766 was debited to share-based payment expense and credited to share-based payment reserve.

On 30 June 2019, the Company issued 100,000 shares on conversion of performance rights. The fair value of the shares was measured at a total of \$25,000 and recorded as share-based payment expense and credited to the share capital at 30 June 2019.

During the year ended 30 June 2020, 200,000 performance rights were cancelled, \$13,766 was credited to share-based payment expense and credited to share-based payment reserve.

**b) Share-based payments to an employee**

On 21 May 2018, the Company 300,000 granted performance rights to an employee for no cash consideration. Performance rights vesting in five tranches subject to employment continuity from FY2019 to FY2023. The fair value of the performance rights on grant date was measured at a total of \$370 and was recorded as share-based payment expense and also included within the share-based payments reserve on 30 June 2018.

On 30 June 2019, 60,000 performance rights have vested and been converted into ordinary shares. The fair value of the shares was measured at a total of \$4,986 and recorded as share-based payment expense and \$5,356 was credited to the share capital at 30 June 2019, which was the accumulated share-based payment amount.

During the year ended 30 June 2020, 240,000 performance rights were cancelled.

**Note 8: Income tax**

|   | 2021<br>\$ | 2020<br>\$ |
|---|------------|------------|
| <b>Unused tax losses for which no deferred tax asset has been recognised:</b> |            |            |
| Revenue loss  | 2,453,579  | 2,080,113  |
| Potential tax benefit at 26% (2020: 27.5%)                                    | 637,931    | 572,031    |

The Company has incurred tax losses and no tax liability for the financial year (2020: Nil).

Deferred tax assets have not been recognised in the Statement of Financial Position as the recovery of these benefits is uncertain. The benefit of these deferred tax assets will only be obtained if:

- (1) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the temporary differences to be realised;
- (2) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (3) no changes in tax legislation adversely affect the entity in realising the benefit from the deductions for the temporary differences.

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**Note 9: Current assets – Cash and cash equivalents**

|                 | 2021             | 2020             |
|-----------------|------------------|------------------|
|                 | \$               | \$               |
| Cash at bank    | 702,294          | 496,941          |
| Terms deposits  | 455,055          | 400,364          |
| Restricted cash | 226,687          | 614,806          |
|                 | <u>1,384,036</u> | <u>1,512,111</u> |

Cash at bank and in hand earn no interest (2020: Nil). Deposits earn between 0.5% to 1.0% (2020: 2.3% - 2.4%).

**Note 10: Current assets – Trade and other receivables**

|                   | 2021         | 2020          |
|-------------------|--------------|---------------|
|                   | \$           | \$            |
| Trade receivables | 2,028        | 15,049        |
|                   | <u>2,028</u> | <u>15,049</u> |

*Allowance for expected credit losses*

The consolidated entity did not recognise any loss (2020:Nil) in profit and loss in respect of the expected credit losses for the year ended 30 June 2021.

**Trade receivables ageing as follows:**

| <b>2021</b>       | <b>\$</b>    | <b>\$</b>   | <b>\$</b>     | <b>\$</b>        |
|-------------------|--------------|-------------|---------------|------------------|
|                   | 0-6 Months   | 6-12 Months | >12 Months    | Carrying Amounts |
| Trade receivables | 1,991        | 37          | -             | 2,028            |
|                   | <u>1,991</u> | <u>37</u>   | <u>-</u>      | <u>2,028</u>     |
|                   | <u>1,991</u> | <u>37</u>   | <u>-</u>      | <u>2,028</u>     |
| <b>2020</b>       | <b>\$</b>    | <b>\$</b>   | <b>\$</b>     | <b>\$</b>        |
|                   | 0-6 Months   | 6-12 Months | >12 Months    | Carrying Amounts |
| Trade receivables | 3,649        | -           | 11,400        | 15,049           |
|                   | <u>3,649</u> | <u>-</u>    | <u>11,400</u> | <u>15,049</u>    |
|                   | <u>3,649</u> | <u>-</u>    | <u>11,400</u> | <u>15,049</u>    |

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**Note 11: Current assets – Other assets**

|             | 2021          | 2020           |
|-------------|---------------|----------------|
|             | \$            | \$             |
| Deposits    | 79,869        | 104,388        |
| Prepayments | 9,001         | 7,294          |
|             | <u>88,870</u> | <u>111,682</u> |

