

For personal use only

BPH Global Limited

ACN 009 104 330

APPENDIX 4E AND PRELIMINARY FINAL REPORT

For the year ended 30 June 2024

BPH GLOBAL LIMITED
APPENDIX 4E
FOR THE YEAR ENDED 30 JUNE 2024

The following information is given to ASX under listing rule 4.3A.

1. Reporting period

Current Period 12 months ended 30 June 2024

Prior Period 12 months ended 30 June 2023

2. Results for announcement to the market

	2023		2024	% Change
	\$		\$	
2.1 Revenue from continuing operations	339	to	109,965	up 32,338%
2.2 Loss from continuing operations after tax attributable to members	(4,031,707)	to	(1,737,366)	down 57%
2.3 Net loss attributable to members	(4,827,968)	to	(2,271,585)	down 53%
2.4 Dividend				
N/A				
2.5 Record date for determining entitlements to the dividends				
N/A				
2.6 Explanatory information				

During the year, the Group, through the acquisition of Foshan Gedishi Biotechnology Co Ltd, a company incorporated and based in the People's Republic of China, re-focused the business activities on bird's nest products, a luxurious Traditional Chinese Medicine product. During the year, the Group has also raised approximately \$685,000 t via placements of shares and convertible notes.

The Group has also undertaken a 5 to 1 consolidation of its issued capital, thereby reducing the number of shares on issue by 1,563,291,233 shares.

The Group recorded a revenue of \$109,965 (FY2023: \$339) and a net loss of \$1,777,584 (FY2023: net loss \$4,046,728) from continuing operations. At year end, the Group has a cash balance of \$133,619 (FY2023: \$510,217).

The unaudited full year results are set out in the accompanying Appendix 4E.

3. Statement of Profit or Loss and Other Comprehensive Income

Refer accompanying preliminary financial report

4. Statement of Financial Position

Refer accompanying preliminary financial report

5. Statement of Cash Flow

Refer accompanying preliminary financial report

6. Dividends Paid or Recommended

N/A

7. Details of any Dividend or distribution reinvestment plans

N/A

8. Statement of movements in Retained Earnings

Refer statement of changes in equity in the accompanying preliminary financial report

9. Net tangible assets/(liabilities) per security

	30 June 2023	30 June 2024
Number of securities	1,284,729,781	396,641,479
Net tangible assets/(liabilities) per security in cents	0.05	(0.34)

10. Changes in controlled entities

Disposal of SCU-RY Farm Pte Ltd (refer Note 14(b) for more details).

11. Details of associates and joint venture entities

N/A

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position

Refer accompanying preliminary financial report

13. Foreign entities disclosures

N/A

14. Additional information

14.1 Earnings per Share

Refer accompanying preliminary financial report

14.2 Returns to Shareholders

Refer accompanying preliminary financial report

14.3 Significant features of operating performance

Refer accompanying preliminary financial report

14.4 Results of segments

Refer accompanying preliminary financial report

14.5 Trends in performance

Refer accompanying preliminary financial report

14.6 Subsequent events

Refer accompanying preliminary financial report

15. Compliance Statement

The financial statements are in the process of being audited.

16. If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph is described below

During the year ended 30 June 2024, the consolidated entity incurred a loss after income tax of \$1,777,584 (2023: \$4,046,728) from continuing operations and net cash outflows from operating activities of \$1,258,876 (2023: \$1,339,631). At 30 June 2023, the consolidated entity had \$133,619 (2023: \$510,217) in cash.

Since the end of the financial year, the Company received a further \$130,000 in debt funding.

The ability of the consolidated entity to continue as a going concern depends on the consolidated entity managing its cash outflow and generating additional cash inflows from:

- Generating sufficient revenue in excess of expenses from sales;
- The receipt of debt funding; or
- The receipt of equity funding

The Group has a demonstrated record of raising additional capital and the Board has a reasonable expectation that the Company will be able to successfully raise funds over the 12-month period ending 31 August 2025.

Accordingly, there is material uncertainty that may cast doubt on the consolidated entity's ability to continue as a going concern. No adjustments have been made in relation to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Given this, the auditors have advised that their audit report is likely to include an emphasis of matter paragraph in relation to the above.

