

**SUCCESS GLOBAL MEDIA LIMITED
AND ITS CONTROLLED ENTITIES**

ABN 60 091 509 849



Appendix 4D

**Interim Financial Report
For Half-Year Ended 30 June 2019**

Given in accordance with ASX Listing Rule 4.2.A.3

**SUCCESS GLOBAL MEDIA LIMITED
AND ITS CONTROLLED ENTITIES
ABN 60 091 509 849**

Interim Financial Report for the Half-Year Ended 30 June 2019

Results for Announcement to the Market

Key Information

	Half-year ended 30 June 2019	Half-year ended 30 June 2018 (Restated)
Revenue from ordinary activities	16,011,586	23,329,700
Loss from ordinary activities after tax attributable to members	(6,768,913)	(8,259,913)
Net loss attributable to members	(6,768,913)	(8,259,913)

Dividends Paid and Proposed

The Directors do not recommend a dividend and no amount has been paid or declared by way of dividend during the period or to the date of this report.

Explanation of Key Information and Dividends

An explanation of the above figures is contained in the "Review of Operations" included within the attached Directors' Report.

Net tangible assets per security

	Half-year ended 30 June 2019	Half-year ended 30 June 2018
	\$/Share	\$/Share
Net tangible liabilities per ordinary security	(0.13)	(0.087)

Compliance statement

For further explanation of the above figures please refer to the Directors' Report. Other financial information required by Appendix 4D is contained in the Financial Statements.



Richard Tan

Chairman, Managing Director



**SUCCESS GLOBAL MEDIA LIMITED
AND ITS CONTROLLED ENTITIES**

ABN 60 091 509 849

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 June 2019**

SUCCESS GLOBAL MEDIA LIMITED and ITS CONTROLLED ENTITIES

ABN 60 091 509 849

CORPORATE DIRECTORY

Board of Directors

Tan Poh Choon, Richard
Michael Burnett
Michael Lane
Oliver Tham
Ivan Oshry

Chairman, Managing Director
Chief Executive Officer & Executive Director
Executive Director
Non-Executive Director
Non-Executive Director

Company Secretary

Jay Stephenson

Registered Office

Suite 70-72 Jones Bay Wharf
26-32 Pirrama Road
Pyrmont NSW 2009

Auditors

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000

Share Registry

Link Market Services Limited
Level 12 680 George Street
Sydney NSW 2000

Bankers

National Australia Bank Limited
Suite 7
51-53 Kewdale Road
Welshpool WA 6106

SUCCESS GLOBAL MEDIA LIMITED AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

Interim Financial Report



DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Success Global Media Limited, being the company ("the Company") and its controlled entities ("Group" or "Consolidated Group"), for the half year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of directors in office at any time during or since the end of the period are:

Key Management Person	Position
Tan Poh Choon, Richard	Chairman, Managing Director
Michael Burnett	Chief Executive Officer, Executive Director
Michael Lane	Executive Director
Oliver Tham	Non-Executive Director
Ivan Oshry	Non-Executive Director

Directors have been in office since the start of the financial period to the date of this report.

Review of Operations

The group posted a loss after tax of \$6,768,913 for the half year ended 30 June 2019 compared to \$8,259,913 for the half year ended 30 June 2018. The Group posted a loss before interest, income tax, depreciation, impairment and amortisation (EBITDA) of \$3,916,497 as compared to a net loss of \$3,691,249 for the prior period.

Impairment of loan receivables

During the half-year, in determining the recoverability of the loan receivables, management considers any change in the credit quality of the loan receivables from the date credit was initially granted up to the end of the reporting period. Included in the allowance for doubtful debts are individually impaired loan receivables amounting to \$839,579 as the estimated future cash flows are not expected to be sufficient to repay the loans during the term of these loans.

SUCCESS GLOBAL MEDIA LIMITED AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

Interim Financial Report



Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 3 for the half-year ended 30 June 2019.

