BPH Global Limited

(Formerly known as Stemcell United Limited)

ACN 009 104 330

2023 ANNUAL REPORT

For the year ended 30 June 2023

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, of BPH Global Limited ("the Company" or "BP8") and the entities it controlled (together referred to as "the Group") for the year ended 30 June 2023.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

<u>Directors</u>

Philip Huanqing Gu
Mr Gu is the inventor of BP8's Dendrobium Officinale orchid plant (a Traditional Chinese Medicine (TCM) plant) stem cell products. He holds a Master of Science degree in Biology, majoring in plant physiology from South China Teachers University (renamed South China Normal University) and a Diploma in Business Management from Australian Academy of Business Studies. Mr. Gu has more than 20 years experience in the food and agricultural technology industry and previously served as a consultant to Food and Agriculture Organization (FAO) of the United Nations before launching his entrepreneurial journey in the 1990s. Mr Gu also specialises in the production of various other TCM products like canned abalone, bottled bird's nest, cordyceps extract and ginseng extract. His in-depth industry knowledge and well-established business network has firm foundations in the manufacturing industry.

Interests in shares: 112,666,667 ordinary shares
Interests in options: 4,166,667 Options exp 07/07/2027 exercisable at $0.01

Other directorships in past 3 years: None.

Chow Yee Koh (resigned 31 March 2023)
Mr Chow Yee Koh graduated from the University of Strathclyde, Scotland and is a fellowship member of the Association of Chartered Certified Accountants (ACCA). Mr Koh has over 20 years' accounting, finance and corporate experience in Australia, China, Singapore and Malaysia, which are accumulated from working in accounting firms and in listed companies.

Interests in shares: 7,166,667 ordinary shares
Interests in options: 4,166,667 Options exp 07/07/2027 exercisable at $0.01

Other directorships in past 3 years: None

Yanhua Huang (resigned 19 September 2022, re-appointed 6 July 2023)
Mr Huang is a seasoned businessman and management consultant with almost 20 years of experience, accumulated from working in management consulting firm Accenture and audit firm KPMG, and also from managing companies in the construction, manufacturing and trading industries. Mr Huang graduated from Lancaster University with a Bachelor degree and from the London School of Economics with a Master's degree.

Interests in shares: 103,947,368 ordinary shares
Interests in options: 25,000,000 Options exp 07/07/2027 exercisable at $0.01

Other directorships in past 3 years: None.

Qi Lu (resigned 19 September 2022)
Mr Lu graduated from the University of Shanghai for Science and Technology with bachelor's degree in Business Administration and has worked in financial institutions, namely, China Bank of Communications and Shanghai Overseas Chinese Exit-Entry Service Co., Ltd for almost 20 years, providing financial services advice and advice on corporate activities and investments to high net worth individuals and family offices. With the experience gained, Mr Lu set up his own financial consulting company in Shanghai, offering a variety of services and financial advice to clients in China and overseas.

Interests in shares:	Nil
Interests in options:	5,000,000 Options exp 18/12/2025 exercisable at $0.01
	500,000 Options exp 28/02/27 exercisable at $0.01

Other directorships in past 3 years: None.

Paul Stephenson
Mr Paul Stephenson was a partner in the Sydney Office of HWL Ebsworth Lawyers (HWLE) for thirteen years before retiring from the partnership in 2017. Mr Stephenson remains a consultant with HWLE. Mr Stephenson specialises in public and private equity fundraising, initial public offerings, backdoor listings and reverse mergers (both in Australia and the United States), and mergers and acquisitions involving both private and listed companies. Mr Stephenson has experience in a large number of industry sectors including resources, oil and gas, retailing, financial markets, and cannabis. Mr Stephenson has acted on many cross-border transactions and has expertise in equity capital markets and M&A transactions involving the USA, UK, China, Indonesia, Singapore, Malaysia, Hong Kong and Israel.

Interests in shares:	9,979,193 ordinary shares
Interests in options:	4,166,665 Options exp 07/07/2027 exercisable at $0.01
	5,000,000 Options exp 28/02/2027 exercisable at $0.017

Other directorships in past 3 years: None.

Paul Rosen (Resigned 12 May 2023)
Mr Rosen is a career entrepreneur and one of Canada's most active and diversified investors in the emerging cannabis industry. Mr Rosen is currently Executive Chairman of Global Go, an international advisory firm with offices in 6 countries focusing on the global regulated cannabis industry and the emerging psychedelic industry. Mr Rosen was a co-founder of PharmaCan Capital, now Cronos Group Inc (TSX:CRON), where he served as President and CEO for four years during which he was instrumental in leading the company's growth trajectory. Mr Rosen is a member of the Law Society in Upper Canada and holds both a B.A. in economics from the University of Western Ontario and an LL.B. from the University of Toronto.

Interests in shares:	4,166,667 ordinary shares
Interests in options:	4,166,667 Options exp 07/07/2027 exercisable at $0.01
	25,000,000 Options exp 1/11/2027 exercisable at $0.05
	25,000,000 Options exp 1/11/2028 exercisable at $0.1

Other directorships in past 3 years:
- Delic Holdings Inc. (CSE)
- 1933 Industries Inc (CSE)
- Tidal Royalty Corp (CSE) (Resigned)
- High Tide Inc. (TSX) (Resigned)

Francesco Cannavo

Mr Cannavo is an experienced public company director with significant business and investment experience working with companies operating across various industry sectors. Mr Cannavo is the founder of Golden Venture Capital, a corporate advisory firm based out of Melbourne, Australia. He has been instrumental in assisting many listed and unlisted companies achieve their growth potential by providing strategic advice on raising investment capital and completing strategic acquisitions. He is an entrepreneur with a strong network of investors and industry contacts in the public company sector in Australia and throughout the Asia-Pacific region. He has extensive experience in capital raisings, investment activities and IPOs.

Interests in shares:	5,828,033 ordinary shares
Interests in options:	4,166,667 Options exp 07/07/2027 exercisable at $0.01
	5,000,000 Options exp 28/02/2027 exercisable at $0.02

Other directorships in past 3 years:
- Western Mines Group Ltd (ASX)
- Lifespot Health Ltd (ASX) (resigned)

Matthew Leonard (appointed 30 March 2023)

Mr Leonard is an accomplished and internationally proven business development professional. With over 12 years of outstanding record of achievement in demanding, complex and highly competitive markets. He possesses expertise across advertising, marketing and media event management sectors, with recent focus on linking opportunities with high net worth individuals throughout Asia. Mr Leonard is also a member of Golden Venture Capital which provides corporate advisory and consultancy services. In this role, Mr Leonard has assisted a number of companies to raise capital throughout Asia and Australia

Interests in shares:	4,166,667
Interests in options:	4,166,667 Options exp 07/07/2027 exercisable at $0.01

Other directorships in past 3 years:
- Agri Skylight Ltd (NSX)˜

Company Secretaries

Elizabeth Spooner
Belinda Cleminson (Joint Company Secretary)

Principle activities

BPH Global Limited is a plant-focused biotechnology company with focus on producing foods and products which deliver Traditional Chinese Medicine-based health outcomes. It focuses on the research & development, production and commercialisation of traditional medicine products, including birds nests, seaweeds and sea plants and hemp to produce sustainable plant-based protein foods and nutraceutical and pharmaceutical ingredients (including CBD extracted from Hemp) for utilisation in the food, nutrition, healthcare, health supplements, cosmetics and personal care industries.

The Company’s current range of products includes:
- Raw birds’ nests and higher-end processed birds’ nest products;
- Dendrobium Officinale Kimura et Migo (Dendrobium), including Dendrobium infused birds nest;
- Daemonorops Draco Blume extract (Resina);
- Industrial Hemp (Cannabis Sativa); and
- Sea Grapes (*Caulerpa Lentillifera*) and seaweeds.

The Company's key markets are China, Singapore, Australia and Southeast Asia.

Review of Operations

After a period of suspension from trading which began on 27 September 2021, the Company recommenced trading on 30 March 2023.