- END -

Authorised for lodgement by the Board of the Company

BPH Global Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year ended 30 June 2024

	2024 \$	2023 \$
Revenue	109,965	339
Cost of Sales	(91,695)	-
Gross profit	18,270	339
Other revenue and income	65	37
Staff costs and directors' fees	(703,547)	(1,352,929)
Professional fees	(492,152)	(586,169)
Research expenses	-	(49,922)
Depreciation and amortisation	-	(19,492)
Impairment of inventory, receivables, intangibles and PPEs	-	(1,166,775)
Movement in fair value of investment	-	(420,000)
Marketing and travel	(258,748)	(124,333)
Administrative expenses	(282,728)	(327,484)
Loss on conversion of liabilities into equities	(38,333)	-
Interest expense	(20,411)	-
Loss before income tax expense	(1,777,584)	(4,046,728)
Income tax expense	-	-
Loss for the year from continuing operations	(1,777,584)	(4,046,728)
(Loss)/Profit from discontinued operation	(673,170)	(565,166)
Loss for the year	(2,450,754)	(4,611,894)
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Translation of foreign subsidiary	(11,562)	(44,203)
Total comprehensive loss for the year	(2,462,316)	(4,656,097)

BPH Global Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year ended 30 June 2024 (Continued)

		2024 \$	2023 \$
Loss attributable to:			
Owners		(2,271,585)	(4,827,968)
Non-controlling interest		(179,169)	216,074
		<u>(2,450,754)</u>	<u>(4,611,894)</u>
Total comprehensive loss attributable to:			
Owners			
- Continuing operations		(1,748,928)	(3,977,771)
- Discontinued operation		(534,219)	(845,429)
		<u>(2,283,147)</u>	<u>(4,823,200)</u>
Non-controlling interest			
- Continuing operations		(40,218)	(15,022)
- Discontinued operation		(138,951)	182,124
		<u>(179,169)</u>	<u>167,103</u>
		<u>(2,462,316)</u>	<u>(4,656,097)</u>
Loss per share from continuing operations attributable to owner			
Basic (cents per share)	3	(0.11)	(0.35)
Diluted (cents per share)	3	(0.11)	(0.35)
Loss per share from discontinued operations attributable to owner			
Basic (cents per share)	3	(0.03)	(0.07)
Diluted (cents per share)	3	(0.03)	(0.07)
Loss per share attributable to owner			
Basic (cents per share)	3	(0.14)	(0.42)
Diluted (cents per share)	3	(0.14)	(0.42)

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

BPH Global Limited

Consolidated Statement of Financial Position as at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		133,619	510,217
Trade and other receivables	4	118,672	21,508
Other assets	5	1,206	97,806
Inventory	6	49,284	-
TOTAL CURRENT ASSETS		302,781	629,531
NON CURRENT ASSETS			
Plant and equipment	7	-	633,440
Intangible assets	8	387,851	1
Investment at fair value through profit or loss		-	210,000
TOTAL NON CURRENT ASSETS		387,851	843,441
TOTAL ASSETS		690,632	1,472,972
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	(1,411,370)	1,281,909
TOTAL CURRENT LIABILITIES		(1,411,370)	1,281,909
NON CURRENT LIABILITIES			
Convertible Notes	10	(254,321)	-
TOTAL NON CURRENT LIABILITIES		(254,321)	-
TOTAL LIABILITIES		(1,665,691)	1,281,909
NET LIABILITIES / ASSETS		(975,059)	191,063

BPH Global Limited

Consolidated Statement of Financial Position as at 30 June 2024 (continued)

	Note	2024 \$	2023 \$
EQUITY			
Contributed equity	11	78,938,407	78,188,156
Option reserve	12	1,890,000	3,100,005
Retained earnings		(81,823,784)	(81,308,147)
Foreign currency translation reserve		28,558	40,120
EQUITY ATTRIBUTABLE TO SHAREHOLDERS		(966,819)	20,134
Non-controlling interest		(8,240)	170,929
TOTAL DEFICIT / EQUITY		(975,059)	191,063