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**Note 12: Non-current asset**

**(a) Plant and Equipment**

|  | Office furniture<br>& equipment | Leasehold<br>Improvement | Total     |
|--|---------------------------------|--------------------------|-----------|
|  | \$                              | \$                       | \$        |
| <b>Year ended 30 June 2021</b>                   |                                 |                          |           |
| Net carrying amount at the beginning of the year | 24,744                          | 73,913                   | 98,657    |
| Additions  | -                               | -                        | -         |
| Disposals - Cost                                 | (982)                           | -                        | (982)     |
| - Accumulated depreciations                      | 685                             | -                        | 685       |
| Depreciation expense                             | (18,418)                        | (71,170)                 | (89,588)  |
| Net carrying amount at the end of the year       | 6,029                           | 2,743                    | 8,772     |
| <b>At 30 June 2021</b>                           |                                 |                          |           |
| Cost   | 23,762                          | 73,913                   | 97,675    |
| Accumulated depreciation                         | (17,733)                        | (71,170)                 | (88,903)  |
| Net carrying amount                              | 6,029                           | 2,743                    | 8,772     |
| <b>Year ended 30 June 2020</b>                   |                                 |                          |           |
| Cost   | 160,476                         | 270,156                  | 430,632   |
| Accumulated depreciation                         | (135,732)                       | (196,243)                | (331,975) |
| Net carrying amount                              | 24,744                          | 73,913                   | 98,657    |
| Net carrying amount at the beginning of the year | 53,737                          | 168,654                  | 222,391   |
| Additions  | 4,749                           | -                        | 4,749     |
| Disposals - Cost                                 | (7,511)                         | -                        | (7,511)   |
| - Accumulated depreciation                       | 5,202                           | -                        | 5,202     |
| Depreciation expense                             | (31,433)                        | (94,741)                 | (126,174) |
| Net carrying amount at the end of the year       | 24,744                          | 73,913                   | 98,657    |

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**Note 12: Non-current asset (continue)**

**(b) Right of Use Assets and Lease Liabilities**

**Right of Use Assets**

Recognised right-of-use assets related to the following type of assets:

|                    | 30 June<br>2021<br>\$ | 30 June<br>2020<br>\$ |
|--------------------|-----------------------|-----------------------|
| Land and buildings | <u>181,836</u>        | <u>580,736</u>        |

Set out below are the carrying amount of the Group's right-of-use assets and the movement during the period:

|  | Land and<br>Building<br>\$ |
|--|----------------------------|
| Carrying value                         |                            |
| Balance at 1 July 2020                 | 580,736                    |
| Lease modification                     | (144,937)                  |
| Depreciation expenses                  | <u>(253,963)</u>           |
| Net carrying amount as at 30 June 2021 | <u>181,836</u>             |

|                          | 30 June<br>2021<br>\$ | 30 June<br>2020<br>\$ |
|--------------------------|-----------------------|-----------------------|
| <b>Lease liabilities</b> |                       |                       |
| Current                  | 229,564               | 300,992               |
| Non-Current              | <u>20,709</u>         | <u>334,195</u>        |
|                          | <u>250,273</u>        | <u>635,187</u>        |

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**Note 13: Current liabilities – Trade and other payables**

|                             | 2021<br>\$     | 2020<br>\$     |
|-----------------------------|----------------|----------------|
| Trade payables              | 97,698         | 80,568         |
| Other payables and accruals | 55,072         | 70,186         |
| Employee benefits           | 93,783         | 134,079        |
|                             | <u>246,553</u> | <u>284,833</u> |

**Note 14: Current liabilities - contract liabilities**

|                      | 2021<br>\$     | 2020<br>\$     |
|----------------------|----------------|----------------|
| Contract liabilities | 791,882        | 458,581        |
|                      | <u>791,882</u> | <u>458,581</u> |

**Reconciliation**

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

|   | 2021<br>\$     | 2020<br>\$     |
|---|----------------|----------------|
| Opening balance   | 458,581        | 1,348,368      |
| Payment received in advance in current financial year                             | 2,959,244      | 2,760,171      |
| Transfer to revenue - included in the opening balance                             | (457,912)      | (1,313,880)    |
| Transfer to revenue - performance obligations satisfied in current financial year | (2,168,031)    | (2,336,078)    |
| Closing balance   | <u>791,882</u> | <u>458,581</u> |