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

Director _____

Richard Tan

Dated this 30th August 2019

**SUCCESS GLOBAL MEDIA LIMITED
ABN 60 091 509 849
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
SUCCESS GLOBAL MEDIA LIMITED**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the half year ended 30 June 2019 there have been:

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

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Drew Townsend

Drew Townsend
Partner
Dated: 30 August 2019

A Member of PrimeGlobal
An Association of Independent
Accounting Firms

 **PrimeGlobal**

SUCCESS GLOBAL MEDIA LIMITED AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

Interim Financial Report



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Note	Half-year ended 30 June 2019	Half-year ended 30 June 2018 (Restated)
		\$	\$
Revenue		16,011,586	23,329,700
Other income		2,074,310	1,853,669
Contract work expenses		(1,659,645)	(1,649,720)
Commission expenses		(5,777,198)	(4,656,865)
Marketing expenses		(1,529,365)	(7,523,611)
Production expenses		(8,059,250)	(9,652,911)
Depreciation expenses		(435,500)	(711,495)
Amortisation of intangible assets		(262,150)	(262,150)
Employee benefits expenses		(4,106,384)	(4,030,682)
Fair value changes on cryptocurrencies		507,008	(257,295)
Finance costs		(1,213,012)	(369,854)
Impairment/write back of loan receivables		(839,579)	(3,185,704)
IT and computer expense		(188,774)	(120,041)
Rental expenses		(16,853)	20,613
Travels and accommodation		(282,092)	(485,804)
Other expenses		(889,840)	(518,302)
Loss before income tax		(6,666,738)	(8,220,452)
Income tax expense		(102,175)	(39,461)
Loss for the period		(6,768,913)	(8,259,913)
Other comprehensive loss			
<i>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</i>			
Exchange differences on translating foreign operations		(317,371)	(751,933)
Other comprehensive loss for the period		(317,371)	(751,933)
Total comprehensive loss attributable to members of the parent entity		(7,086,284)	(9,011,846)
Loss per share			
		Cents per share	Cents per share (Restated)
Basic and diluted loss per share		(2.36)	(2.89)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

SUCCESS GLOBAL MEDIA LIMITED AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

Interim Financial Report



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	30 June 2019	31 December 2018
Assets			
Current Assets			
Cash and cash equivalents		4,165,540	4,199,209
Trade and other receivables	7	5,347,341	3,622,202
Right of use assets	12	272,165	393,206
Other assets		6,954,590	3,267,846
Total Current Assets		16,739,636	11,482,463
Non-Current Assets			
Plant and equipment		938,830	1,076,374
Intangible assets	8	2,478,580	3,075,942
Right of use assets	12	431,639	544,765
Total Non-Current Assets		3,849,049	4,697,081
Total Assets		20,588,685	16,179,544
Liabilities			
Current Liabilities			
Trade and other payables	9	28,462,859	25,167,753
Contract liabilities	10	19,762,416	10,306,137
Lease liabilities		353,955	383,262
Provisions		152,690	295,059
Financial liabilities		8,540,975	9,346,861
Total Current Liabilities		57,272,895	45,499,072
Non-Current Liabilities			
Lease liabilities		475,595	610,702
Provisions		118,563	112,370
Financial liabilities		1,642,147	1,791,631
Total Non-Current Liabilities		2,236,305	2,514,703
Total Liabilities		59,509,200	48,013,775
Net Liabilities		(38,920,515)	(31,834,231)
Equity			
Issued capital		56,940,124	56,940,124
Reserves		(19,714,012)	(19,396,641)
Accumulated losses		(76,146,627)	(69,377,714)
Total Equity		(38,920,515)	(31,834,231)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

SUCCESS GLOBAL MEDIA LIMITED AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

Interim Financial Report



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2019

Note	Issued Capital \$	Accumulated Losses \$	Revaluation Reserve \$	Foreign Currency Translation Reserve \$	Common Control Reserve \$	Total \$
Balance at 1 January 2018 (as previously reported)	56,940,124	(51,398,573)	(2,688)	(293,317)	(17,985,537)	(12,739,991)
Retrospective restatement		(2,688)	2,688	-	-	-
Balance at January 2018 (restated)	56,940,124	(51,401,261)	-	(293,317)	(17,985,537)	(12,739,991)
Comprehensive loss						
Loss for the period	-	(8,259,913)	-	-	-	(8,259,913)
Other comprehensive loss for the period	-	-	-	(751,933)	-	(751,933)
Total comprehensive loss	-	(8,259,913)	-	(751,933)	-	(9,011,846)
Balance at 30 June 2018 (restated)	56,940,124	(59,661,174)	-	(1,045,250)	(17,985,537)	(21,751,837)
Balance at 1 January 2019	56,940,124	(69,252,362)	-	(1,411,207)	(17,985,537)	(31,708,982)
Comparative restated upon change in accounting policies – AASB 16	-	(125,352)	-	103	-	(125,249)
Balance at January 2019 (restated)	56,940,124	(69,377,714)	-	(1,411,104)	(17,985,537)	(31,834,231)
Comprehensive loss						
Loss for the period	-	(6,768,913)	-	-	-	(6,768,913)
Other comprehensive loss for the period	-	-	-	(317,371)	-	(317,371)
Total comprehensive loss	-	(6,768,913)	-	(317,371)	-	(7,086,284)
Balance at 30 June 2019	56,940,124	(76,146,627)	-	(1,728,475)	(17,985,537)	(38,920,515)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