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

BPH Global Limited

Consolidated Statement of Changes in Equity for the year ended 30 June 2024

	<-----Attributable to owners of BP8 Global Ltd----->					
	Contributed Equity	Option reserve	Retained Earnings	Foreign currency translation reserve	Non- controlling interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 30 June 2022	76,875,145	4,203,993	(78,119,379)	84,323	1,676,241	4,720,323
Transactions with equity holders in their own capacity						
<i>Placements</i>	1,385,073	151,933	–	–	–	1,537,006
<i>Capital raising costs</i>	(127,062)	85,000	–	–	–	(42,062)
<i>Fair value of options vested during the year</i>	–	358,029	–	–	–	358,029
<i>Fair value of shares/options issued to advisors</i>	55,000	25,250	–	–	–	80,250
<i>Cancellation/Expiry of options</i>	–	(1,724,200)	1,639,200	–	–	(85,000)
	1,313,011	(1,103,988)	1,639,200	–	–	1,848,223
Total comprehensive loss	–	–	–	–	(1,721,386)	(1,721,386)
Loss of non-controlling interest on disposal of subsidiary	–	–	(4,827,968)	(44,203)	216,074	(4,656,097)
Balance at 30 June 2023	78,188,156	3,100,005	(81,308,147)	40,120	170,929	191,063
Transactions with equity holders in their own capacity						
<i>Placements</i>	798,479	384,604	–	–	–	1,183,083
<i>Conversion of convertible notes into shares and options</i>	44,672	90,168	–	–	–	134,840
<i>Capital raising costs</i>	(92,900)	–	–	–	–	(92,900)
<i>Fair value of options vested during the year</i>	–	71,171	–	–	–	71,171
<i>Cancellation/Expiry of options</i>	–	(1,755,948)	1,755,948	–	–	–
	750,251	(1,210,005)	1,755,948	–	–	1,296,194
Total comprehensive loss	–	–	(2,271,585)	(11,562)	(179,169)	(2,462,316)
Balance at 30 June 2024	78,938,407	1,890,000	(81,823,784)	28,558	(8,240)	(975,059)

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

BPH Global Limited

Consolidated Statement of Cash Flows for the year ended 30 June 2024

	2024 \$	2023 \$
CASH FLOWS RELATING TO OPERATING ACTIVITIES		
Receipts from customers	109,966	4,685,275
Payment to suppliers and employees	(1,368,906)	(6,009,867)
Interest income	64	37
Interest paid	-	(13,757)
Interest paid on lease liabilities	-	(1,319)
Total cash used in operating activities	(1,258,876)	(1,339,631)
CASH FLOWS RELATING TO INVESTING ACTIVITIES		
Payment for plant and equipment	-	(147,119)
Net proceeds from disposal of subsidiary	185,060	65,082
Cash acquired on acquisition of subsidiary	266	-
Total cash from/(used in) investing activities	185,326	(82,037)
CASH FLOWS RELATING TO FINANCING ACTIVITIES		
Proceeds from issue of shares and other equity securities, net of costs	316,910	1,490,194
Proceeds from issue of convertible notes	368,750	-
Repayment of lease liabilities	-	(22,878)
Proceeds from borrowings	11,378	10,700
Repayment of borrowings	-	(94,517)
Total cash from financing activities	697,038	1,383,499
Net decrease in cash and cash equivalents	(375,512)	(38,168)
Cash and cash equivalents at beginning of financial year	510,217	624,962
Foreign currency translation differences	(86)	(76,577)
Cash and cash equivalents at end of financial year	133,619	510,217

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies have been consistently applied by the entity and are consistent with those disclosed in 30 June 2023 annual financial report and the interim financial report for the half year ended 31 December 2023.

NOTE 2: SHARE BASED PAYMENTS

	2024	2023
	\$	\$
Amounts included in Profit or Loss:		
Vested portion of options to a director	23,316	262,319
Vested portion of options to an advisor	47,855	95,710
Shares to be issued to Directors*	-	28,000
Waiver of accrued shared based payments	-	(114,000)
	<u>71,171</u>	<u>272,029</u>

*The shares to be issued were valued based upon the value of shares at the date of contract. An expense was recorded for these amounts in relation to services performed.