**Unsatisfied performance obligations**

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$791,882 as at 30 June 2021 (\$458,581 as at 30 June 2020) and is expected to be recognised as revenue in future periods as follows:

|                 | 2021<br>\$     | 2020<br>\$     |
|-----------------|----------------|----------------|
| Within 6 months | 672,055        | 379,593        |
| 6-12 months     | 116,779        | 78,319         |
| 12-18 months    | 3,048          | 669            |
| 18-24 months    | -              | -              |
|                 | <u>791,882</u> | <u>458,581</u> |

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**Note 15: Contributed equity**

|   | NUMBER OF SHARES |            | SHARE CAPITAL     |                   |
|---|------------------|------------|-------------------|-------------------|
|   | 2021             | 2020       | 2021              | 2020              |
|   |                  |            | \$                | \$                |
| 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> |

**a) Movements in ordinary share capital**

Movements in ordinary share capital:

| DETAILS                    | ORDINARY SHARES   | Issue Price | 2021              | 2020              |
|----------------------------|-------------------|-------------|-------------------|-------------------|
|                            | No.               | \$          | \$                | \$                |
|                            | 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> |

**b) 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.

**c) Shares in escrow**

There were 60,000 shares in escrow at 30 June 2021 (2020: 160,000).

**d) Options**

No shares under option as at 30 June 2021 (2020: 700,000).

**e) Capital risk management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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**Note 16: Reserves**

|   | <b>30-Jun-21</b> | <b>30-Jun-20</b> |
|---|------------------|------------------|
|   | \$               | \$               |
| Share-based payment reserve                 | 1,162,834        | 1,162,834        |
| Foreign currency translation reserve        | (339,704)        | (373,949)        |
|   | <u>823,130</u>   | <u>788,885</u>   |
|   | <b>30-Jun-21</b> | <b>30-Jun-20</b> |
|   | \$               | \$               |
| <b>Share-based payment reserve</b>          |                  |                  |
| Balance at the beginning of the year        | 1,162,834        | 1,176,600        |
| Movement during the year                    | -                | (13,766)         |
| Balance at the end of the year              | <u>1,162,834</u> | <u>1,162,834</u> |
| <b>Foreign currency translation reserve</b> |                  |                  |
| Balance at the beginning of the year        | (373,949)        | (292,325)        |
| Movement during the year                    | 34,245           | (81,624)         |
| Balance at the end of the year              | <u>(339,704)</u> | <u>(373,949)</u> |
| <b>Total reserves</b>                       | <u>823,130</u>   | <u>788,885</u>   |

**Share-based payment reserve**

The share-based payments reserve is used to recognise the expense of the fair value at grant date of options and performance rights granted to employees but not exercised and to recognise the fair value of shares issued to an employee under a limited recourse loan which is not yet due to be repaid.

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**Note 16: Reserves (continued)**

|   | 30-Jun-21        |                  | 30-Jun-20          |                  |
|---|------------------|------------------|--------------------|------------------|
|   | No               | \$               | No                 | \$               |
| <b>Options over fully paid ordinary shares</b>                        |                  |                  |                    |                  |
| <b>Balance at beginning of year</b>                                   | <b>700,000</b>   | <b>513,098</b>   | <b>2,095,504</b>   | <b>409,037</b>   |
| <b>Recognised in income statement</b>                                 |                  |                  |                    |                  |
| Expiry of option issued to external party                             | (400,000)        | -                | -                  | -                |
| Cancellation of option issued to employees                            | (300,000)        | -                | (1,395,504)        | -                |
| Loan for director shares written off - Reclassification               | -                | -                | -                  | 104,061          |
| <b>Total recognised in income statement</b>                           | <b>(700,000)</b> | <b>-</b>         | <b>(1,395,504)</b> | <b>104,061</b>   |
| <b>Balance at end of year</b>   | <b>-</b>         | <b>513,098</b>   | <b>700,000</b>     | <b>513,098</b>   |
| <b>Weighted average exercise price of outstanding options (Cents)</b> |                  | 40               |                    | 40               |
| <b>Weighted average remaining life of outstanding options (Year)</b>  |                  | 1.4              |                    | 0.5              |
| <b>Performance Rights</b>   |                  |                  |                    |                  |
| Balance at beginning of year  | 666,666          | 649,736          | 5,573,333          | 767,563          |
| <b>Recognised directly in equity</b>                                  |                  |                  |                    |                  |
| Loan for director shares written off - Reclassification               | -                | -                | -                  | (104,061)        |
| Performance rights forfeited  | -                | -                | -                  | (13,766)         |
| Performance rights lapsed due to vesting conditions not met           | -                | -                | (4,000,000)        | -                |
| Performance rights forfeited  | -                | -                | (240,000)          | -                |
| Performance rights forfeited <sup>1</sup>                             | (666,666)        | -                | (666,667)          | -                |
| <b>Balance at end of year</b>   | <b>-</b>         | <b>649,736</b>   | <b>666,666</b>     | <b>649,736</b>   |
| <b>Total share-based payment reserves</b>                             |                  | <b>1,162,834</b> |                    | <b>1,162,834</b> |

