

ARBN: 621 001 296

CIRCLE INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Cayman Islands)

Interim Financial Statements
For the 6-month Financial Period Ended 30 June 2023

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

**Interim Financial Statements
For the 6-month Financial Period Ended 30 June 2023**

CONTENTS

	Page
CORPORATE INFORMATION	1
DIRECTORS' REPORT	2 - 3
STATEMENT BY DIRECTORS	4
INDEPENDENT AUDITORS' REPORT	5 - 6
FINANCIAL STATEMENTS	
Statements of Financial Position	7 - 8
Statements of Profit or Loss and Other Comprehensive Income	9 - 10
Statements of Changes in Equity	11 - 14
Statements of Cash Flows	15 - 17
Notes to the Financial Statements	18 - 68

CIRCLE INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Cayman Islands)

CORPORATE INFORMATION

- 1. Registered Office**
Suite 14/3 Gladstone Parade, Lindfield,
NSW 2070 Australia.

- 2. Malaysia Mailing Address**
Lot 6-002, Endah Parade,
No. 1, Jalan 1/149E, Sri Petaling,
57000 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur,
Malaysia.

- 3. Company Secretary and Nomad in Australia**
Karma Lawyers
Suite 14/3 Gladstone Parade, Lindfield,
NSW 2070 Australia.

- 4. Share Registry**
Computershare Investor Services Pty. Ltd.
Level 11, 172 St Georges Terrace Perth,
WA 6000 Australia.

- 5. Auditors**
Tong & Associates
Chartered Accountants [AF 002034]
E-03-01, Pacific Place Commercial Centre,
Jalan PJU 1A/4, Ara Damansara,
47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

Directors' Report

The directors have pleasure in presenting their financial report of the Group and of the Company for the financial period ended 30 June 2023 ("1H2023").

General information

Directors

The directors in office during the financial period and during the period from the end of the financial period to the date of this report are:

Chong Kur Sen
Hee Chee Keong
Jerome Augustus Bateman

Principal activity and significant changes in nature of the activity

The Group is principally engaged in repairing and servicing of ICT products and distribution and supply of ICT products.

Changes in the composition of the Company

There were no change in the composition of the Group during the current financial period.

Review of Operations

The Group overall generated AUD20,936,921 revenue for the 6-month financial period ended 30 June 2023 is lower as compared to the previous corresponding 6-month financial period ended 30 June 2022 ("1H22") of AUD26,419,941. As a result, the Group recorded a lower profit after taxation of AUD379,299 in 1H2023 as compared to AUD689,611 in 1H2022.

ICT distribution income

The Group generated AUD14,447,184 revenue for the financial period ended 30 June 2023 from the sales of consumer products. It has recorded a gross profit of AUD748,054 and profit before taxation of AUD397,443 during the period ended 30 June 2023.

ICT services income

The Group generated AUD6,489,737 revenue for the financial period ended 30 June 2023 from the repairing and servicing of ICT products. It has recorded a gross profit of AUD253,978 and profit before taxation of AUD169,879 during the period ended 30 June 2023.

Likely Developments and Expected Results of Strategies and Business Operations

The Group's performance can be affected by several key challenges such as stiff competition, rising interest rates, increased cost of living due to global inflation, and might face the possibility of recession.

Amidst the increasingly challenging business landscape, the Group will continue to have better cost management, optimize operational efficiencies and scale up automation initiatives across our operations to enhance its growth.

Despite these challenges, the Group remains committed to finding innovative ways to navigate through the challenges ahead and continue to promote and grow the business in 2023 and following years.

ARBN: 621 001 296

CIRCLE INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Cayman Islands)

STATEMENT BY DIRECTORS

The directors of **CIRCLE INTERNATIONAL HOLDINGS LIMITED** stated that, in their opinion, the accompanying financial statements are drawn up in accordance with International Accounting Standard, IAS 34: Interim Financial Reporting so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of their financial performance and cash flows for the 6-month financial period ended on that date.