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 3: LOSS PER SHARE

	2024 \$	2023 \$
Loss Per Share from continuing operation attributable to owners		
Loss from continuing operations attributable to owners	(1,737,366)	(4,031,707)
Basic loss per share (cents per share)	(0.11)	(0.35)
Diluted loss per share (cents per share)	(0.11)	(0.35)
(Loss)/Earnings Per Share from discontinued operation attributable to owners		
Earnings from discontinued operation attributable to owners	(534,219)	(796,261)
Basic loss per share (cents per share)	(0.03)	(0.07)
Diluted loss per share (cents per share)	(0.03)	(0.07)
Loss Per Share attributable to owners		
Loss for the period attributable to owners	(2,271,585)	(4,827,968)
Basic loss per share (cents per share)	(0.14)	(0.42)
Diluted loss per share (cents per share)	(0.14)	(0.42)
Weighted average number of shares		
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	1,591,952,203	1,166,687,841
Weighted average number of options*	683,695,287	308,498,349
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	1,591,952,203	1,166,687,841

*Options are considered anti-dilutive as at 30 June 2024 and 30 June 2023 and therefore are not included in the computation of the dilutive EPS

NOTE 4: TRADE AND OTHER RECEIVABLES

	2024 \$	2023 \$
CURRENT		
Trade receivables	-	-
Less: allowance for expected credit losses	-	-
	-	-
Other receivables	118,672	21,508
	118,672	21,508

BPH Global Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 5: OTHER ASSETS

	2024 \$	2023 \$
CURRENT		
Prepayments made to suppliers	-	96,974
Deposits	1,206	832
	1,206	97,806

NOTE 6: INVENTORY

	2024 \$	2023 \$
CURRENT		
Finished goods	49,284	-
	49,284	-

NOTE 7: PLANT AND EQUIPMENT

	Office equipment \$	Machines \$	Capital Work in Progress \$	TOTAL \$
Cost				
At 30 June 2022	3,146	1,481,599	492,680	1,977,425
Addition during the year	-	6,360	140,759	147,119
Disposal during the year	-	(1,470,667)		(1,470,667)
Foreign exchange translation	(130)	(17,292)	-	(17,422)
At 30 June 2023	3,016	-	633,439	636,455
Disposal during the year	3,016			
Disposal via sale of subsidiary	-	-	(636,767)	
Foreign exchange translation	-		3,328	
At 30 June 2024	-	-	-	-
Accumulated depreciation				
At 30 June 2022	3,145	968,016	-	971,161
Addition during the year	-	82,180	-	82,180
Disposal during the year	-	(1,015,963)	-	(1,015,963)
Foreign exchange translation	(130)	(34,233)	-	(34,363)
At 30 June 2023	3,015	-	-	3,015
Disposal during the year	(3,015)	-	-	-
At 30 June 2024	-	-	-	-
Carrying amount				
At 30 June 2023	1	-	633,439	633,440
At 30 June 2024	-	-	-	-

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 8: INTANGIBLE ASSETS

	Note	2024 \$	2023 \$
Balance of intangible assets at beginning of period		1	1
Intellectual property acquired		-	1,010,559
Impairment of IP during the period*		-	(1,010,559)
Goodwill recognised on acquisition of subsidiary	15	387,850	-
Balance of intangible assets at reporting date		<u>387,851</u>	<u>1</u>

* Intellectual properties

In July 2022, the Company (as licensee) and Lantene (as licensor) entered into an intellectual property licence agreement whereby, with effect on and from completion of the Sale of Lantene subsidiary, the Company was granted an exclusive licence for an initial period of 15 years to continue its use and commercialisation of Lantene's intellectual property, including the patents and software registrations in China covering Sea Grape cultivation techniques and applications developed by Lantene ("IP Licence").