<sup>1</sup> 2,000,000 performance rights with three tranches were granted to Chief Executive Officer, Michael Ye on 16 November 2018 for no cash consideration upon approval at the Annual General Meeting. The fair value of the performance rights on grant date was valued at \$Nil. 666,667 Class C Performance Rights under tranche 3 were lapsed on 30 June 2021 due to share price condition was not met.

**Note 17: Key management personnel disclosures**

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the consolidated entity's Key Management Personnel.

The aggregate compensation made to Key Management Personnel is set out below:

|  | 2021           | 2020           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>Key management personnel compensation</b> |                |                |
| Short term employee benefits                 | 289,494        | 409,642        |
| Post-employment benefits                     | 3,103          | 4,878          |
| Other benefits                               | -              | 3,013          |
|  | <b>292,597</b> | <b>417,533</b> |

**Note 18: Remuneration of auditors**

|   | 2021<br>\$    | 2020<br>\$    |
|---|---------------|---------------|
| i) Audit and other assurance services: RSM Australia and Partners                 |               |               |
| Audit and review financial statements   | 40,800        | 39,500        |
| <b>Total remuneration for audit and assurance services</b>                        | <b>40,800</b> | <b>39,500</b> |
| i) Audit and other assurance services provided by related practice of the auditor |               |               |
| Audit and review financial statements   | 6,749         | 8,364         |
| <b>Total remuneration for audit and assurance services</b>                        | <b>6,749</b>  | <b>8,364</b>  |
| ii) Non-assurance services provided by related practice of the auditor:           |               |               |
| Taxation services   | 6,000         | 6,000         |
| <b>Total non-assurance services</b>   | <b>6,000</b>  | <b>6,000</b>  |
| <b>Total remuneration</b>   | <b>53,549</b> | <b>53,864</b> |

**Note 19: Commitments**

**a) Capital commitments**

The Group had no commitments in relation to capital expenditure contracted for at the reporting date but not recognised as liabilities (2020: Nil).

**b) Operating leasing commitments - Premises**

The Group had no commitments in relation to operating lease contracted for at the reporting date but not recognised as liabilities (2020: Nil).

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**Note 20: Related party transactions**

**Key Management Personnel and transactions with other related parties**

Disclosures relating to Key Management Personnel are set out in Note 17 and the Remuneration Report included in the Directors' Report.

**a) Transactions with Key Management Personnel and their related parties**

No transactions with Key Management Personnel and their related parties during the year ended 30 June 2021 (2020: Nil).

**b) Outstanding balances arising from sales/purchases of goods and services, transactions**

No outstanding balances with related parties during the year ended 30 June 2021 (2020: Nil).

**c) Loans to Key Management Personnel and their related parties**

No outstanding loans to Key Management Personnel and their related parties during the year ended 30 June 2021 (2020: Nil).

No other transactions occurred between Key Management Personnel and their related entities with the Group during the year (2020: Nil).

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**Love Group Global Ltd**  
**Notes to the Financial Statements**  
**30 June 2021**

**Note 21: Parent entity disclosures**

As at, and throughout, the financial year ended 30 June 2021, the parent entity of the Group was Love Group Global Ltd. The following information relates to the parent entity and has been prepared using accounting policies that are consistent with those presented in Note 1.