Prior to the recommencement of trading, the Company took the initial steps to restructure its operations when it sought and obtained shareholder approval for the disposal of its subsidiary Shenzhen Lantene Dingzhi Biotechnology Co Ltd (“Lantene”). Since trading in the securities of BP8 re-commenced on 30 March 2023, BP8 has undertaken an extensive review and restructure, including:
- the restructure of the Board with Paul Stephenson appointed as Chairman, Matthew Leonard joining the Board as an executive Director, Frank Cannavo transitioning to executive Director and Michael (Yanhua) Huang re-joining the Board to drive the Company’s China based business activities;
- the appointment of a new management team lead by Matthew Leonard and Frank Cannavo;
- the conduct of a rigorous assessment of the Company’s business operations, employees’ competencies, organisational culture, and financial position; and
- the implementation of a variety of cost-saving measures, including a reduction in Director fees, contractors and excess headcount; cancellation of engagement agreements with certain advisors to the Company; and closure of the Company’s premises at Defu Lane, Singapore.

The savings realised through these efforts are reinvested in key operational areas of the Company’s business. This focused approach to cost reduction and strategic capital utilisation has and will yield tangible results, and Company anticipates continued progress in this area.

Operational decisions as outcomes of this review process include;
- business development focus on strengthening the collaboration with the Company’s joint venture partners in China to conduct sales of raw bird’s nests and birds’ nest products in China via China Tobacco in the Guangzhou region, and social media influencers on Douyin, the Chinese version of TikTok;
- execution of a joint venture R&D agreement with Chemokine Yuesheng for the development of new products including birds’ nest extract tablets infused with Australian honey;
- appointment of Gaia Mariculture Pte Ltd to manage the Company’s research and development facility at the Singapore Marine Aquaculture Centre on St John’s Island; and
- continued its R&D work at the St John’s Island facility to further develop BP8’s biotechnologies, including R&D into seaweed-based topical and ingestible products for TCM based health outcomes and for seeding and cultivation of seaweeds in Australian conditions.

The Group recorded a revenue from continuing operations of $339 (FY2022: $494,005) and a net loss of $4,046,728 (FY2022: net loss $4,564,525) from continuing operations. The loss of revenue is due to discontinued operation from disposal of subsidiary Lantene, while the increase of losses is mainly from the impairment of Intellectual Properties of $1,010,559 and decrease of $420,000 in the fair value of the investment.

At year end, the Group has a cash balance of $510,217 (FY2022: $624,962).

During the 2023 financial year, the Company raised approximately $1.5 million of cash (after costs) via placements in September 2022 and March 2023, and post balance date, approximately $800,000 commitments was received for shares and via convertible notes placement.

Significant changes in state of affairs

The following significant changes in the state of affairs of the Group during 2023 financial year and subsequently:

- **Reactivation of the China-based birds' nest business:** Following on from the re-appointment of Michael Huang as a Director of the Company, the executive Directors have been working with Michael in China on reactivating and expanding the Company's birds' nest business in China. This initiative builds on the pilot program which successfully trialled supply and distribution channels for the sale of bird's nest products via China Tobacco's outlets in Guangzhou and via social media influencers on Douyin, most recently from December 2022 to February 2023 ("Pilot Study").

  Most recently, the executive Directors worked with Michael Huang during a visit to China in July to consolidate the Company's plans for growing its sales and distribution footprint for birds' nest products in China. The executive Directors together with Michael Huang also met with their Pilot Study joint venture partners.

  The Company has entered a binding agreement to acquire 100% of Foshan Gedishi Biotechnology Co Ltd, the company which operates the Pilot Study with the joint venture partners. Post-acquisition, the Company will provide for the ongoing operation and expansion of their joint venture operations pursuant to the two (2) China Tobacco sales and distribution contracts and the trademarks that were used in the Pilot Study.

  On completion of this agreement, the Company will be seeking to leverage its relationship with China Tobacco to rapidly expand its China-based birds' nest sales and distribution activities beyond the Guangzhou region. The Company will continue to develop its options for the purchase of raw birds' nests and birds' nest products from Malaysian suppliers for on-sale in China and elsewhere.

  Other potential supply arrangements include leveraging the Company's own stem cell technologies or partnering with another Singapore based technology company to infuse nutraceuticals extracted from birds' nests into food products for sale in the Chinese market. The Company has already begun to realise this potential by its execution of a joint venture R&D agreement with Chemokine Yuesheng for the development of new products including birds' nest extract tablets infused with Australian honey.

- **Reactivation of other China related activities:** The re-opening of China's economy following the end of Covid-19 lockdowns and restrictions, provides a strong opportunity for BP8 to re-activate its sales channels and distribute its Dendrobium and Resina products throughout China its Hemp related joint ventures. Michael Huang will direct the Company's expansion of these activities in China.

- **Seaweed ventures – Singapore activities:** BP8 has developed cultivation methods and nutraceutical extraction technologies to extract proteins, polysaccharides and bioactive ingredients from seaweed for infusion into topical creams and foods for TCM – based health outcomes. The Company has appointed Gaia Mariculture Pte Ltd (Gaia) to manage the Company's research and development facility at the Singapore Marine Aquaculture Centre on St John's Island. In particular, Gaia will focus its research on the commercial cultivation and harvesting of seaweed in Australia.

- **Intellectual Property and Assets:** The Company owns various proprietary biotechnology, including macroalgae seed bank, macroalgae proprietary precision cultivation system and key downstream extraction technologies. The Company is constantly seeking opportunities to create operational opportunities to commercialise its intellectual property.

Other than the matters mentioned or otherwise announced to the ASX, no other significant changes in the Group's state of affairs occurred during the financial year.

Events subsequent to the end of the reporting date

Refer Note 26 to the Financial Statements

Future development, prospects and business strategies

The Group's future development, prospects and business strategies are addressed in the "Significant changes in state of affairs" section above.

Environmental issues

The Group is not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Dividends paid, recommended or declared

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Options

The terms and conditions of each grant of options affecting the current or a future reporting period are as follows:

Options	**Number**
Options to Directors, exercisable at $0.01 per option and expiring on 05 Dec 2028	5,100,000
Options to Directors, exercisable at $0.01 per option and expiring on 16 Dec 2024	500,000
Options to Directors, exercisable at $0.01 per option and expiring on 18 Dec 2025	5,000,000
Options to Director, exercisable at $0.05 per option and expiring on 01 Nov 2027	25,000,000
Options to Director, exercisable at $0.10 per option and expiring on 01 Nov 2028	25,000,000
Options to placement investors and manager, exercisable at $0.04 per option and expiring on 23 Apr 2024	110,000,000
Options to Director, exercisable at $0.02 per option and expiring on 28 February 2027	5,000,000
Options to Director, exercisable at $0.017 per option and expiring on 28 February 2027	5,000,000
Options to consultant, exercisable at $0.025 per option and expiring on 28 February 2025	15,000,000
Options to consultant, exercisable at $0.05 per option and expiring on 28 February 2025	7,500,000
Options to consultant, exercisable at $0.075 per option and expiring on 28 February 2025	2,500,000
Options to Directors, exercisable at $0.01 per option and expiring on 28 February 2027	500,000
Options to placement investors and manager, exercisable at $0.018 per option and expiring on 01 September 2025	27,666,664
Options to placement investors and manager, exercisable at $0.01 per option and expiring on 07 July 2027	170,834,319
TOTAL	**404,600,983**

Meetings of Directors

The number of Director Meetings held during the year, and the number of meetings attended by each Director is as follows:

Directors' Name	**Board Meetings**	
	Number of meetings the Director was eligible to attend	**Number of meetings the Director attended**
Philip Huanqing Gu	10	8
Chow-Yee Koh (resigned 31/3/2023)	7	7
Yanhua Huang (resigned 19/9/2022)	2	1
Qi Lu (resigned 19/9/2022)	2	2
Paul Stephenson	10	10
Paul Rosen (resigned 12/5/2023)	9	8
Francesco Cannavo	10	10
Matthew Leonard (appointed 30/3/2023)	3	3

Indemnifying Directors, officers or auditor

During the year, the Company paid a premium to insure officers of the Group. The officers covered by the insurance policy include all Directors. The Contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

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

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for Directors and key management personnel of BPH Global Limited.