The Company's rights of exclusivity under the IP Licence are worldwide, with the exception of China. The \$1,010,559 intercompany loan previously extended to Lantene in its capacity as a subsidiary of the Company has been treated as the consideration for the licence granted to the Company under the IP Licence. Hence, Lantene has been released from its liability to repay the intercompany loan in consideration for the grant of the exclusive intellectual property licence under the IP Licence.

The IP Licence was fully impaired during the year ended 30 June 2023 as the Company was unable to quantify the future cash inflows from the patents usage.

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 9: TRADE AND OTHER PAYABLES

	2024 \$	2023 \$
CURRENT		
Trade payables	621	621
Other payables	692,344	546,335
Accrued expenses	718,405	734,953
	1,411,370	1,281,909

NOTE 10: CONVERTIBLE NOTES

During the year, the Company issued 368,750 convertible notes with an interest rate of 12% per annum and a face value of \$1.00 each for \$368,750. The notes are convertible into ordinary shares of the Company, at the choice of the holder, or repayable on 12 April 2025. The conversion rate is the number of notes divided by the Conversion Price. Conversion Price is the lower of (a) the amount which is 30% less than the 15 days volume-weighted average price (VWAP) of the trading price of Shares on ASX on the Conversion Date; or (b) the amount which is lowest traded price of Shares on ASX in the 15 trading days ending on the Conversion Date, subject always to a maximum conversion price of \$0.002. Each share issued on conversion will have one attaching option with expiry of 11 December 2026 and an exercise price of \$0.004.

The convertible notes are presented in the balance sheet as follows:

	2024 \$	2023 \$
Face value of Convertible Notes issued	368,750	-
Interest expense	15,321	-
Conversion of Convertible Notes into shares and options	(129,750)	-
Convertible Notes (non-current liability)	254,321	-

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 11: CONTRIBUTED EQUITY

	2024 \$	2023 \$
Issued and fully paid ordinary shares	78,938,407	78,188,156
Movements in ordinary shares	Number of shares	\$
At 30 June 2022	1,049,784,349	76,875,145
Shares issued via placement	228,834,321	1,385,073
Shares issued to placement advisor	6,111,111	55,000
Capital raising costs	-	(127,062)
At 30 June 2023	1,284,729,781	78,188,156
Shares issued via placement and debt settlement	450,833,333	598,479
Shares issued to acquire subsidiary	100,000,000	200,000
Conversion of convertible notes into shares	118,552,770	32,602
5 to 1 consolidation	(1,563,291,233)	-
Conversion of convertible notes into shares	5,816,828	12,070
Capital raising costs	-	(92,900)
At 30 June 2024	396,641,479	78,938,407

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

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

For personal use only

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 12: OPTION RESERVE

	2024 \$	2023 \$
Option Reserve	1,890,000	3,100,005
Movements in Option Reserve		
	Number of options	\$
At 30 June 2022	311,600,000	4,203,993
Vested portion of director options issued in previous year ¹	-	262,319
Vested portion of advisor options issued in previous year ²	-	95,710
Placement attaching options ³	27,666,664	89,640
Placement attaching options and advisor options to be issued ⁴		172,543
Cancellation of options	(100,500,000)	(1,639,200)
Expiry of options	(5,000,000)	(85,000)
At 30 June 2023	233,766,664	3,100,005
Vested portion of director options issued in previous year ¹		23,316
Cancellation of option due to vesting condition not met ¹	(25,000,000)	(435,948)
Vested portion of advisor options issued in previous year ²	-	47,855
Placement attaching options and advisor options ⁴	220,834,319	50,500
Placement attaching options ⁵	579,386,103	420,055
Expiry of options	(110,000,000)	(1,320,000)
5 to 1 consolidation of option	(719,189,646)	-
Placement attaching options ⁵	5,816,828	4,217
At 30 June 2024	185,614,268	1,890,000

¹ On 09 April 2021, 75,000,000 options were issued to a director as approved at the shareholders' meeting held on 26 March 2021. The options will be vested over 3 tranches of 25,000,000 options each. The 1st tranche vested immediately upon issue. The 2nd and 3rd tranche will be vested on the second and third anniversary of the director's appointment, provided the said director is still a director at the Company at the respective vesting dates. The assessed fair value at grant date of the 1st, 2nd and 3rd tranche options were A\$575,000, A\$550,000 and A\$550,000 respectively. The fair value at grant date is determined using the Black Scholes Model.