**a) Summary financial information**

|  | 2021<br>\$       | 2020<br>\$       |
|--|------------------|------------------|
| <b>Result of parent entity</b>                         |                  |                  |
| Loss for the year after tax                            | (250,779)        | (237,102)        |
| <b>Total comprehensive loss for the year</b>           | <b>(250,779)</b> | <b>(237,102)</b> |
| <b>Financial position of parent entity at year end</b> |                  |                  |
| Current assets   | 471,364          | 416,249          |
| <b>Total assets</b>                                    | <b>471,364</b>   | <b>416,249</b>   |
| Current liabilities                                    | (361,078)        | (55,184)         |
| <b>Total liabilities</b>                               | <b>(361,078)</b> | <b>(55,184)</b>  |
| <b>Net assets</b>                                      | <b>110,286</b>   | <b>361,065</b>   |
| <b>EQUITY</b>  |                  |                  |
| Contributed equity                                     | 16,500,232       | 16,500,232       |
| Reserves   | (15,761,248)     | (15,761,248)     |
| Accumulated loss                                       | (628,698)        | (377,919)        |
| <b>Total Equity</b>                                    | <b>110,286</b>   | <b>361,065</b>   |

**b) Guarantees entered into by the parent entity**

The parent entity has not entered into any guarantees in respect of its subsidiaries (2020: Nil).

**c) Contingent liabilities**

The parent entity has no contingent liabilities (2020: Nil).

**d) Contractual commitments for the acquisition of property, plant and equipment**

The parent entity has no contractual commitments for the acquisition of property, plant and equipment (2020: Nil).

**Love Group Global Ltd**  
**Notes to the Financial Statements**  
**30 June 2021**

**Note 22: Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b).

| Name of entity   | Country of Incorporation | Class of Shares | Equity Holding |           |
|--|--------------------------|-----------------|----------------|-----------|
|  |                          |                 | 30-Jun-21      | 30-Jun-20 |
| Enverro Asia Pacific Pty Ltd<br>(incorporated on 18 August 2014)   | Australia                | Ordinary        | 100%           | 100%      |
| Datetix Solutions Pty Ltd<br>(formerly PRM Cloud Solutions Pty Ltd)<br>(incorporated on 18 August 2014)                        | Australia                | Ordinary        | 100%           | 100%      |
| Love Group Hong Kong Limited<br>(formerly Datetix Limited)<br>(incorporated on 18 February 2013, acquired on 23 November 2015) | Hong Kong                | Ordinary        | 100%           | 100%      |
| Love Group Pte Limited<br>(formerly Datetix Pte Limited)<br>(incorporated on 4 January 2016)                                   | Singapore                | Ordinary        | 100%           | 100%      |
| Datetix China Limited<br>(incorporated on 6 January 2016)  | China                    | Ordinary        | 100%           | 100%      |
| Lovestruck Limited<br>(incorporated on 27 June 2006, acquired on 31 July 2016)   | London                   | Ordinary        | 100%           | 100%      |
| Lovestruck Co., Ltd<br>(formerly Noonswoon Co., Ltd)<br>(incorporated on 10 May 2013, acquired on 19 December 2016)            | Bangkok                  | Ordinary        | 100%           | 100%      |
| Love Lounge Limited<br>(incorporated on 21 January 2019)   | Hong Kong                | Ordinary        | 100%           | 100%      |
| Lovestruck Sdn Bhd *<br>(incorporated on 21 January 2019 and deregistered on 19 February 2021)                                 | Malaysia                 | Ordinary        | -              | 100%      |

\* Lovestruck Sdn Bhd was deregistered on 19 February 2021 and the net assets written off was immaterial.

**Note 23: Events occurring after the reporting period**

There are no other matters or circumstances, other than those disclosed within the financial statements, which have arisen since 30 June 2021 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.

**Note 24: Contingent liabilities**

There were no contingent liabilities for the Group at 30 June 2021 (2020:Nil).