Principles of compensation

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and senior executives. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration of Directors and executives is referred to as compensation as defined in AASB 124.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and executives.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the relevant segments' performance;
- the Group's performance including:
    - the Group's earnings;
    - the growth in share price and delivering constant returns on shareholder wealth; and
    - The amount of incentives within each key management person's compensation.

Compensation packages include a mix of fixed and variable compensation and short- and long-term performance-based incentives.

In addition to their salaries, the Group also provides non-cash benefits to its key management personnel, and contributes to post-employment superannuation plans on their behalf.

Fixed remuneration

Fixed compensation consists of base compensation (which is calculated on a total cost basis), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually through a process that considers individual, segment and overall performance of the Group.

Performance-linked remuneration

Performance-linked compensation includes both short-term and long-term incentives and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an "at risk" bonus provided in the form of cash, while the long-term incentive (LTI) is provided as options over ordinary shares of the Group under the rules of the Employee Share Option Plan.

Long-term incentive

Options may be issued under the Employee Share Option Plan and it provides for key management personnel to receive options over ordinary shares for no consideration.

The ability to exercise the options may be conditional on the Group achieving certain performance hurdles. The performance hurdles comprise the Group reaching and exceeding its budgeted profit forecast.

Short-term incentive bonus

Financial and non-financial objectives are used to determine key management personnel performance.

The financial performance objectives are "sales increase percentage", "profit after tax" and "return on capital employed" compared to budgeted amounts. The non-financial objectives vary with position and responsibility and include measures such as achieving strategic outcomes, customer satisfaction and staff development.

Directors' and key managements' remuneration

Details of the nature and amount of each element of the remuneration of each Director and key management of the Company as at 30 June 2023 and 30 June 2022 are shown in the tables below:

2023 Director Remuneration									
	Short Term Employee Benefits		Post-Employment Benefits: Superannuation	Other short-Term Benefits Annual Leaves	Termination Benefits	Cash bonus	Share-Based Payments		
Directors	Cash Salary & Fees ($)	Non-Monetary Benefits ($)	($)	($)	($)	($)	($)	Total ($)	Performance Based pay as a Percentage of Remuneration
Philip Huanqing Gu	123,200	-	9,895	15,577	-	-	-	148,672	0%
Chow-Yee Koh[1,5]	140,000	-	5,250	30,560	-	-	-	175,810	0%
Yanhua Huang[6]	15,000	-	-	-	-	-	-	15,000	0%
Qi Lu[6]	9,000	-	-	-	-	-	-	9,000	0%
Paul Stephenson[2]	178,500	-	2,363	-	-	-	-	180,863	0%
Paul Rosen[7]	54,000	-	-	-	-	-	262,319	316,319	83%
Francesco Cannavo[3]	186,000	-	315	2,275	-	-	-	188,590	0%
Matthew Leonard[4,8]	110,000	-	3,150	2,275	-	-	-	115,425	0%
TOTAL	**815,700**	**-**	**20,973**	**50,687**	**-**	**-**	**262,319**	**1,149,679**	

2022 Director Remuneration									
	Short Term Employee Benefits		**Post-Employment Benefits: Superannuation ($)**	**Other short-Term Benefits Annual Leaves ($)**	**Termination Benefits ($)**	**Cash bonus ($)**	**Share-Based Payments ($)**	**Total ($)**	**Performance Based pay as a Percentage of Remuneration**
Directors	**Cash Salary & Fees ($)**	**Non-Monetary Benefits ($)**							
Philip Huanqing Gu	303,120	-	29,235	31,666	-	20,260	116,400	500,681	23%
Chow-Yee Koh[1,5]	280,500	-	7,500	13,640	-	-	58,200	359,840	16%
Yanhua Huang[6]	60,000	-	-	-	-	-	58,200	118,200	49%
Qi Lu[6]	36,000	-	-	-	-	-	5,820	41,820	14%
Paul Stephenson[2]	166,000	-	-	-	-	-	233,200	399,200	58%
Paul Rosen[7]	72,000	-	-	-	-	-	612,678	684,678	89%
Francesco Cannavo[3]	190,053		1,500			-	151,990	343,543	44%
TOTAL	**1,107,673**	**-**	**38,235**	**45,306**	**-**	**20,260**	**1,236,488**	**2,447,962**	**51%**

[1]Included in the cash salary and fees are professional fees of Nil (2022: $40,500) paid to Director related companies.
[2]Included in the cash salary and fees are professional fees of $135,000 (2022: $130,000) paid to Director related companies.
[3] Included in the cash salary and fees are professional fees of $135,000 (2022: $156,053) paid to Director related companies.
[4] Included in the cash salary and fees are professional fees of $80,000 (2022: Nil) paid to Director related companies.
[5] Chow Yee Koh has resigned as Director on 31 March 2023.
[6] Yanhua Hua and Qi Lu have as Directors resigned on 19 September 2022.
[7] Paul Rosen has resigned as Director on 12 May 2023.
[8] Matthew Leonard was appointed as Director on 30 March 2023.

Service agreements

Remuneration and other terms of employment for the Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Director	**Base Salary/Fees**	**Terms of agreement**	**Notice Period**
Executive Directors			
Francesco Cannavo	AUD120,000	*	4 months
Matthew Leonard	AUD120,000	*	4 months
Non-executive Directors			
Philip Huanqing Gu	AUD60,000	*	1 month
Yanhua Huang	AUD60,000	*	None
Paul Stephenson	AUD90,000	*	None
Key management			
Chow Yee Koh	AUD120,000		1 month

*Each Director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the Director's appointment or three years following that Director's last election or appointment (whichever is the longer). However, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one Director or one third of the total number of Directors must resign. A Director who retires at an annual general meeting is eligible for re-election at that meeting.

Directors' shareholdings and option holding

The table below shows the holdings of each Director in number and percentage as at 30 June 2023.

Shareholding

Director	Balance at start of the year or at date of appointment	Changes during the year	Balance at end of the year	%
Philip Huanqing Gu	108,500,000	-	108,500,000	8.4%
Yanhua Huang	78,947,368	-	78,947,368	6.1%
Paul Stephenson	5,812,528	-	5,812,528	0.5%
Francesco Cannavo	1,661,366	-	1,661,366	0.1%
Matthew Leonard	-	-	-	0%

Option holding

Director	Balance at start of the year or at date of appointment	Changes during the year	Balance at end of the year (vested and exercisable)	%
Philip Huanqing Gu	44,000,000	(44,000,000)*	-	0%
Yanhua Huang	11,000,000	(11,000,000)*	-	0%
Paul Stephenson	10,500,000	(5,500,000)*	5,000,000	1.2%
Francesco Cannavo	5,000,000	-	5,000,000	1.2%
Matthew Leonard	-	-	-	0%

* Options previously awarded to Directors were cancelled during the year ended 30 June 2023.

Share based remuneration

No options of the Company were issued to Directors during the year ended 30 June 2023.

End of remuneration report

Non-Audit Services

During the year HLB Mann Judd, in addition to their statutory audit duties, provided services in relation to review of Pro Forma Statement of Financial Position for a fee of $20,500 and taxation services to BPH Global Limited. Fees of $3,500 (2022: $3,500) were paid for the provision of taxation services by an Australian based HLB Mann Judd network firm.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed 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 APES110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 14 of the Annual Report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Signed by

M R LEONARD

Matthew Leonard
Director

Dated: 29 September 2023

Auditor's Independence Declaration

To the directors of BPH Global Ltd (formerly known as Stemcell United Limited):

As lead auditor for the audit of the consolidated financial report of BPH Global Limited (formerly known as Stemcell United Limited) for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to BPH Global Ltd (formerly known as Stemcell United Limited) and the entities it controlled during the period.

Sydney, NSW
29 September 2023

M D Muller
Director

hlb.com.au

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CORPORATE GOVERNANCE STATEMENT

The board of Directors is responsible for the corporate governance of BPH Global Limited ("the Company). The board of Directors has established a corporate governance framework which follows the recommendations as set out in the ASX Corporate Governance Council's Principles and Recommendations 4th edition ("Principles and Recommendations").