Signed on behalf of the Board of Directors in
accordance with a resolution of the directors

HEE CHEE KEONG



JEROME AUGUSTUS BATEMAN

Malaysia

Date: 13 SEP 2023

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

ARBN: 621 001 296

We have reviewed the accompanying statements of financial position of Circle International Holdings Limited as at 30 June 2023 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the 6-month financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 68.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard, IAS 34: Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the 6-month financial period ended in accordance with International Accounting Standard, IAS 34: Interim Financial Reporting.

ARBN: 621 001 296

Other Matters

This report is made solely to the directors of the Company, as a body, in accordance with NSX Listing Rules 6.10 of Section IIA and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Tong & Associates
TONG & ASSOCIATES
[AF 002034]
Chartered Accountants

Wong Yeong Lee
WONG YEONG LEE
03328 / 09 / 2023 J
Chartered Accountant

Petaling Jaya,
Date: 13 September 2023

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

STATEMENTS OF FINANCIAL POSITION**as at 30 June 2023**

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		30.06.2023 AUD	31.12.2022 AUD	30.06.2023 AUD	31.12.2022 AUD
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	4	-	-	3,567,538	3,567,538
Property, plant and equipment	6	690,124	597,500	-	-
Investment properties	7	7,181,839	7,525,420	-	-
Right-of-use assets	8	1,040,212	1,010,693	-	-
TOTAL NON-CURRENT ASSETS		8,912,175	9,133,613	3,567,538	3,567,538
CURRENT ASSETS					
Inventories	9	3,354,448	4,071,174	-	-
Trade and other receivables	10	5,046,732	5,056,365	16,170	19,211
Current tax assets		72,619	-	-	-
Fixed deposits with a licensed bank	11	394,054	405,102	-	-
Cash and bank balances		489,234	834,784	-	-
TOTAL CURRENT ASSETS		9,357,087	10,367,425	16,170	19,211
TOTAL ASSETS		18,269,262	19,501,038	3,583,708	3,586,749

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

**STATEMENTS OF FINANCIAL POSITION
as at 30 June 2023**

		<i>Group</i>		<i>Company</i>	
		30.06.2023	31.12.2022	30.06.2023	31.12.2022
	<i>Note</i>	AUD	AUD	AUD	AUD
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	2,607,213	2,607,213	61,223,667	61,223,667
Reserves	13	2,622,761	2,489,241	(58,475,542)	(58,404,302)
TOTAL EQUITY		<u>5,229,974</u>	<u>5,096,454</u>	<u>2,748,125</u>	<u>2,819,365</u>
LIABILITIES					
NON-CURRENT LIABILITIES					
Deferred tax liabilities	14	110,837	132,664	-	-
Lease liabilities	15	593,539	553,059	-	-
Term loans	16	5,885,257	6,466,068	-	-
TOTAL NON-CURRENT LIABILITIES		<u>6,589,633</u>	<u>7,151,791</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES					
Trade and other payables	17	2,127,494	1,963,782	835,583	767,384
Borrowings	18	2,088,975	3,329,756	-	-
Lease liabilities	15	545,665	528,751	-	-
Term loans	16	882,936	582,040	-	-
Bank overdraft	19	753,661	788,798	-	-
Current tax liabilities		50,924	59,666	-	-
TOTAL CURRENT LIABILITIES		<u>6,449,655</u>	<u>7,252,793</u>	<u>835,583</u>	<u>767,384</u>
TOTAL LIABILITIES		<u>13,039,288</u>	<u>14,404,584</u>	<u>835,583</u>	<u>767,384</u>
TOTAL EQUITY AND LIABILITIES		<u>18,269,262</u>	<u>19,501,038</u>	<u>3,583,708</u>	<u>3,586,749</u>