SUCCESS GLOBAL MEDIA LIMITED AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

Interim Financial Report



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2019**

	Half-year Ended 30 June 2019 \$	Half-year Ended 30 June 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	23,014,412	32,314,673
Payments to suppliers and employees	(20,907,408)	(30,673,397)
Finance costs	(1,162,628)	(337,599)
Net cash provided by operating activities	944,376	1,303,677
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to related parties	(128,772)	-
Repayment of loan by related parties	90,000	-
Payment for purchase of plant and equipment	(88,113)	(2,502,976)
Net cash used in investing activities	(126,885)	(2,502,976)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan from finance	(393,793)	-
Payment for leased of assets	(9,164)	-
Loan provided by related parties	18,553	50,962
Repayment of loan provided by related parties	(504,387)	(138,299)
Net cash used in financing activities	(888,791)	(87,337)
Net decrease in cash held	(71,300)	(1,286,636)
Effect of movement in exchange rates on cash held	37,631	277,658
Cash and cash equivalents at beginning of period	4,199,209	6,598,364
Cash and cash equivalents at end of period	4,165,540	5,589,386

The above Consolidated cash flows should be read in conjunction of accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 30 June 2019 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Success Global Media Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the financial statements of the Group for the year ended 31 December 2018, together with any public announcements made during the following half-year.

(b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except the following was adopted in this financial period as described in Note 1(d) below.

(c) Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the December 2018 financial report.

(d) New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

- AASB 16: *Leases*

The impact of the adoption of this Standard and the respective accounting policies is disclosed in Note 2.

Consolidated Statement of Financial Position

	Previously reported 31 Dec 2018	Adjustment 31 Dec 2018	Restated Amount 31 Dec 2018
	\$	\$	\$
Current Assets			
Right of use assets	-	393,206	393,206
Non-Current Assets			
Right of use assets	-	544,765	544,765
Current Liabilities			
Provisions	(225,803)	(69,256)	(295,059)
Lease liabilities	-	(383,262)	(383,262)
Non-Current Liabilities			
Lease liabilities	-	(610,702)	(610,702)
Equity			
Reserves	(19,396,744)	103	(19,396,641)
Accumulated losses	(69,252,362)	(125,352)	(69,377,714)

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Previously reported 30 June 2018	6 months adjustments	Restated Amount 30 June 2018
	\$	\$	\$
Finance costs	(337,599)	(32,255)	(369,854)
Depreciation expense	(531,606)	(179,889)	(711,495)
Rental expense	(165,164)	185,777	20,613
Other comprehensive loss			
<i>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</i>			
Exchange differences on translating foreign operations	(751,933)	52	(751,881)

(e) **Going Concern**

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group shows a loss after tax of \$6,768,913 and a deficiency of working capital of \$40,533,259 as at 30 June 2019.

Notwithstanding the above, the directors believe that it is appropriate to prepare the financial statements on a going concern basis for the following reasons:

- The deficiency of working capital is impacted as result of deferred revenue and customers' deposits of \$30,848,671 (this includes \$11,086,255 of liability for the tokens which are pending trading and redemption, and \$19,762,416 of revenue being deferred until the seminars or events are held, which are expected to be held within the next eighteen months) being included in trade and other payables in accordance with the group's accounting policy.
- The Group currently has a cash reserve of \$4,165,540 as at 30 June 2019 and expects to receive further net cash inflows of circa \$5.6 million from events fulfilment over the next 6 months from the end of the financial period which includes Anthony Robbins' Unleash The Power Within, National Achievers Congress, Millionaire Mind Intensive, across Australia, Malaysia and Singapore. The majority of these seminars have been confirmed.
- The Group is in the final stages of preparation for a fund raising in US, targeting to raise US\$10m as a first tranche.