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**Love Group Global Ltd**  
**Notes to the Financial Statements**  
**30 June 2021**

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**Note 25: Reconciliation of Profit/(loss) after income tax to net cash outflow from operating activities**

|   | 2021<br>\$ | 2020<br>\$  |
|---|------------|-------------|
| (Loss)/Profit for the year                  | (597,045)  | 746,684     |
| Adjustment for:                             |            |             |
| Depreciation and amortisation               | 343,552    | 482,909     |
| Share based payments                        | -          | (13,766)    |
| Loss on disposal                            | (47)       | 1,588       |
| Foreign exchange differences                | 34,245     | (83,166)    |
| Net non-cash operating expenses             | (13,941)   | 4,412       |
| Change in operating assets and liabilities: |            |             |
| Change in trade and other receivables       | 13,021     | 64,852      |
| Change in other assets                      | 22,812     | 35,778      |
| Change in trade and other payables          | 295,021    | (1,076,002) |
| Net Cash from operating activities          | 97,618     | 163,289     |

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**Love Group Global Ltd**  
**Notes to the Financial Statements**  
**30 June 2021**

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**Note 26: Earnings per share**

|  | <b>2021<br/>Cents</b> | <b>2020<br/>Cents</b> |
|--|-----------------------|-----------------------|
| <b>a) Basic and Diluted<sup>1</sup> (loss)/ earnings per share</b>   |                       |                       |
| Total basic (loss) / earnings attributable to the ordinary equity holders of the Company   | <u>(1.5)</u>          | <u>1.8</u>            |
| <b>b) Reconciliation of (loss)/profit used in calculating earnings per share</b>   | <b>\$</b>             | <b>\$</b>             |
| Net (loss)/profit for the year attributable to the ordinary equity holders of the Company used to calculate earnings/(loss) per share – basic and diluted <sup>1</sup> . | <u>(597,045)</u>      | <u>746,684</u>        |
|  | <b>Number</b>         | <b>Number</b>         |
| Weighted average number of ordinary shares outstanding during the year used to calculate earnings/(loss) per share   | <u>40,534,169</u>     | <u>40,534,169</u>     |

<sup>1</sup>Diluted earnings per share are the same as basic earnings per share because the options and performance rights on issue are anti-dilutive.

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## Directors' declaration

In the opinion of the Directors:

- (a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
  - i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
  - ii) Complying with Accounting Standards, *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - iii) Complying with International Financial Reporting Standards as disclosed in Note 1(a)(i); and
- (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; and

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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



**Michael Ye**  
Director  
Hong Kong  
25 August 2021

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

**Opinion**

We have audited the financial report of Love Group Global Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

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

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

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

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

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## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter   | How our audit addressed this matter   |
|--|---|
| <b>Revenue and Contract Liabilities</b><br>Refer to Note 5 and 14 in the financial statements  |   |
| As disclosed in the statement of profit or loss and other comprehensive income for the year ended 30 June 2021, the Group has recognised dating services revenue of \$2,688,485 and as disclosed in the statement of financial position as at 30 June 2021, the Group has recognised contract liabilities of \$791,882. We determined revenue recognition and contract liabilities to be a key audit matter due to the following: <ul style="list-style-type: none"> <li>The balances are material to the Group and there are risks associated with management judgements including the identification of contracts and performance obligations, determination of the transaction price and the timing of revenue recognition; and</li> <li>Revenue recognition is a presumed fraud risk under the Australian Auditing Standards.</li> </ul> | Our audit procedures included: <ul style="list-style-type: none"> <li>Ensuring the Group's revenue recognition policies were in compliance with accounting standards;</li> <li>On a sample basis, we agreed revenue transactions to supporting documentation to assess whether the revenue recognition criteria were met;</li> <li>On a sample basis of customer contracts, checked that, in circumstances where performance obligations have not been met, the contract liabilities balance as at 30 June 2021 is materially correct;</li> <li>Reviewing revenue transactions before and after the reporting date to ensure that revenue is recognised in the correct financial period; and</li> <li>Reviewing the disclosures in the financial statements.</li> </ul> |

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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

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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

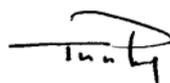
In our opinion, the Remuneration Report of Love Group Global Ltd, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

### *Responsibilities*

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



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 25 August 2021

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## Shareholder information

Information required by Australian Securities Exchange Limited and not shown elsewhere in this report is as follows:-

### STATEMENT OF QUOTED SECURITIES AS AT 24 AUGUST 2021

#### (a) Distribution of equity securities

Analysis of number of equity security holders by size of holding:

| Size of holding  | Number of Shareholders |
|------------------|------------------------|
| 100,001 and Over | 24                     |
| 10,001 - 100,000 | 78                     |
| 5,001 - 10,000   | 32                     |
| 1,001 - 5,000    | 30                     |
| 1 - 1,000        | 8                      |
| Total            | 172                    |

There were no holders of less than a marketable parcel of ordinary shares.