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

**STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
for the 6-month financial period ended 30 June 2023**

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
REVENUE	20	20,936,921	26,419,941	-	-
COST OF SALES		<u>(18,732,041)</u>	<u>(23,860,744)</u>	-	-
GROSS PROFIT		2,204,880	2,559,197	-	-
OTHER INCOME	21	682,902	4,533,994	29,640	-
ADMINISTRATIVE EXPENSES		(1,467,292)	(1,453,079)	(83,928)	(182,271)
OTHER EXPENSES	22	(480,212)	(4,171,657)	-	-
FINANCE COSTS	23	<u>(438,464)</u>	<u>(308,091)</u>	-	-
PROFIT/(LOSS) BEFORE TAXATION	24	501,814	1,160,364	(54,288)	(182,271)
INCOME TAX EXPENSE	25	<u>(122,515)</u>	<u>(470,753)</u>	-	-
PROFIT/(LOSS) AFTER TAXATION		379,299	689,611	(54,288)	(182,271)
OTHER COMPREHENSIVE INCOME/(EXPENSES) <u>Items that will be reclassified</u> <u>subsequently to profit or loss</u>					
FOREIGN CURRENCY TRANSLATION DIFFERENCES		<u>(245,779)</u>	<u>(40,938)</u>	<u>(16,952)</u>	<u>(44,258)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL PERIOD		<u>133,520</u>	<u>648,673</u>	<u>(71,240)</u>	<u>(226,529)</u>

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

**STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
for the 6-month financial period ended 30 June 2023**

	<i>Group</i>		<i>Company</i>	
	01.01.2023	01.01.2022	01.01.2023	01.01.2022
	to	to	to	to
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
<i>Note</i>	AUD	AUD	AUD	AUD
PROFIT/(LOSS) AFTER TAXATION				
Attributable to:				
Owners of the Company	<u>379,299</u>	<u>689,611</u>	<u>(54,288)</u>	<u>(182,271)</u>
TOTAL COMPREHENSIVE				
INCOME/(EXPENSES) FOR THE				
FINANCIAL PERIOD				
Attributable to:				
Owners of the Company	<u>133,520</u>	<u>648,673</u>	<u>(71,240)</u>	<u>(226,529)</u>
EARNINGS PER SHARE (CENTS)				
Basic and diluted	27 <u>0.42</u>	<u>0.80</u>		

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

**STATEMENTS OF CHANGES IN EQUITY
for the 6-month financial period ended 30 June 2023**

<i>Group</i>	←----- Attributable to owners of the Company ----->				
	Note	Share capital	Foreign exchange translation reserve	Retained profits	Total
	AUD	AUD	AUD	AUD	AUD
At 01 January 2023	2,607,213	(54,114)	2,543,355	5,096,454	
Profit after taxation	-	-	379,299	379,299	
Other comprehensive income for the financial year - foreign currency translation differences	-	(245,779)	-	(245,779)	
Total comprehensive income for the financial year	-	(245,779)	379,299	133,520	
At 30 June 2023	2,607,213	(299,893)	2,922,654	5,229,974	

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

**STATEMENTS OF CHANGES IN EQUITY
for the 6-month financial period ended 30 June 2023**

Group	Attributable to owners of the Company				
	Share capital	Foreign exchange translation reserve	Retained profits	<Distributable>	Total
	AUD	AUD	AUD	AUD	AUD
At 01 January 2022	383,155	(96,200)	1,406,488		1,693,443
Profit after taxation	-	-	689,611		689,611
Other comprehensive income for the financial year					
- foreign currency translation differences	-	(40,938)	-		(40,938)
Total comprehensive income for the financial year	-	(40,938)	689,611		648,673
Contributions by and distributions to owners of the Company:					
- reverse acquisition	894,668	-	-		894,668
- direct acquisition of a subsidiary	1,329,390	-	-		1,329,390
Total transactions with owners of the Company	2,224,058	-	-		2,224,058
At 30 June 2022	2,607,213	(137,138)	2,096,099		4,566,174