NOTE 2: CHANGES IN ACCOUNTING POLICIES

This note describes the nature and effect of the adoption of AASB 16: *Leases* on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019, where they are different to those applied in prior periods.

As a result of the changes in the Group's accounting policies, prior year financial statements have been restated.

a. **Leases**

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability is as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 2: CHANGES IN ACCOUNTING POLICIES

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement day and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

b. Initial Application of AASB 16: Leases

The Group has recognised a lease liability and right-of-use asset for all leases recognised as operating leases under AASB 117: Leases where the Group is the lessee.

Lease liabilities are shown at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 1 January 2019 has been used to discount the lease payments.

The right-of-use assets for the remaining leases have been measured and recognised in the statement of financial position as at 31 December 2018 by taking into consideration the lease liability and the prepaid and accrued lease payments (that are related to the lease).

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- For a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied.
- Leases that have remaining lease term of less than 12 months as at 1 January 2019 have been accounted for in the same way as short-term leases.
- The use of hindsight to determine lease terms on contracts that have options to extend or terminate.
- Applying AASB 16 to leases previously identified as leases under AASB 117: Leases and Interpretation: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application.
- Not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

NOTE 3: DIVIDENDS

No dividends have been paid during or recommended for the half year ended 30 June 2019.

NOTE 4: ISSUED CAPITAL

	As at 30 June 2019	As at 31 December 2018
	\$	\$
285,420,835 (31 December 2018: 285,420,835) fully paid ordinary shares	56,940,124	56,940,124

a. Ordinary Shares

	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	No.	No.	\$	\$
At the beginning of financial period/year	285,420,835	285,420,835	56,940,124	56,940,124
At the end of the financial period/year	285,420,835	285,420,835	56,940,124	56,940,124

SUCCESS GLOBAL MEDIA LIMITED AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

Interim Financial Report



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

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

At shareholders meeting, each ordinary share is entitled to one vote when a poll is called, otherwise, each shareholder has one vote on a show of hands.

NOTE 5: CONTINGENT LIABILITIES

No contingent liabilities as at reporting period.

NOTE 6: SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is reviewed by the directors.

The Group operated predominantly in two businesses and five geographical segments. 1st segment being the provision of personal development seminars and related products and services, covering individual personal, financial, career, health and relationship goals throughout Australia, Singapore, Malaysia and Hong Kong. The 2nd segment is being provision of consumer rewards program for participating merchants and consumers who use mobile APP to exchange Gems for products and services and mining of crypto-currencies.

Revenue	Mining and Rewards program		Event Management		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Half-year ended 30 June 2019						
Geographical markets						
Australia	-	-	8,035,044	10,491,438	8,035,044	10,491,438
Singapore	80,886	-	3,974,310	10,175,149	4,055,196	10,175,149
Malaysia	-	-	3,787,770	2,304,373	3,787,770	2,304,373
Hong Kong	-	-	133,576	358,740	133,576	358,740
	80,886	-	15,930,700	23,329,700	16,011,586	23,329,700

SUCCESS GLOBAL MEDIA LIMITED AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

Interim Financial Report



NOTE 6: SEGMENT REPORTING

	Mining and Rewards program	Event Management	Total
	\$	\$	\$
Half-year ended 30 June 2019			
Revenue:			
External sales	80,886	15,930,700	16,011,586
Total segment revenue	80,886	15,930,700	16,011,586
Segment net profit before tax			2,720,083
Amounts not included in segment result but reviewed by the Board:			
– depreciation and amortisation			(697,650)
– Impairment on loan receivables			(839,579)
Unallocated items:			
– corporate charges			(6,636,580)
– finance costs			(1,213,012)
Net loss before tax from continuing operations			(6,666,738)

	Mining and Rewards program	Event Management	Total
	\$	\$	\$
Half-year ended 30 June 2018			
Revenue:			
External sales	-	23,329,700	23,329,700
Total segment revenue	-	23,329,700	23,329,700
Segment net profit before tax			1,700,263
Amounts not included in segment result but reviewed by the Board:			
– depreciation and amortisation			(973,645)
– Impairment on loan receivables			(3,185,704)
Unallocated items:			
– corporate charges			(5,391,512)
– finance costs			(369,854)
Net loss before tax from continuing operations			(8,220,452)