The director has on 14 March 2023 cancelled 1st tranche of the options, and on 12 May 2023 resigned as director, resulting in 3rd tranche of the option not being vested. As at 30 June 2024, 2nd tranche option remains with a recognised value of A\$550,000.

The model inputs for the 1st tranche options granted and vested included:

- (a) exercise price: A\$0.017
- (b) grant date: 26 March 2021
- (c) vesting date: 09 April 2021
- (d) expiry date: 09 April 2026
- (e) share price at grant date: A\$0.027
- (f) expected price volatility of the Company's shares: 112.5%
- (g) risk-free interest rate: 0.81%

The model inputs for the 2nd tranche options granted included:

- (a) exercise price: A\$0.05
- (b) grant date: 26 March 2021
- (c) vesting date: 01 November 2022
- (d) expiry date: 01 November 2027
- (e) share price at grant date: A\$0.027
- (f) expected price volatility of the Company's shares: 112.5%
- (g) risk-free interest rate: 0.81%

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 12: OPTION RESERVE (continued)

The model inputs for the 3rd tranche options granted included:

- (a) exercise price: A\$0.10
- (b) grant date: 26 March 2021
- (c) vesting date: 01 November 2023
- (d) expiry date: 01 November 2028
- (e) share price at grant date: A\$0.027
- (f) expected price volatility of the Company's shares: 112.5%
- (g) risk-free interest rate: 0.81%

²On 28 February 2022, 25,000,000 options were issued to an advisor as approved at the AGM of 31 January 2022. The options can be exercised at different price of 15,000,000 options at \$0.025, 7,500,000 options at \$0.05 and 2,500,000 options at \$0.075 respectively. 1/5 of the total options are vested immediately upon engagement and subsequently every half yearly another 1/5 will be vested. The assessed fair value at grant date of the 15,000,000, 7,500,000 and 2,500,000 options were A\$152,400, A\$66,675 and A\$20,200 respectively and were fully recognised as at 30 June 2024. The fair value at grant date is determined using the Black Scholes Model.

The model inputs for the 15,000,000 options granted at exercise price of A\$0.025 included:

- (a) exercise price: A\$0.025
- (b) grant date: 28 February 2022
- (c) expiry date: 28 February 2025
- (d) share price at grant date: A\$0.014
- (e) expected price volatility of the Company's shares: 145%
- (f) risk-free interest rate: 0.28%

The model inputs for the 7,500,000 options granted at exercise price of A\$0.05 included:

- (a) exercise price: A\$0.05
- (b) grant date: 28 February 2022
- (c) expiry date: 28 February 2025
- (d) share price at grant date: A\$0.014
- (e) expected price volatility of the Company's shares: 145%
- (f) risk-free interest rate: 0.28%

The model inputs for the 2,500,000 options granted at exercise price of A\$0.075 included:

- (a) exercise price: A\$0.075
- (b) grant date: 28 February 2022
- (c) expiry date: 28 February 2025
- (d) share price at grant date: A\$0.014
- (e) expected price volatility of the Company's shares: 145%
- (f) risk-free interest rate: 0.28%

³On 01 September 2022, 27,666,664 options were issued to investors as part of the placement. The assessed fair value at grant date of options issued were A\$89,640. The fair value at grant date is determined using the Black Scholes Model.

The model inputs for the options granted included:

- (a) exercise price: A\$0.018
- (b) grant date: 01 September 2022
- (c) expiry date: 01 September 2025
- (d) share price at grant date: A\$0.009
- (e) expected price volatility of the Company's shares: 79%
- (f) risk-free interest rate: 3.33%

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 12: OPTION RESERVE (continued)

⁴ On 09 June 2023, shareholders approved the issue of 220,834,319 options to investors that participated in the Company's placement, 25,000,000 options to advisor that manages the placement, and 50,000,000 options to directors for offsetting of amount owing to them. These options were issued after balance date on 7 July 2023. The assessed fair value at grant date of options issued were in aggregate \$223,043. The fair value at grant date is determined using the Black Scholes Model.