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

**STATEMENTS OF CHANGES IN EQUITY
for the 6-month financial period ended 30 June 2023**

<i>Company</i>	←----- Attributable to owners of the Company ----->			
	Share capital	Foreign exchange translation reserve	<Non-distributable>	<Distributable>
	AUD	AUD	AUD	AUD
At 01 January 2023	61,223,667	(52,181)	(58,352,121)	2,819,365
Loss after taxation	-	-	(54,288)	(54,288)
Other comprehensive expenses for the financial year - foreign currency translation differences	-	(16,952)	-	(16,952)
Total comprehensive expenses for the financial year	-	(16,952)	(54,288)	(71,240)
At 30 June 2023	61,223,667	(69,133)	(58,406,409)	2,748,125

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

**STATEMENTS OF CHANGES IN EQUITY
for the 6-month financial period ended 30 June 2023**

<i>Company</i>	<----- Attributable to owners of the Company ----->			
	Share capital	Foreign exchange translation reserve	Accumulated losses	Total
	AUD	AUD	AUD	AUD
At 01 January 2022	57,656,229	(2,472)	(58,354,893)	(701,136)
Loss after taxation	-	-	(182,271)	(182,271)
Other comprehensive expenses for the financial year - foreign currency translation differences	-	(44,258)	-	(44,258)
Total comprehensive expenses for the financial year	-	(44,258)	(182,271)	(226,529)
Contributions by and distribution to owners of the Company:				
- reverse acquisition	2,238,048	-	-	2,238,048
- direct acquisition of a subsidiary	1,329,390	-	-	1,329,390
Total transactions with owners of the Company	3,567,438	-	-	3,567,438
At 30 June 2022	61,223,667	(46,730)	(58,537,164)	2,639,773

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

STATEMENTS OF CASH FLOWS
for the 6-month financial period ended 30 June 2023

	<i>Group</i>		<i>Company</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
CASH FLOWS FROM/(FOR)				
OPERATING ACTIVITIES				
Profit/(Loss) before taxation	501,814	1,160,364	(54,288)	(182,271)
<i>Adjustments for:</i>				
Bad debts written off	6,181	-	-	-
Depreciation of right-of-use assets	337,319	338,632	-	-
Depreciation of property, plant and equipment	54,585	36,292	-	-
Impairment losses on goodwill	-	3,796,733	-	-
Imputed interest on receivables	(26,930)	-	-	-
Interest expenses	438,464	308,091	-	-
Unrealised gain on foreign exchange	(29,640)	-	(29,640)	-
Property, plant and equipment written off	6,821	-	-	-
Fair value loss/(gain) on investment properties	73,265	(466,085)	-	-
Gain on disposal of subsidiaries	-	(2,200,926)	-	-
Gain on modification of leases	(372)	-	-	-
Interest income	(3,754)	(3,585)	-	-
Bargain purchase gain on acquisition of a subsidiary	-	(1,476,107)	-	-
Operating profit/(loss) before working capital changes	1,357,753	1,493,409	(83,928)	(182,271)
Decrease/(Increase) in inventories	588,060	(1,441,973)	-	-
(Increase)/Decrease in trade and other receivables	(406,461)	425,903	3,041	20,279
Increase/(Decrease) in trade and other payables	268,380	(566,018)	80,887	161,989
Cash generated from/(used in) operations	1,807,732	(88,679)	-	(3)
Income tax paid	(221,918)	(108,472)	-	-
Income tax refunded	-	9,036	-	-
Interest received	3,754	3,585	-	-
Interest paid	(438,464)	(308,091)	-	-
<i>Net cash generated from/ (used in) operating activities</i>	<u>1,151,104</u>	<u>(492,621)</u>	<u>-</u>	<u>(3)</u>