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 6: SEGMENT REPORTING

	Mining and Rewards program	Event Management	Total
	\$	\$	\$
Half-year ended 30 June 2019			
Segment assets geographical markets			
Australia	-	7,795,908	7,795,908
Singapore	113,923	6,549,744	6,663,667
Malaysia	-	3,298,597	3,298,597
Hong Kong	69,008	2,761,505	2,830,513
Total segment assets	182,931	20,405,754	20,588,685
Year ended 31 December 2018			
Segment assets geographical markets			
Australia	-	5,567,724	5,567,724
Singapore	62,451	5,949,039	6,011,490
Malaysia	-	2,440,264	2,440,264
Hong Kong	455,690	1,704,376	2,160,066
Total segment assets	518,141	15,661,403	16,179,544
Half-year ended 30 June 2019			
Segment liabilities geographical markets			
Australia	-	17,158,625	17,158,625
Singapore	11,086,255	15,696,575	26,782,830
Malaysia	-	3,808,364	3,808,364
Hong Kong	9,301,126	1,720,777	11,021,903
United States	-	737,478	737,478
Total segment assets	20,387,381	39,121,819	59,509,200
Year ended 31 December 2018			
Segment liabilities geographical markets			
Australia	-	10,898,975	10,898,975
Singapore	11,085,431	13,474,536	24,559,967
Malaysia	-	2,157,850	2,157,850
Hong Kong	7,894,229	1,765,275	9,659,504
United States	-	737,479	737,479
Total segment assets	18,979,660	29,034,115	48,013,775

SUCCESS GLOBAL MEDIA LIMITED AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

Interim Financial Report



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 7: TRADE AND OTHER RECEIVABLES

	30 June 2019	31 Dec 2018
	\$	\$
Current		
Trade receivables	4,674,129	3,258,860
Less: Provision for impairment	(229,030)	(229,030)
	<u>4,445,099</u>	<u>3,029,830</u>
Trade receivables from related parties	860,576	677,535
Less: Provision for impairment	(860,576)	(677,535)
	<u>-</u>	<u>-</u>
Other receivables from related parties	29,556,138	28,660,917
Less: Provision for impairment	(29,537,378)	(28,660,917)
	<u>18,760</u>	<u>-</u>
Amounts receivable from former directors of parent entity	295,802	292,137
Less: Provision for impairment	(257,580)	(257,580)
	<u>38,222</u>	<u>34,557</u>
Other receivables	1,506,285	1,208,962
Less: Provision for impairment	(661,025)	(651,147)
	<u>845,260</u>	<u>557,815</u>
Total current trade and other receivables	<u>5,347,341</u>	<u>3,622,202</u>

SUCCESS GLOBAL MEDIA LIMITED AND ITS CONTROLLED ENTITIES

ABN 60 091 509 849

Interim Financial Report



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

NOTE 8: INTANGIBLE ASSETS

	30 June 2019	31 Dec 2018
	\$	\$
Goodwill:		
Cost	20,398,280	20,398,280
Accumulated impairment losses	(20,398,280)	(20,398,280)
Net carrying amount	-	-
Speakers' relationships:		
Cost	2,327,000	2,327,000
Accumulated amortisation	(1,047,150)	(930,800)
Net carrying amount	1,279,850	1,396,200
Trademarks and Brands:		
Cost	870,000	870,000
Net carrying amount	870,000	870,000
Customer Databases:		
Cost	1,458,000	1,458,000
Accumulated amortisation	(1,312,200)	(1,166,400)
Net carrying amount	145,800	291,600
Cryptocurrencies, at fair value	182,930	518,142
Total non-current intangible assets	2,478,580	3,075,942

	Speakers' relationships	Trademarks & Brands	Customer Databases	Crypto currencies	Total
	\$	\$	\$	\$	\$
Period-ended 30 June 2019					
Balance at the beginning of the period	1,396,200	870,000	291,600	518,142	3,075,942
Additions	-	-	-	308,927	308,927
Disposals	-	-	-	(1,151,147)	(1,151,147)
Amortisation charge	(116,350)	-	(145,800)	-	(262,150)
Fair value on crypto currencies	-	-	-	507,008	507,008
Closing value at 30 June 2019	1,279,850	870,000	145,800	182,930	2,478,580

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

Impairment disclosures

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period using an estimated growth rate inclusive of a terminal value.