The Company has followed each recommendation where the board has considered the recommendation to be the appropriate benchmark for the Company's corporate governance practises. Where the Company's corporate governance practises follow a recommendation, the board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where the Company's corporate governance practises do not follow a recommendation, the board explained its reasons for not following the recommendation and disclosed what, if any, alternative practises the Company has adopted instead of those in the recommendation.

The Company's corporate governance framework is dated and approved by the board on 29 September 2023 and can be viewed on the Company's website http://bphglobal.com.au/corporate-governance/.

Statement of Profit or Loss and Other Comprehensive Income for the Year ended 30 June 2023

		2023 $	2022 $
Revenue	3	339	494,005
Cost of Sales		-	(466,501)
Gross profit		339	27,504
Other revenue and income		37	18,705
Staff costs and Directors' fees		(1,352,929)	(2,464,543)
Professional fees		(586,169)	(1,386,824)
Research expenses		(49,922)	(156,269)
Depreciation and amortisation		(19,492)	(18,148)
Impairment	4a	(1,166,775)	(13,676)
Movement in fair value of investment		(420,000)	-
Marketing and travel		(124,333)	(173,379)
Administrative expenses		(327,484)	(397,895)
Loss before income tax expense		(4,046,728)	(4,564,525)
Income tax expense		-	-
Loss for the year from continuing operations		(4,046,728)	(4,564,525)
(Loss)/Profit from discontinued operation		(565,166)	1,619,473
Loss for the year		(4,611,894)	(2,945,052)
Other comprehensive income			
Items that may be reclassified to profit or loss: Translation of foreign subsidiary		(44,203)	82,697
Total comprehensive loss for the year		(4,656,097)	(2,862,355)

Statement of Profit or Loss and Other Comprehensive Income for the Year ended 30 June 2023
(continued)

	Note	2023 $	2022 $
Loss attributable to:			
Owners		(4,827,968)	(3,690,107)
Non-controlling interest		216,074	745,055
		(4,611,894)	(2,945,052)
Total comprehensive loss attributable to:			
Owners			
- Continuing operations		(3,977,771)	(4,455,974)
- Discontinued operation		(845,429)	848,564
		(4,823,200)	(3,607,410)
Non-controlling interest			
- Continuing operations		(15,022)	(100,122)
- Discontinued operation		182,124	845,177
		167,103	745,055
		(4,656,097)	(2,862,355)
Loss per share from continuing operations attributable to owners			
Basic (cents per share)	6	(0.35)	(0.43)
Diluted (cents per share)	6	(0.35)	(0.43)
Loss per share from discontinued operations attributable to owners			
Basic (cents per share)	6	(0.07)	0.08
Diluted (cents per share)	6	(0.07)	0.08
Loss per share attributable to owners			
Basic (cents per share)	6	(0.42)	(0.35)
Diluted (cents per share)	6	(0.42)	(0.35)

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

Statement of Financial Position as at 30 June 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		510,217	624,962
Trade and other receivables	7	21,508	3,292,479
Other assets	8	97,806	698,219
Inventory	9	-	1,320,933
TOTAL CURRENT ASSETS		629,531	5,936,593
NON CURRENT ASSETS			
Plant and equipment	10	633,440	1,006,264
Intangible assets	11	1	1
Right of use assets	12	-	681,660
Investment at fair value through profit or loss	29	210,000	-
Investment in associate	13	-	1
TOTAL NON CURRENT ASSETS		843,441	1,687,926
TOTAL ASSETS		1,472,972	7,624,519
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	1,281,909	1,652,435
Bank loans	15	-	1,089,340
Lease liabilities	12	-	70,495
TOTAL CURRENT LIABILITIES		1,281,909	2,812,270
NON CURRENT LIABILITIES			
Bank loans	15	-	43,400
Lease liabilities	12	-	48,526
TOTAL NON CURRENT LIABILITIES		-	91,926
TOTAL LIABILITIES		1,281,909	2,904,196
NET ASSETS		191,063	4,720,323

Statement of Financial Position as at 30 June 2023

(continued)

	Note	2023 $	2022 $
EQUITY			
Contributed equity	16	78,188,156	76,875,145
Option reserve	17	3,100,005	4,203,993
Retained earnings		(81,308,147)	(78,119,379)
Foreign currency translation reserve		40,120	84,323
EQUITY ATTRIBUTABLE TO SHAREHOLDERS		20,134	3,044,082
Non-controlling interest		170,929	1,676,241
TOTAL EQUITY		191,063	4,720,323

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

Statement of Changes in Equity for the year ended 30 June 2023

	<---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 2021	**76,934,855**	**3,038,435**	**(74,429,272)**	**1,626**	**931,186**	**6,476,830**
Transactions with equity holders in their own capacity						
Capital raising costs	(160,350)	–	–	–	–	(160,350)
Shares/options issued to Director	84,640	1,069,848	–	–	–	1,154,488
Shares/options issued to advisors	16,000	95,710	–	–	–	111,710
	(59,710)	1,165,558	–	–	–	1,105,848
Total comprehensive loss	–	–	(3,690,107)	82,697	745,055	(2,862,355)
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						
Placements	1,385,073	151,933	–	–	–	1,537,006
Capital raising costs	(127,062)	85,000	–	–	–	(42,062)
Fair value of options vested during the year	–	358,029	–	–	–	358,029
Fair value of shares/options issued to advisors	55,000	25,250	–	–	–	80,250
Cancellation/Expiry of options	–	(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**

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

Statement of Cash Flows for the year ended 30 June 2023

	Note	2023 $	2022 $
CASH FLOWS RELATING TO OPERATING ACTIVITIES			
Receipts from customers		4,685,275	12,644,788
Payment to suppliers and employees		(6,009,867)	(16,646,776)
Other income		-	17,778
Interest income		37	247
Interest paid		(13,757)	(56,980)
Interest paid on lease liabilities		(1,319)	(5,663)
Total cash used in operating activities	19	(1,339,631)	(4,046,606)
CASH FLOWS RELATING TO INVESTING ACTIVITIES			
Payment for plant and equipment		(147,119)	(888,137)
Net proceed from disposal of subsidiary		65,082	-
Total used in investing activities		(82,037)	(888,137)
CASH FLOWS RELATING TO FINANCING ACTIVITIES			
Proceeds from issue of shares and other equity securities, net of costs		1,490,194	-
Repayment of lease liabilities		(22,878)	(58,366)
Proceeds from borrowings		10,700	1,132,740
Repayment of borrowings		(94,517)	(793,100)
Total cash from financing activities		1,383,499	281,274
Net decrease in cash and cash equivalents		(38,169)	(4,653,469)
Cash and cash equivalents at beginning of financial year		624,962	5,255,274
Foreign currency translation differences		(76,576)	23,157
Cash and cash equivalents at end of financial year		510,217	624,962

The 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 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements consist of BPH Global Limited (“the Company”) and its controlled entities (“the Group” or “the consolidated entity”).

The Company is a company domiciled in Australia, and is a listed public and for-profit Company trading on the Australian Securities Exchange.

The Company’s registered office is at Level 5, 126 Phillip Street, Sydney NSW, Australia.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (‘AASBs’) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (‘AASB’) and the Corporations Act 2001. International Financial Reporting Standards (‘IFRSs’) form the basis of Australian Accounting Standards (‘AASBs’) adopted by the AASB. The financial report of the Group complies with IFRSs and interpretations adopted by the International Accounting Standards Board.

(b) Basis of Presentation

The financial report is presented in Australian dollars, which is the Company’s functional currency.

The financial report has been prepared on an accruals basis and is based on historical cost convention.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Details of key accounting estimates and judgements are in Notes 9, 11 , 17 and 29 to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(c) New, revised or amending 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. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

(d) Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. 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. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

When a subsidiary makes a new issue of capital and the consolidated entity's percentage ownership changes, the share of retained profits and reserves is attributed to the Company and outside equity interest reflecting the new ownership interest. The adjustment is not reflected in net profit but as a direct adjustment to the specific equity accounts.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(e) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

(f) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

(h) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(i) 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.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

A liability is classified as current when: it is either expected to be settled in the Group'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.