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

STATEMENTS OF CASH FLOWS
for the 6-month financial period ended 30 June 2023

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash and cash equivalents	4(b)	-	163,975	-	-
Acquisition through reverse acquisition, net of cash and cash equivalents	4(a)	-	1,716	-	-
Purchase of property, plant and equipment		(179,463)	(34,374)	-	-
Purchase of right-of-use assets	28(a)	-	(24,620)	-	-
Disposal of subsidiaries, net of cash and cash equivalents	4(c)	-	(1,649)	-	3
Placement of fixed deposits with a licensed bank		(3,750)	(3,585)	-	-
<i>Net cash (used in)/generated from investing activities</i>		<u>(183,213)</u>	<u>101,463</u>	<u>-</u>	<u>3</u>
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Drawdown of term loans	28(d)	307,048	-	-	-
Repayment of term loans	28(d)	(332,405)	(219,256)	-	-
Drawdown of borrowings	28(d)	4,017,836	6,659,879	-	-
Repayment of borrowings	28(d)	(4,973,849)	(5,319,477)	-	-
Repayment of lease liabilities	28(d)	(305,488)	(295,716)	-	-
<i>Net cash (used in)/generated from financing activities</i>		<u>(1,286,858)</u>	<u>825,430</u>	<u>-</u>	<u>-</u>

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

STATEMENTS OF CASH FLOWS
for the 6-month financial period ended 30 June 2023

	<i>Group</i>		<i>Company</i>	
	01.01.2023 to 30.06.2023	01.01.2022 to 30.06.2022	01.01.2023 to 30.06.2023	01.01.2022 to 30.06.2022
<i>Note</i>	AUD	AUD	AUD	AUD
Net (decrease)/increase in cash and cash equivalents	(318,967)	434,272	-	-
Effects of foreign exchange translation reserve	8,554	2,094	-	-
Cash and cash equivalents at beginning of the financial period	45,986	172,720	-	-
Cash and cash equivalents at end of the financial period	28(c) (264,427)	609,086	-	-

The accompanying notes form an integral part of the financial statements.

CIRCLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2023

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is incorporated in the Cayman Islands under the Companies Law.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are as set out in *Note 4* to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

The address of the registered office of the Company is Suite 14/3 Gladstone Parade, Lindfield, NSW 2070 Australia.

The address of the principal place of business of the Company is Lot 6-002, Endah Parade, No. 1, Jalan 1/149E, Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 13 September 2023.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) Basis of presentation

These interim consolidated financial statements (“interim financial statements”) as at and for the 6-month financial period ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as “the Group”) have been prepared in accordance with International Accounting Standard, IAS 34: Interim Financial Reporting.

(b) Basis of Accounting

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with International Financial Reporting Standards (“IFRS”).

- (i) During the current financial year, the Group had adopted all the following new accounting standards and/or interpretations (including the consequential amendments, if any):

IFRSs and/or Interpretations (Including The Consequential Amendments)

IFRS 17: Insurance Contracts

Amendments to IAS 1: Disclosure of Accounting Policies

Amendments to IAS 8: Definition of Accounting Estimates

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to IFRS 17: Insurance Contracts

Amendment to IFRS 17: Initial Application of IFRS 17 and IFRS 9 - Comparative Information

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

- (ii) The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the International Accounting Standards Board (IASB) but are not yet effective for the current financial year:

IFRSs and/or Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates and Judgement

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(iii) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

(iv) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

(v) Valuation of Investment Properties

Investment properties of the Group are reported at fair value which is based on valuations performed by independent professional valuers except for investment properties under construction in which their fair values are not reliably determinable. Investment properties under construction are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal value, market rental, and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value.

(vi) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(vii) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair values of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in *Note 4* to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:

(i) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(ii) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group 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 over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Merger Accounting for Common Control Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for full financial year.

(ii) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(iii) Non-controlling Interests

Non-controlling interests are presented within equity in the statements of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iv) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(v) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(vi) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(vii) Reverse Acquisition Accounting

In the previous financial period ended 30 June 2022, the Company completed the acquisition of the entire equity interest in One Mobile Care Sdn. Bhd. ("OMC") for a total consideration of AUD2,238,048, satisfied through the issuance of 450,288,135 new ordinary shares in the Company at an issue price of AUD0.005 per share. The transaction is treated as a reverse acquisition for accounting purposes as the shareholders of OMC became the controlling shareholders of the Company on completion of the transaction. Accordingly, OMC (being the legal subsidiary in the transaction) is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) is regarded as the accounting acquiree.