The model inputs for the options granted included:

- (a) exercise price: A\$0.01
- (b) grant date: 09 June 2023
- (c) expiry date: 07 July 2027
- (d) share price at grant date: A\$0.003
- (e) expected price volatility of the Company's shares: 78.5%
- (f) risk-free interest rate: 3.8%

⁵ On 22 November 2023, shareholders approved the issue of options to investors that participated in the Company's placement of shares and convertible notes. On 8 December 2023, 460,833,333 options were issued to investors as part of the placement of shares. The assessed fair value at grant date of options issued were A\$334,104. Subsequently, on 2 February 2024 and 21 June 2024, 118,552,770 options and 5,816,828 options (post option consolidation) were issued on conversion of convertible notes with assessed fair value at grant date of options to be \$85,951 and \$4,217 respectively. The fair value at grant date is determined using the Black Scholes Model.

The model inputs for the options granted included:

- (a) exercise price: A\$0.004
- (b) grant date: 22 November 2023
- (c) expiry date: 11 December 2026
- (d) share price at grant date: A\$0.002
- (e) expected price volatility of the Company's shares: 78.5%
- (f) risk-free interest rate: 4.085%

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 13: SEGMENT INFORMATION

The directors have considered the requirements of AASB 8 Operating Segments and the internal reports that are received by the Board in allocating resources and have concluded at this time that there are no separately identifiable segments as the consolidated group operated in one business segment of sourcing, producing, marketing and selling of traditional medicines.

The geographical segment information of the group is as follows:

2024	Continuing operations					Discontinued operation \$
	Australia \$	Singapore \$	China \$	Malaysia \$	Total \$	
Revenue	-	-	109,965	-	109,965	-
Profit / (Loss)	(1,459,313)	(105,395)	(101,602)	(111,274)	(1,777,583)	673,170
Total assets	91,529	36,004	562,828	272	690,632	-
Total liabilities	(1,302,115)	(88,047)	(275,529)	-	(1,665,691)	-

2023	Continuing operations					Discontinued operation \$
	Australia \$	Singapore \$	China \$	Malaysia \$	Total \$	
Revenue	-	-	339	-	339	5,182,284
Profit / (Loss)	(2,757,448)	(1,188,400)	(77,104)	(23,776)	(4,046,728)	463,117
Total assets	482,386	863,358	20,494	106,734	1,472,972	-
Total liabilities	(1,122,129)	(128,466)	(29,532)	(1,782)	(1,281,909)	-

For personal use only

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 14: DISCONTINUED OPERATIONS

A) SHENZHEN LANTENE DINGZHI BIOTECHNOLOGY CO LTD

On 29 April 2022, the Group announced its intention to dispose all of its 50.1% interest in subsidiary Shenzhen Lantene Dingzhi Biotechnology Co Ltd ("Lantene") to the existing shareholder Mr Cao Yueing for the consideration of \$700,000. On 20 July 2022, the Company signed the Share Sale Agreement documenting the proposed transaction, completion of which was subject to and conditional upon the Group obtaining necessary shareholder approvals. Shareholders approved the disposal at the General Meeting of 19 October 2022. Initial payment of \$70,000 was received in the same month, with the remaining to be paid within 6 months from the date the initial payment is made. During the current period, the Group has assessed that the outstanding balance to be impaired.

Consideration receivable is presented as investment in the statement of financial position as subsequent to shareholders' approval of Share Sale Agreement, the directors of the Company are of the opinion that it neither controls nor exercises significant influence on Lantene. Hence the remaining holdings in Lantene until fully settled is treated as investment at fair value through profit or loss. The transaction price agreed for disposal of Lantene is deemed to be reasonable proximation of its fair value.

Financial information relating to Lantene is set out below. The financial information of 2023 presented are for the 4 months ended 31 October 2022.