Deferred tax assets and liabilities are always classified as non-current.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short term bills and at call deposits.

(k) Trade and other receivables

Trade and other receivables, which generally have 60 day terms, are recognised and carried at original invoice amount less any allowance for expected credit losses. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade and other receivables have been grouped based on days overdue. Trade and other receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The cost of inventories is based on the weighed average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(m) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

(n) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Machines are depreciated over their estimated useful life, being 10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

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.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

(o) Impairment

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(p) Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Financial instruments are classified and measured as set out below.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(q) Trade and other payables

Trade and other payables are stated at their fair value at inception. Trade payables are non-interest bearing and are normally settled according to term.

(r) Interest bearing borrowings

Interest-bearing borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(s) Share capital

Ordinary share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

(t) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(u) Earnings/(Loss) per share

Basic earnings/(Loss) per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings/(Loss) per share

Diluted earnings per share adjust the figures used to determine basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) Intangible assets

Intellectual property

Intellectual property assets are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. They are amortised over their useful lives of 10 years.

Goodwill

Goodwill arises on the acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

(w) Revenue recognition

Revenue from contracts with customers

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

Sale of products or goods

Revenue from goods or product sales is recognized when the Group transfers control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the product shipped.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest revenue over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through he expected life of the financial asset to the net carrying amount of the financial asset.

(x) Contract liabilities

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

(y) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights unless it can be clearly demonstrated that no significant influence exists. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

(z) Right of use assets

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Lease terms range from one to twenty-three years. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(aa) Lease liabilities

A lease liability is recognised at the commencement date of the lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and any anticipated termination penalties.

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

(ab) Share based payments

Equity-settled share-based compensation is provided to employees and non-employees.

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

The cost of equity-settled transactions are measured at fair value on grant date for employees and measurement date for non-employees. Fair value is determined using Black-Scholes option pricing model.

The cost of equity-settled transactions are 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.

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.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 2: GOING CONCERN

During the year ended 30 June 2023, the consolidated entity incurred a loss after income tax of $4,046,728 (2022: $4,564,525) from continuing operations and had net cash outflows from operating activities of $1,339,631 (2022: $4,046,606). At 30 June 2023, the consolidated entity had $510,217 (2022: $624,962) in cash, and net assets of $191,063 (2022: $4,720,323).

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

Refer to Note 26 for more information.

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.

NOTE 3: REVENUE

	2023 $	2022 $
Revenue from contracts with Customers		
Sale of resina related products	-	450,886
Sale of dendrobium related products	-	43,012
Sale of hemp related products	339	107
	339	494,005

The Group derives its revenue from contracts with customers for the transfer of goods at a point in time for all its revenue lines.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 4: EXPENSES

Amounts included in Profit or Loss:		2023 $	2022 $
(4a) Impairment			
Receivables		51,136	13,676
Plant and equipment		81,144	-
Inventory		23,936	-
Intangibles		1,010,559	-
		1,166,775	13,676
(4b) Share based payments			
30,500,000 options to Directors	17	-	355,020
Vested portion of 75,000,000 options to a Director	17	262,319	554,478
Vested portion of 25,000,000 options to an advisor	17	95,710	95,710
3,436,723 shares to Directors		-	50,000
Shares to be issued to Directors*		28,000	116,640
Shares to be issued to advisor*		-	50,000
Waiver of accrued shared based payments		(114,000)	-
		272,029	1,221,848

*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.

The options were valued based on Black Scholes option pricing model at the date of issue (refer note 17 for more details).

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 5: INCOME TAX

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2023 $	2022 $
Numerical reconciliation of income tax income to prima facie tax payable		
Net loss before tax	(4,611,894)	(2,945,052)
Tax at the Australian tax rate of 25% (2022: 25%)	(1,152,974)	(736,263)
Effect of different tax rate of subsidiaries operating in other jurisdictions	91,178	102,380
Tax effect of amounts that are not deductible / taxable in calculating taxable income	684,084	307,787
Tax losses and temporary differences not brought to account	377,712	326,096
Income Tax Expense	-	-

Total unrecognised deferred tax asset relating to losses carried forward is $1,974,435 (2022: $1,610,639).

NOTE 6: LOSS PER SHARE

	2023 $	2022 $
Loss Per Share from continuing operation attributable to owners		
Loss from continuing operations attributable to owners	(4,031,707)	(4,501,463)
Basic loss per share (cents per share)	(0.35)	(0.43)
Diluted loss per share (cents per share)	(0.35)	(0.43)
(Loss)/Earnings Per Share from discontinued operation attributable to owners		
Earnings from discontinued operation attributable to owners	(796,261)	811,356
Basic loss per share (cents per share)	(0.07)	0.08
Diluted loss per share (cents per share)	(0.07)	0.08
Loss Per Share attributable to owners		
Loss for the period attributable to owners	(4,827,968)	(3,690,107)
Basic loss per share (cents per share)	(0.42)	(0.35)
Diluted loss per share (cents per share)	(0.42)	(0.35)

Weighted average number of shares	**Number**	**Number**
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	1,166,687,841	1,047,617,947
Weighted average number of options*	308,498,349	289,646,703
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	1,166,687,841	1,047,617,947

*Options are considered anti-dilutive as at 30 June 2023 and 30 June 2022 and therefore are not included in the computation of the dilutive EPS

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 7: TRADE AND OTHER RECEIVABLES

	2023 $	2022 $
CURRENT		
Trade receivables	-	4,736,003
Less: allowance for expected credit losses	-	(1,718,287)
	-	3,017,716
Other receivables	21,508	274,763
	21,508	3,292,479

The ageing of trade receivables at the reporting date is as follows:

	2023 $	2022 $
Not past due	-	1,323,449
Past due 1 – 12 months	-	2,594,021
> 12 months	-	818,533
	-	4,736,003

The average credit period on sale of goods is 60 days (2022: 60 days). The trade receivables are interest-free and unsecured. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The Group's trade and other receivables that are neither past due nor impaired relate to customers that the Group has assessed to be creditworthy.

The Group does not hold any collateral over any receivable balances.

The Group's other receivables are interest-free and repayable on demand and the average age of these receivables is less than 30 days. The Group has not recognised any allowance as the Directors are of the view that these receivables are recoverable.

NOTE 8: OTHER ASSETS

	2023 $	2022 $
CURRENT		
Prepayments	96,974	637,617
Deposits	832	60,602
	97,806	698,219

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 9: INVENTORY

	2023 $	2022 $
CURRENT		
Finished goods	-	32,382
Biological goods	-	1,297,987
Less provision for stock obsolescence	-	(9,436)
	-	1,320,933

Obsolete inventory provision
Provision is made for anticipated obsolete and redundant inventories. This requires an estimation to be made based on expected sales volumes and current inventory levels.