The consolidated financial statements represent a continuation of the financial position, performance and cash flows of OMC. Accordingly, the consolidated financial statements are prepared on the following basis:

- (a) The assets and liabilities of OMC are recognised and measured in the statements of financial position of the Group at their pre-acquisition carrying amounts;
- (b) The assets and liabilities of the Company are recognised and measured in the statements of financial position of the Group at their acquisition-date fair values;
- (c) The retained profits and other equity balances recognised in the consolidated financial statements are the retained profits and other equity balances of OMC immediately before the reverse acquisition;
- (d) The amount recognised as issued equity interests in the consolidated financial statements is determined by adding to the issued equity of OMC immediately before the reverse acquisition the fair value of the consideration effectively transferred based on the issue price of the Company's share. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the reverse acquisition;
- (e) The statements of profit and loss and other comprehensive income for the financial period ended 30 June 2022 reflects the 6 months results of OMC together with the post-acquisition results of the Company; and
- (f) The statements of financial positions as at 01 January 2022 is that of OMC, except for its capital structure which is retroactively adjusted to reflect the legal capital of the accounting acquiree.

The statements of profit or loss and other comprehensive income, statements of cash flows and statements of changes in equity of the Group for the financial period ended 30 June 2022 refers to the Group which includes the results of OMC from 01 January 2022 to 30 June 2022 and the post-acquisition results of the Company from the date of completion of the reverse acquisition to 30 June 2022.

(c) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint ventures.

(d) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The functional currency of the Company is United States Dollars (“USD”), while the presentation currency of the Group and of the Company are Australian Dollars (“AUD”).

(ii) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(iii) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group’s presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group’s entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

(e) Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in IAS 32. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery a part of the cost of the equity investments.

(i) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(iii) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) Investment in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(g) Impairment

(i) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which IAS 36 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(h) Provisions

Provisions for liabilities are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount can be made. Provisions are reviewed at financial year end date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

(i) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:

	%
Computers	20 - 30
Freehold shoplot	2
Motor vehicles	10
Office equipment, furniture and fittings	10
Renovation	10 - 20
Technical tools	20

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

When significant parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

(j) Investment Properties

Investment properties are properties which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at fair value with fair value changes recognised in profit or loss.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If the owner-occupied property becomes an investment property, such property shall be accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Contract Asset and Contract Liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of IFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(m) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(n) Revenue from Contracts with Customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(i) Sale of mobile phones and mobile accessories

Revenue from sale of mobile phones and mobile accessories is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

(ii) Rendering of services

Revenue is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

(o) Revenue from other sources and other income

(i) Rental income

Rental income is accounted for on a straight-line method over the lease term.

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(p) Leases

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

(q) Income Tax Expense

(i) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(ii) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the taxation authority.

(r) Employee Benefits

(i) Short-term Employee Benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short-term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined Contribution Plan

The Group's contributions to the Employees' Provident Fund, a defined contribution plan regulated and managed by the government, are charged to the statements of profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further financial obligations.

(s) Cash And Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(t) Contingent Liability

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(u) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(v) Earnings Per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(w) Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4. INVESTMENT IN SUBSIDIARIES

	<i>Company</i>	
	30.06.2023	31.12.2022
	AUD	AUD
Unquoted shares, at cost		
At 01 January 2023/2022	3,567,538	57,656,091
Acquisitions of subsidiaries	-	3,567,438
Addition	-	100
Disposal	-	(57,656,091)
At 30 June 2023/31 December 2022	3,567,538	3,567,538
Less: Accumulated impairment loss		
At 01 January 2023/2022	-	(57,656,088)
Disposal	-	57,656,088
At 30 June 2023/31 December 2022	-	-
Carrying amount	3,567,538	3,567,538