#### (b) Quoted Equity security holders

Twenty largest quoted equity security holders

| Name   | Quoted Ordinary Share held | Percentage of issue shares |
|--|----------------------------|----------------------------|
| 1 SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>                       | 11,993,587                 | 29.59%                     |
| 2 MICHAEL YE   | 9,000,000                  | 22.20%                     |
| 3 GLOBAL MARKETPLACE LIMITED                                     | 4,560,000                  | 11.25%                     |
| 4 PACIFIC DEVELOPMENT CAPITAL LIMITED                            | 3,457,000                  | 8.53%                      |
| 5 MR BOBBY VINCENT LI  | 1,435,018                  | 3.54%                      |
| 6 CITICORP NOMINEES PTY LIMITED                                  | 1,385,860                  | 3.42%                      |
| 7 MISS ALICE JANE LI   | 793,130                    | 1.96%                      |
| 8 BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>     | 549,827                    | 1.36%                      |
| 9 BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>             | 516,750                    | 1.27%                      |
| 10 ONE MANAGED INVESTMENT FUNDS LIMITED <TI ABSOLUTE RETURN A/C> | 465,244                    | 1.15%                      |
| 11 BANNABY INVESTMENTS PTY LTD <SUPER FUND A/C>                  | 300,001                    | 0.74%                      |
| 12 MS HUI KAR LING   | 300,000                    | 0.74%                      |
| 13 MISS NICOLE GEK LEN TAN                                       | 278,715                    | 0.69%                      |
| 14 MR LAURENCE PETER HOLLOWAY                                    | 272,000                    | 0.67%                      |
| 15 EAST MIDLANDS EARLY GROWTH FUND LTD                           | 240,000                    | 0.59%                      |
| 16 MR SCOTT ROBERT FAIRFAX SEVILLE                               | 235,000                    | 0.58%                      |
| 17 MS RITA HANNA   | 219,933                    | 0.54%                      |
| 18 MR MARK WILLIAM THACKER <THE BLACKTHACK FAMILY A/C>           | 211,501                    | 0.52%                      |
| 19 ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>          | 188,713                    | 0.47%                      |
| 20 HINONA PTY LTD <H WALLACE CONSULTANTS S/F A/C>                | 170,001                    | 0.42%                      |
|  | 36,572,280                 | 90.23%                     |

## Shareholder information (Continued)

### (c) *Substantial holders*

Substantial holders in the Company are set out below:

| <b>Ordinary Shares</b>                   | <b>Number Held</b> | <b>Percentage</b> |
|--|--------------------|-------------------|
| Sandhurst Trustees Ltd <IMFG CONSOL A/C> | 11,993,587         | 29.59%            |
| Michael Ye                               | 9,000,000          | 22.20%            |
|  | <b>20,993,587</b>  | <b>51.79%</b>     |

### (d) *Voting rights*

The voting rights attaching to each class of equity securities are set out below.

(i) Ordinary Shares

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

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**Corporate Directory**

**Board of Directors**

Terence Grigg, Non-executive Chairman  
Michael Ye, Chief Executive Officer  
Tod McGrouther, Non-executive director

**Company Secretary**

Minerva Corporate Pty Ltd  
- Nicholas Ong

**Websites**

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

**Lawyers**

Mills Oakley Lawyers  
Level 4, 145 Ann Street  
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[www.millsoakley.com.au](http://www.millsoakley.com.au)

**Registered Office**

Level 8, 99 St Georges Terrace  
Perth WA 6000  
Australia

**Auditor**

RSM Australia Partners  
Level 32 Exchange Tower  
2 The Esplanade  
Perth WA 6000  
Australia  
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**Share Registry**

Advanced Share Registry Services Limited  
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