NOTE 10: PLANT AND EQUIPMENT

	Office equipment $	Machines $	Capital Work in Progress $	TOTAL $
Cost				
At 30 June 2021	2,987	1,030,882	-	1,033,869
Addition during the year		395,457	492,680*	888,137
Foreign exchange translation	159	55,260	-	55,419
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/impairment 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
Accumulated depreciation				
At 30 June 2021	2,986	795,887	-	798,873
Addition during the year	-	126,968	-	126,968
Foreign exchange translation	159	45,161	-	45,320
At 30 June 2022	3,145	968,016	-	971,161
Addition during the year	-	82,180	-	82,180
Disposal/impairment 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
Carrying amount				
At 30 June 2022	1	513,583	492,680	1,006,264
At 30 June 2023	1	-	633,439	633,440

*The Capital Work in Progress addition during the year relates to work done to an aquaculture platform in Singapore.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 11: INTANGIBLE ASSETS

	Dendrobium officinale IP $
Cost	
At 30 June 2021	202,588
At 30 June 2022	202,588
Addition during the year	1,010,559
At 30 June 2023	1,213,147
Accumulated amortisation	
At 30 June 2021	202,587
Amortisation	-
At 30 June 2022	202,587
Amortisation	-
Impairment	1,010,559
At 30 June 2023	1,213,146
Carrying amount	
At 30 June 2022	1
At 30 June 2023	1

	2023 $	2022 $
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)	-
Balance of intangible assets at reporting date	1	1

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 is 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 period 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 2023

NOTE 12: RIGHT OF USE ASSETS AND LEASE LIABILITIES

	2023 $	2022 $
Amounts recognised in the balance sheet		
Right-of-use assets – Land	-	641,236
Right-of-use assets – Building	-	208,898
Accumulated depreciation – Land	-	(75,629)
Accumulated depreciation – Building	-	(92,845)
Right-of-use asset at cost less accumulation depreciation	-	681,660
Amounts recognised in profit and loss		
Depreciation charge of right-of-use assets – Land	13,345	39,847
Depreciation charge of right-of-use assets – Building	22,890	68,350
Interest expenses	1,319	5,663

The Group leases land and buildings for its offices, warehouses and sales outlets under agreements of between 1 to 23 years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

	2023 $	2022 $
Lease liability shown as:		
Current	-	70,495
Non-current	-	48,526
	-	119,021

Within the Statement of Cash Flows, interest and principal payments made to lessors in respect to lease liabilities were $1,319 (2022: $5,663) and $22,878 (2022: $58,366) respectively.

NOTE 13: INVESTMENT IN ASSOCIATE

	2023 $	2022 $
Carrying amount of immaterial associate accounted for using the equity method	-	1
Amounts of the group’s share of:		
- Profit from continuing operations	-	-
- Other comprehensive income	-	-
- Total comprehensive income	-	-
	-	-

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 14: TRADE AND OTHER PAYABLES

	2023 $	2022 $
CURRENT		
Trade payables	621	368,067
Other payables	546,335	710,035
Accrued expenses	734,953	542,698
Contract liabilities	-	31,635
	1,281,909	1,652,435

Included in other payables and accrued expenses are related party balances as disclosed in note 21.

NOTE 15: BORROWINGS

	2023 $	2022 $
Bank loans		
Current	-	1,089,340
Non-current	-	43,400
	-	1,132,740

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 16: CONTRIBUTED EQUITY

	2023 $	2022 $
Issued and fully paid ordinary shares	78,188,156	76,875,145

Movements in ordinary shares	**Number of shares**	**A$**
At 30 June 2021	1,043,320,658	76,934,855
Shares issued to Directors	5,463,691	84,640
Shares issued to advisor	1,000,000	16,000
Fund raising costs	-	(160,350)
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
Fund raising costs	-	(127,062)
At 30 June 2023	1,284,729,781	78,188,156

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.

Capital Management

The management's objectives when managing capital are to ensure that the Company can fund its operations, meet any debt obligations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in risks and in the market. These responses include the management of debt levels and share issues.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 17: OPTION RESERVE

	2023 $	2022 $
Option Reserve	3,100,005	4,203,993

Movements in Option Reserve	**Number of options**	**$**
At 30 June 2021	246,100,000	3,038,435
Vested portion of Director options issued in previous year[1]	-	554,478
Options issued to Directors[2]	30,500,000	355,020
Options issued to Directors [3]	5,000,000	79,350
Options issued to Directors [4]	5,000,000	81,000
Options issued to advisor[5]	25,000,000	95,710
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[5]	-	95,710
Placement attaching options[6]	27,666,664	89,640
Placement attaching options and advisor options to be issued[7]	-	172,543
Cancellation of options previously issued to directors	(100,500,000)	(1,639,200)
Expiry of options	(5,000,000)	(85,000)
At 30 June 2023	233,766,664	3,100,005

[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 is vested immediately upon issued. 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 amount recognised at 30 June 2021 for the 1st, 2nd and 3rd tranche options were A$575,000, A$90,256 and A$55,579 respectively. The amount recognised for the year ended 30 June 2023 for the 2nd and 3rd tranche options were A$93,266 and A$169,053 (2022: A$343,162 and A$211,316) respectively.

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 2023

NOTE 17: 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%

[2] On 28 February 2022, 30,500,000 options were issued to Directors as approved at the AGM of 31 January 2022. The assessed fair value at grant date of options issued were A$355,020. 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: 28 February 2022
- (c) expiry date: 28 February 2027
- (d) share price at grant date: A$0.014
- (e) expected price volatility of the Company's shares: 112%
- (f) risk-free interest rate: 1.83%

[3] On 28 February 2022, 5,000,000 options were issued to Directors for services performed as approved at the AGM of 31 January 2022. The assessed fair value at grant date of options issued were A$79,350. 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$0.02
- (b) grant date: 28 February 2022
- (c) expiry date: 28 February 2027
- (d) share price at grant date: A$0.02
- (e) expected price volatility of the Company's shares: 112.5%
- (f) risk-free interest rate: 0.75%

[4] On 28 February 2022, 5,000,000 options were issued to Directors for services performed as approved at the AGM of 31 January 2022. The assessed fair value at grant date of options issued were A$81,000. 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$0.017
- (b) grant date: 28 February 2022
- (c) expiry date: 28 February 2027
- (d) share price at grant date: A$0.02
- (e) expected price volatility of the Company's shares: 112.5%
- (f) risk-free interest rate: 0.75%

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 17: OPTION RESERVE (continued)

[5] On 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. The fair value at grant date is determined using the Black Scholes Model. The amount recognised at 30 June 2023 for the options were A$95,710 (2022:A$95,710).

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%

[6] On 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 2023

NOTE 17: OPTION RESERVE (continued)

[7] On 09 June 2023, shareholders approved the issue of 145,834,319 options and 25,000,000 options to investors that participated in the Company's placement and advisor that manages the placement respectively. These options were issued after balance date on 7 July 2023. The assessed fair value at grant date of options issued were A$147,293 and $25,250 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$0.01
(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%

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 18: SUBSIDIARIES

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group unless otherwise stated. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of subsidiary	Principal place of business and incorporation	Class of shares	Ownership interest held 2023	2022
Stemcell United Pte Ltd	Singapore	Ordinary	100%	100%
Stemcell Essential Pte Ltd	Singapore	Ordinary	100%	100%
SCU (HK) Ltd	Hong Kong	Ordinary	100%	100%
Yunnan Huafang Industrial Hemp Co Ltd	China	Ordinary	51%	51%
SCU Southeast Asia Sdn Bhd	Malaysia	Ordinary	70%	70%
SCU Lab Pty Ltd	Australia	Ordinary	51%	51%
Shenzhen Lantene Dingzhi Biotechnology Co Ltd	China	Ordinary	-	50.1%
Hainan SCU Biotechnology Co Ltd	China	Ordinary	100%	100%
SCU-RY Farm Pte Ltd	Singapore	Ordinary	70%	70%

NOTE 19: RECONCILIATION OF CASHFLOW FROM OPERATING ACTIVITIES

	2023 $	2022 $
Loss for the year	(4,611,894)	(2,945,052)
Impairment	1,586,775	13,676
Depreciation of right of use assets	36,235	108,197
Depreciation of plant and equipment	82,180	126,968
Share based payment expenses	272,029	1,221,848
Loss on disposal of subsidiary	1,028,283	-
Changes in receivables	(487,311)	(1,536,380)
Changes in other assets	677,972	(181,073)
Changes in inventory	(126,109)	(607,451)
Changes in payables	202,209	(247,339)
Total cash used in operating activities	(1,339,631)	(4,046,606)

NOTE 20: KEY MANAGEMENT PERSONNEL DISCLOSURES

Remuneration of key management personnel	2023 $	2022 $
Salary and Fees	815,700	1,107,673
Post-employment benefits	20,973	38,235
Annual leaves and long service leaves	50,687	45,306
Cash bonus	-	20,260
Share-based payments	262,319	1,236,488
Total	1,149,679	2,447,962

Refer to the remuneration report set out within the Directors' Report for individual details of key management personnel remuneration.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 21: RELATED PARTY DISCLOSURES

	2023 $	2022 $
Related party balances		
Fees and salaries payable to Directors at year end	(749,552)	(236,829)
Annual leave accrued by Directors	(140,057)	(84,273)
Amount owed to a related party*	(10,400)	(93,295)

* The amount owed to a related party is interest free, unsecured and repayable on demand.