The following assumptions were used in the value-in-use calculations:

Event management segment – Australia

	Growth Rate	Discount Rate
Year 1	5%	15%
Year 2 – Year 5	5%	15%

NOTE 9: TRADE AND OTHER PAYABLES

	30 June 2019	31 Dec 2018
	\$	\$
Current		
Unsecured liabilities:		
Trade payables	2,098,075	1,744,116
Sundry payables and accrued expenses	9,198,553	7,494,251
Success's tokens ¹	11,086,255	11,085,431
Trade payables to related parties	2,029,541	2,027,246
Other payables to related parties	4,050,435	2,816,709
Total current trade and other payables	28,462,859	25,167,753

NOTE 10: CONTRACT LIABILITIES

	30 June 2019	31 Dec 2018
	\$	\$
Amounts received in advance of delivery for services	19,762,416	10,306,137
Total contract liabilities	19,762,416	10,306,137

NOTE 11: RELATED PARTY TRANSACTIONS

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

During the period, there were no significant changes in the nature of related party transactions since 31 December 2018.

¹Being cryptocurrencies received and services yet to be rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 June 2019

NOTE 12: LEASES

The Group's lease portfolio includes buildings, plant and equipment. These leases have an average of 10 years as their lease term.

a. Options to Extend or Terminate

The option to extend or terminate are contained in the clauses of several property leases in the Group. These clauses provide the Group with opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Group.

(i) AASB 16 related amounts recognised in the balance sheet

	30 June 2019	31 Dec 2018
	\$	\$
Right of use assets		
Leased buildings:		
Opening balance	937,971	1,123,756
Depreciation expense for the half-year ended	(246,166)	(179,889)
Foreign exchange	11,999	(5,896)
Net carrying amount	703,804	937,971
Current	272,165	393,206
Non-current	431,639	544,765
Total	703,804	937,971

(ii) AASB 16 related amounts recognised in the statement of profit or loss

	Half-year ended 30 June 2019	Half-year ended 30 June 2018
	\$	\$
Depreciation charge related to right-of-use assets	246,166	179,889
Interest expense on lease liabilities (under finance cost)	27,153	32,255
	Half-year ended 30 June 2019	Half-year ended 30 June 2018
	\$	\$
Total half-yearly cash outflows for leases	282,135	185,777

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

The directors are not aware of any other significant events since the end of the interim period except for

On 15 July 2019, the Group has completed a purchase of building in Singapore. The sale price of the property is equivalent to \$3,060,020.

On 7 July 2019, the Group signed a term sheet to sell all the shares in New Tycoon Global Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 June 2019

NOTE 14: INTEREST IN SUBSIDIARIES

Details of Group's subsidiaries at the end of the reporting period are as follows:

	Country of Incorporation	Percentage Owned *	
		As at 30 June 2019	As at 31 December 2018
Subsidiaries of Success Global Media Limited:		%	%
DataHQ Pty Limited (i)	Australia	-	100
Empowernet International Pty Ltd	Australia	100	100
Hometrader Pty Limited (i)	Australia	-	100
Success Resources Australia Pty Ltd	Australia	100	100
Success Resources Malaysia Group Sdn Bhd	Malaysia	100	100
Success Resources Singapore Pte Ltd	Singapore	100	100
Successlife Global Pte Ltd	Singapore	100	100
New Tycoon Global Limited	Hong Kong	100	100

* The proportion of ownership interest is equal to the proportion of voting power held.

(i) The subsidiary company is dormant and was de-registered.

Subsidiaries' financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Success Global Media Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 18, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Richard Tan

Dated this 30th day of August 2019

**SUCCESS GLOBAL MEDIA LIMITED
ABN 60 091 509 849
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
SUCCESS GLOBAL MEDIA LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Success Global Media Limited, which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Success Global Media Limited's financial position as at 30 June 2019 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Success Global Media Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

A Member of PrimeGlobal
An Association of Independent
Accounting Firms

 **PrimeGlobal**

**SUCCESS GLOBAL MEDIA LIMITED
ABN 60 091 509 849
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
SUCCESS GLOBAL MEDIA LIMITED**

Conclusion

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

- (i) giving a true and fair view of Success Global Media Limited's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(e) in the financial report, which indicates that the group incurred a net loss after tax of \$6,768,913 during the half year ended 30 June 2019 and as at that date the group's current liabilities exceeded its current assets by \$40,533,259. As stated in Note 1(e), these events or conditions along with other matters as set forth in Note 1(e), indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend
Partner
Dated: 30 August 2019