Financial performance information	2024	2023
	\$	\$
Revenue	-	5,182,284
Cost of Sales	-	(4,397,024)
Other income	-	1,030
Expenses	(210,000)	(323,173)
(Loss)/Profit before tax	(210,000)	463,117
Income tax	-	-
(Loss)/Profit after tax	(210,000)	463,117
Loss on disposal	-	(1,028,283)
(Loss)/profit after tax from discontinued operations	(210,000)	(565,166)
Cash flow information	\$	\$
Net cash from operating activities	-	257,729
Net cash from investing activities	-	(6,030)
Net cash from financing activities	-	(185,266)
Net increase in cash and cash equivalent of discontinued operation	-	66,433
Details of the sale	\$	\$
Consideration received	-	70,000
Residual equity interest held at fair value through profit or loss	-	630,000
Carrying amount of net assets sold	-	(1,728,283)
Loss recognized on loss of control of subsidiary	-	(1,028,283)

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 14: LOSS OF CONTROL OF SUBSIDIARY

A) SCU-RY FARM PTE LTD

In December 2023, the Group announced that it disposed of its 70% interest in subsidiary SCU-RY Farm Pte Ltd ("SCU-RY") to an external buyer for a net consideration of \$213,483 (SG\$192,500). Payments of \$93,156 (SG\$84,000) were received during the half year period, with the remaining received in Jan 2024.

SCU-RY was a dormant non-operational company and did not trade during the period which the Company had control of it.

Financial performance information	2024	2023
	\$	\$
Revenue	-	-
Cost of Sales	-	-
Other income	-	-
Expenses	-	-
Profit before tax	-	-
Income tax	-	-
Profit after tax	-	-
Loss on disposal	(463,170)	-
(Loss)/profit after tax from discontinued operations	(463,170)	-
Cash flow information	\$	\$
Net cash from operating activities	-	-
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Net increase in cash and cash equivalent of discontinued operation	-	-
Details of the sale	\$	
Consideration received & receivable	185,060	
Carrying amount of net assets sold	(636,767)	
Forex translation released to profit or loss	(11,463)	
Loss recognized on loss of control of subsidiary	(463,170)	
Non-controlling interest share of the loss	(138,951)	

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 15: ACQUISITION OF SUBSIDIARY – FOSHAN GEDISHI BIOTECHNOLOGY CO LTD

On 19 December 2023, the Group acquired 100% of the issued shares in Foshan Gedishi Biotechnology Co Ltd, a health care product distribution company incorporated in the People's Republic of China, for a consideration of \$400,000, to allow the Group to develop and expand its operations into China.

The accounting for the business combination remains provisional as at 31 December 2023 and the fair value of the assets and liabilities acquired will be finalised within the acquisition period of 12 months from the acquisition date. Specifically the Group will be working through an independent assessment of identifiable intangible assets. Details of the purchase consideration and the net assets acquired are as follows:

Purchase consideration	Fair value
	\$
Contingent consideration payable	200,000
Fair value of shares issued	200,000
Total consideration	<u>400,000</u>
The provisional fair value of the assets and liabilities acquired	Fair value
	\$
Cash and cash equivalents	266
Receivables	16,909
Inventory	32,943
Payables	<u>(37,968)</u>
Net identifiable assets acquired	12,150
Non-controlling interest	-
Goodwill	<u>387,850</u>
Consideration	<u>400,000</u>
Cashflow effect of acquisition	Fair value
	\$
Cash paid	-
Cash acquired	266
Net cash acquired	<u>266</u>

Goodwill

Goodwill is attributable to the expected of synergy from acquiring the distribution network and the ability to operate in and having access to China market.

Notes to the Financial Statements for the Financial Year Ended 30 June 2024

NOTE 16: SUBSEQUENT EVENTS

The Company has on 31 July 2024 entered into loan agreements to raise \$130,000 to provide short term funding to the Company pending completion of its proposed capital raising of up to \$1,000,000. Each of the four directors will provide loan funding of \$25,000 and a non-related party will provide an additional \$30,000. The loans have an interest rate of 12% per annum and a repayment date of 9 February 2025.

NOTE 17: COMPANY DETAILS

The registered office is at Block Arcade, Office 324, Level 3, 96 Elizabeth Street, Melbourne, VIC 3000.

For personal use only