NOTE 22: 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 information of the group is as follows:

	Continuing operations					Discontinued operation
2023	**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)	-
Interest revenue	-	-	37	-	37	-
Interest expense	-	-	-	-	-	15,076
Depreciation for right-of-use assets	-	-	-	-	-	36,235
Depreciation	-	(19,492)	-	-	(19,492)	62,688
Impairment	(1,010,559)	(576,216)	-	-	(1,586,775)	-
Income tax expense	-	-	-	-	-	-

2022	**Australia** **$**	**Singapore** **$**	**China** **$**	**Malaysia** **$**	**Total** **$**	**Discontinued operation** **$**
Revenue	-	493,898	107	-	14,352,570	13,858,565
Profit / (Loss)	(2,889,898)	(1,270,541)	(346,579)	(57,506)	(2,945,052)	1,619,473
Total assets	444,930	792,505	6,335,956	51,128	7,624,519	-
Total liabilities	(552,847)	(151,031)	(2,198,497)	(1,821)	(2,904,196)	-
Interest revenue	-	-	247	-	247	
Interest expense	-	-	-	-	(62,643)	(62,643)
Depreciation for right-of-use assets	-	-	-	-	(108,197)	(108,197)
Depreciation	-	(18,148)	-	-	(126,968)	(108,820)
Impairment	-	(13,676)	-	-	(13,676)	
Income tax expense	-	-	-	-	-	

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 23: FINANCIAL INSTRUMENTS RISK

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk, interest rate risk and foreign exchange risk.

The Group's risk management is undertaken by the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Credit risk

Credit risk is managed and reviewed regularly by the management. It arises from exposures to customers as well as through deposits with financial institutions. Management requires that all surplus funds are only invested with financial institutions with a Standard and Poor's rating of at least A-. All bank balances of the Company at 30 June 2023 were held with a bank with this rating.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Liquidity risk

Liquidity risk is the risk that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for financial liabilities.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 23: FINANCIAL INSTRUMENTS RISK (continued)

Maturity analysis table

The maturity analysis table below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

2023	Weighted average effective interest rate %	Interest bearing maturing within 1 year $	Interest bearing maturing between 2 year and 5 years $	Non interest bearing maturing within 1 year $	TOTAL $
Financial assets					
- Cash and cash equivalents	0.007%	510,217	-	-	510,217
- Trade and other receivables		-	-	21,508	21,508
Total financial assets		510,217	-	21,508	531,725
Financial liabilities					
- Trade and other payables		-	-	(1,281,909)	(1,281,909)
Total financial liabilities			-	(1,281,909)	(1,281,909)

2022	Weighted average effective interest rate %	Interest bearing maturing within 1 year $	Interest bearing maturing between 2 year and 5 years $	Non interest bearing maturing within 1 year $	TOTAL $
Financial assets					
- Cash and cash equivalents	0.008%	624,962	-	-	624,962
- Trade and other receivables		-	-	3,292,479	3,292,479
Total financial assets		624,962	-	3,292,479	3,917,441
Financial liabilities					
- Trade and other payables		-	-	(1,652,435)	(1,652,435)
- Borrowings	6.054%	(1,089,340)	(43,400)	-	(1,132,740)
- Lease liability	3.85%	(70,495)	(48,526)	-	(119,021)
Total financial liabilities		(1,159,835)	(91,926)	(1,652,435)	(2,904,196)

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term deposits placed with financial institutions.

The Group has performed sensitivity analysis relating to its financial instrument's exposure to interest rate at reporting date.

The following table illustrates the sensitivity of loss and equity to a reasonably possible change in interest rates of +/- 0.5%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 23: FINANCIAL INSTRUMENTS RISK (continued)

Interest rate sensitivity

	Profit and loss $		Equity $	
Year ended	**+0.5%**	**-0.5%**	**+0.5%**	**-0.5%**
30 June 2023	+2,838	-2,838	+2,838	-2,838
30 June 2022	+14,701	-14,701	+14,701	-14,701

Foreign Exchange Risk

The Group's exposure to foreign currency risk is on the financial assets and liabilities of the Group's operations, denominated in currencies other than the functional currency of operations. Cash, receivables, fixed assets and trade and other creditors have been converted to Australian dollars.

Foreign exchange sensitivity
The following table illustrates the sensitivity of loss and equity to a reasonably possible change in foreign exchange rates of +/- 10%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average foreign exchange for each period. All other variables are held constant.

	Net loss attributable to owner $		Equity $	
Year ended	**+10%**	**-10%**	**+10%**	**-10%**
30 June 2023	-84,446	+84,446	-62,082	+62,082
30 June 2022	-80,026	+80,026	-482,735	+482,735

Foreign Exchange Exposure
The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

2023	**SGD $**	**CNY $**	**HKD $**	**MYR $**
Cash and cash equivalents	9,050	1,429	7,270	10,134
Receivables	10,871	11,793		96,600
Payables	(128,466)	(29,532)		(1,782)

2022	**SGD $**	**CNY $**	**HKD $**	**MYR $**
Cash and cash equivalents	107,302	15,526	65,419	51,128
Receivables	73,103	3,856,993	-	-
Payables	(151,031)	(2,198,497)	-	(1,821)

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 24: FAIR VALUE MEASUREMENT

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The carrying amounts of current receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities approximates the carrying amount as the impact of discounting is not significant.

The Group does not hold any other financial assets or liabilities carried at fair value as at 30 June 2023 and 30 June 2022.

NOTE 25: AUDITOR'S REMUNERATION

	2023 $	2022 $
Amount received or due and receivables by HLB Mann Judd or its associated entities for:		
An audit and review of financial report of the consolidated group	72,000	133,232
Amount received or due and receivable by Shanghai ThinkBridge Certified Public Accountants (HLB International network firm) for:		
An audit of financial report of a subsidiary	-	21,000
	72,000	154,232
Other services from HLB Mann Judd		
Tax advisory – Australian based HLB Mann Judd network firm	3,500	3,500
Review on the pro forma statement for reinstatement	20,500	-
	24,000	3,500

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 26: SUBSEQUENT EVENTS

The Company has on:

6 July 2023 appointed Mr. Michael Huang as non-executive Director of the Company

7 July 2023 issued the following shares and options as approved during the EGM of 9 June 2023:
- 145,834,319 options to investors that subscribe to the placement of shares issued on 28 March 2023
- 25,000,000 options to advisor that assist in the 28 March 2023 placement.
- 25,000,000 shares and 25,000,000 options to Directors
- 25,000,000 shares and 25,000,000 options to a Director

12 July 2023 announced the appointment of a consultant, Gaia Mariculture Pte Ltd, to manage the Singapore research and development facility.

5 September 2023 announced a joint venture with Singapore based Chemokine Yuesheng Pte Ltd on the development of nutraceutical products extracted from birds' nest, honey and mushroom.

20 September 2023 announced proposed acquisition of Foshan Gedisi Biotechnology Co Ltd, a China based bird nest distribution company.

28 September 2023 announced the a fund raising with commitment of approximately $800,000 in shares and convertible notes placement.

NOTE 27: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group is not aware of any Contingent Assets or Liabilities that should be disclosed in accordance with AASB 137.

NOTE 28: COMMITMENTS

There are no commitments noted as at 30 June 2023.

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 29: LOSS OF CONTROL OF SUBSIDIARY AND DISCONTINUED OPERATION

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 existing shareholder Mr Cao Yueming for a 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 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.

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 at the transaction date.

Financial information relating to Lantene is set out below. The financial information presented are for the 4 months ended 31 October 2022 (comparative period is 12 months from 1 July 2021 to 30 June 2022).

Financial performance information	2023 $	2022 $
Revenue	5,182,284	13,858,565
Cost of Sales	(4,397,024)	(11,599,028)
Other income	1,030	51,058
Expenses	(323,173)	(691,122)
Profit before tax	463,117	1,619,473
Income tax	-	-
Profit after tax	463,117	1,619,473
Loss on disposal	(1,028,283)	-
(Loss)/profit after tax from discontinued operations	(565,166)	1,619,473

Cash flow information	$	$
Net cash from operating activities	257,729	(566,473)
Net cash from investing activities	(6,030)	(496,364)
Net cash from financing activities	(185,266)	894,816
Net increase in cash and cash equivalent of discontinued operation	66,433	(168,021)

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 2023

NOTE 29: LOSS OF CONTROL OF SUBSIDIARY AND DISCONTINUED OPERATION (continued)

Residual equity interest held at fair value through profit or loss

Under the terms of Share Sale Agreement, the outstanding transaction price was to be settled within 6 months. However, subsequent to the transaction date, the Company has not received the outstanding balance from the acquirer. The Company has started efforts to recover the outstanding balance and is in the process of negotiating an updated repayment timeline. For the reasons mentioned, there is increased risk in recoverability of the outstanding transaction price, as such the fair value of the investment has been adjusted down by $420,000. The reconciliation of movement in fair value follows:

	$
Investment at fair value through profit or loss at 31 December 2022 (half year)	630,000
Fair value adjustment recognised in Profit or loss	(420,000)
Investment at fair value at 30 June 2023	210,000

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

NOTE 30: PARENT ENTITY INFORMATION

Statement of Profit or Loss and Other Comprehensive Income	**2023** $	**2022** $
Revenue	-	-
Expenses	(2,087,721)	(2,889,839)
Loss for the year	(2,087,721)	(2,889,839)

Statement of financial position	**2023** $	**2022** $
Assets		
Total assets	452,714	1,762,130
Total liabilities	(1,122,129)	(552,847)
	(669,415)	1,209,283
Equity		
Contributed equity	78,188,156	76,875,145
Option reserve	3,100,005	4,203,993
Retained earnings	(81,957,576)	(79,869,855)
	(669,415)	1,209,283

No guarantee was provided by parent entity in relation to debts of its legal subsidiary at reporting date.

Refer to Note 27 for contingent liabilities or contingent assets at reporting date of the parent entity.

The registered office of BPH Global Limited is Level 5, 126 Phillip Street, Sydney NSW, Australia.

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 June 2023

In the Directors' opinion:

1. The financial statements and notes set out on pages 16 to 52 are in accordance with the Corporations Act 2001, including:

    i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    ii. giving a true and fair view of the Consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date.

2. The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements.

3. There are reasonable grounds to believe that BP8 Global Limited will be able to pay its debts as and when they become due and payable.

4. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.

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

M R LEONARD

Matthew Leonard
Director

29 September 2023

Independent Auditor's Report to the Members of BPH Global Ltd

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of BPH Global Ltd (formerly known as Stemcell United Limited) ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, 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:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

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

Material Uncertainty Regarding Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $4,046,728 from continuing operations during the year ended 30 June 2023 and had net cash outflows from operating activities of $1,339,631. As stated in Note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

hlb.com.au

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T: +61 (0)2 9020 4000 **E:** mailbox@hlbnsw.com.au

Key Audit Matter	How our audit addressed the key audit matter
Sale of Lantene	
As described in Note 29 “Loss of control of subsidiary and discontinued operation”, on 20 July 2022, the Company announced that it had entered into a Share Sale Agreement to sell its entire interest in the subsidiary, Shenzhen Lantene Dinghzi Biotechnology Co Ltd (“Lantene”). The sale transaction was completed on 31 October 2022. Lantene was a material subsidiary of the Group. Assessment of appropriate accounting treatment in line with the requirements of the Australian Accounting Standards, and adequacy of relevant disclosures in the financial report required special audit attention.	Our audit procedures included but were not limited to the following: • Obtained and read the related share purchase agreement and related announcements made by the Group in order to assess the accounting implications of the transaction on the consolidated financial statements of the Group. • Reviewed accounting treatment applied by management. • Assessed the impact on the presentation of the financial statements • Assessed the adequacy of the disclosures in the financial statements.

Information Other than the Financial Report and Auditor’s Report Thereon

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 2023, but does not include the financial report and our 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.

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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 10 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of BPH Global Ltd for the year ended 30 June 2023 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.

HLB Mann Judd

M. Muller

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

M D Muller
Director

Sydney, NSW
29 September 2023

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 26 September 2023.

Substantial Shareholders

The number of substantial shareholders and their associates are set out below:

		Number Held	% of issued shares
1	MR HUANQING GU	112,666,667	8.44%
2	MR YANHUA HUANG	103,947,368	7.79%
3	CITICORP NOMINEES PTY LIMITED	49,634,400	3.72%
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	37,659,075	2.82%
5	MR NAVEEN DANDA	29,616,667	2.22%

Distribution of equity security holders

Holding Ranges	Ordinary Shares Holders	Total Units	%
above 0 up to and including 1,000	1,695	120,448	0.01%
above 1,000 up to and including 5,000	251	704,662	0.05%
above 5,000 up to and including 10,000	259	2,240,860	0.17%
above 10,000 up to and including 100,000	1,268	53,994,856	4.05%
above 100,000	877	1,277,668,955	95.72%
Totals	4,350	1,334,729,781	100.00%

The number of shareholdings held in less than marketable parcel is 3,803.

Twenty largest shareholders

Position	Holder Name	Ordinary Shares Holding	% IC
1	MR HUANQING GU	112,666,667	8.44%
2	MR YANHUA HUANG	103,947,368	7.79%
3	CITICORP NOMINEES PTY LIMITED	49,634,400	3.72%
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	37,659,075	2.82%
5	MR NAVEEN DANDA	29,616,667	2.22%
6	MR YIHUA HUANG	26,315,790	1.97%
7	BNP PARIBAS NOMS PTY LTD <DRP>	24,578,362	1.84%
8	MR ANDREW JOHN FLECK	20,000,000	1.50%
8	MS LI ZHANG	20,000,000	1.50%
9	MUNCHA CRUNCHA PTY LTD	19,773,743	1.48%
10	MS CHUNYAN NIU	18,730,001	1.40%
11	MR BIN LIU	18,033,333	1.35%
12	ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	17,126,571	1.28%
13	STATE ONE CAPITAL GROUP P/L <CJZ - CSABA A/C>	15,370,140	1.15%
14	MR ZIYUE HUANG	15,000,000	1.12%
14	MS BENYING ZHU	15,000,000	1.12%
15	MR MANFRED GEORGE HALTON	14,994,885	1.12%
16	ZIHANG YANG	14,506,483	1.09%
17	MR PETER ANDREW PROKSA	11,000,000	0.82%
18	MR CAMERON STEWART JOSS	10,169,000	0.76%
19	GANT SUPER PTY LTD <QUAY SUPER FUND A/C>	10,000,000	0.75%
19	MRS HEMA NAGA JYOTHI DANDA	10,000,000	0.75%
19	NG HEANG SEANG	10,000,000	0.75%
19	MR NICK EUTHIMIOU	10,000,000	0.75%
20	ATIDIM INVESTMENTS PTY LTD	9,979,193	0.75%
	Total	644,101,678	48.26%

Voting Rights

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 shall have one vote

Securities exchange
The Company is listed on the Australian Securities Exchange.

On-market buy-back
The Company does not have a current on-market buy-back

Difference in results reported to Australian Securities Exchange
Differences in the results reported to the ASX in the preliminary final report and those reported in the annual report are as follows:

	Adjustments	Loss for the year	%
Loss for the year per Appendix 4E		(4,101,894)	
Adjustments:			
- Director fees	(45,000)		1.1%
- Audit fees	(45,000)		1.1%
- Impairment of investment	(420,000)		10.2%
Total adjustments		(510,000)	
Loss for the year per Annual Report		(4,611,894)	

Address and telephone number of registered office
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Tel: +61(2) 8072 1400

Address and telephone number of Company's share registry
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Tel 1300 288 664