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective equity interest		Principal activities
		30.06.2023	31.12.2022	
		%	%	
One Mobile Care Sdn. Bhd.	Malaysia	100	100	Trading of hand phone accessories, repairing mobile services, technical services and other related activities
MPS Telecommunication Sdn. Bhd.	Malaysia	100	100	Trading in hand phones, telecommunication accessories and services
Neo Connect Australia Pty. Ltd.	Australia	100	100	Repairing and servicing, distribution and supply of ICT products

(a) Reverse Acquisition

The acquisition of the entire equity interest in One Mobile Care Sdn. Bhd. (“OMC”) was completed in the financial period ended 30 June 2022 for a total consideration of RM6,781,509 or AUD2,238,048. This consideration was satisfied by issuance of 450,288,135 new ordinary shares at AUD0.005 per share.

For accounting purposes, the cut-off was taken on 01 January 2022 as the board of directors of Circle International Holdings Limited (“CIHL”) has confirmed that the management of OMC has gained the control on the Group from 01 January 2022 onwards.

As OMC is a private entity, the fair value of the Company’s shares provides a more reliable basis for measuring the consideration transferred than the estimated fair value of the share in OMC. The consideration transferred is determined using the fair value of the issued equity of the Company before the acquisition and the number of new ordinary shares OMC would have to issue to the equity holders of the Company to maintain the ratio of ownership interest in the combined entity.

The fair value of the identifiable assets and liabilities of CIHL as at the date of reverse acquisition were:

	<i>Group</i> 31.12.2022 AUD
Trade and other receivables	21,237
Current tax assets	3,512
Bank balances	1,746
Trade and other payables	(2,549,192)
Term loans	(56,836)
Bank overdraft	(30)
Current tax liabilities	(322,502)
Fair value of net identifiable liabilities acquired	<u>(2,902,065)</u>

The effect of the acquisition on cash flows is as follows:

	<i>Group</i> 31.12.2022 AUD
<u>Net cashflow arising from Reverse Acquisition:</u>	
Cash and cash equivalents from acquisition of subsidiaries, representing net cash inflow from Reverse Acquisition	<u>1,716</u>

	<i>Group</i> 31.12.2022 AUD
<u>Goodwill arising from Reverse Acquisition:</u>	
Deemed purchase consideration transferred	894,668
Add: Fair value of net identifiable liabilities acquired	<u>2,902,065</u>
Goodwill on consideration	<u>3,796,733</u>

The goodwill of AUD3,796,733 arising from the reverse acquisition is recognised and expensed off in the "Other Expenses" line item of the statements of profit or loss and other comprehensive income.

(b) Direct acquisition of a subsidiary

The acquisition of the entire equity interest of MPS Telecommunication Sdn. Bhd. ("MPS") was completed in the previous financial period ended 30 June 2022 for a total consideration of RM4,028,185 or AUD1,329,390. This consideration was satisfied by issuance of 267,469,071 new ordinary shares at AUD0.005 per share.

For accounting purposes, the cut-off was taken on 01 January 2022.

The fair value of the identifiable assets and liabilities of MPS as at the date of acquisition were:

	<i>Group</i> 31.12.2022 AUD
Property, plant and equipment	412,949
Investment properties	6,171,846
Right-of-use assets	95,197
Inventories	2,332,455
Trade and other receivables	3,214,291
Current tax assets	34,976
Fixed deposits with a licensed bank	392,454
Cash and bank balances	657,209
Deferred tax liabilities	(17,702)
Lease liabilities	(135,701)
Term loans	(6,493,248)
Trade and other payables	(2,804,546)
Borrowings	(561,449)
Bank overdraft	(493,234)
	<hr/>
Fair value of net identifiable assets acquired	2,805,497
	<hr/> <hr/>

The effect of the acquisition on cash flows is as follows:

	<i>Group</i> 31.12.2022 AUD
<u>Net cashflow arising from acquisition of a subsidiary:</u>	
Cash consideration	-
Add: Cash and bank balances	657,209
Less: Bank overdraft	(493,234)
	<hr/>
Cash and cash equivalents from acquisition of a subsidiary, representing net cash inflow from acquisition of a subsidiary	163,975
	<hr/> <hr/>

	<i>Group</i> 31.12.2022 AUD
<u>Negative goodwill arising from direct acquisition:</u>	
Fair value of consideration transferred:	
- equity instruments issued	1,329,390
Less: Fair value of net identifiable assets acquired	(2,805,497)
	<hr/>
Bargain purchase gain on acquisition	(1,476,107)
	<hr/> <hr/>

(c) Disposal of subsidiaries

- (i) On 31 March 2022, the Company disposed of its entire equity interests in Circle Corporation International Limited for AUD1 in cash.

The financial effects of the disposal at the date of disposal are summarised as below:

	<i>Group</i> 31.12.2022 AUD	<i>Company</i> 31.12.2022 AUD
Investment in a subsidiary	-	-
Trade and other receivables	52,225	-
Bank overdraft	(29)	-
Trade and other payables	(892,264)	-
Current tax liabilities	(289,505)	-
	<hr/>	<hr/>
Carrying amount of net liabilities disposed of	(1,129,573)	-
Effect of foreign exchange translation reserve	(39,855)	-
Gain on disposal of a subsidiary	1,169,429	1
	<hr/>	<hr/>
Consideration received, satisfied in cash	1	1
Add: Cash and cash equivalents of a subsidiary disposed of	29	-
	<hr/>	<hr/>
Net cash inflow from the disposal of a subsidiary	<u>30</u>	<u>1</u>

- (ii) On 31 March 2022, the Company disposed of its entire equity interests in Circle Corp Mediatech Sdn. Bhd. for AUD1 in cash.

The financial effects of the disposal at the date of disposal are summarised as below:

	<i>Group</i> 31.12.2022 AUD	<i>Company</i> 31.12.2022 AUD
Investment in a subsidiary	-	3
Trade and other receivables	1,019,822	-
Cash and bank balances	338	-
Trade and other payables	(1,439,981)	-
Current tax liabilities	(21,947)	-
	<hr/>	<hr/>
Carrying amount of net (liabilities)/assets disposed of	(441,768)	3
Effect of foreign exchange translation reserve	(55,807)	-
Gain/(Loss) on disposal of a subsidiary	497,576	(2)
	<hr/>	<hr/>
Consideration received, satisfied in cash	1	1
Less: Cash and cash equivalents of a subsidiary disposed of	(338)	-
	<hr/>	<hr/>
Net cash (outflow)/inflow from the disposal of a subsidiary	<u>(337)</u>	<u>1</u>

- (iii) On 31 March 2022, the Company disposed of its entire equity interests in Inno Mind Works Sdn. Bhd. for AUD1 in cash.

The financial effects of the disposal at the date of disposal are summarised as below:

	<i>Group</i>	<i>Company</i>
	31.12.2022	31.12.2022
	AUD	AUD
Investment in a subsidiary	-	-
Trade and other receivables	132,420	-
Cash and bank balances	1,343	-
Current tax assets	3,383	-
Trade and other payables	(591,815)	-
Term loans	(54,746)	-
Carrying amount of net liabilities disposed of	(509,415)	-
Effect of foreign exchange translation reserve	(24,505)	-
Gain on disposal of a subsidiary	533,921	1
Consideration received, satisfied in cash	1	1
Less: Cash and cash equivalents of a subsidiary disposed of	(1,343)	-
Net cash (outflow)/inflow from the disposal of a subsidiary	(1,342)	1

5. GOODWILL ON CONSOLIDATION

	<i>Group</i>	
	30.06.2023	31.12.2022
	AUD	AUD
<i>Cost</i>		
At 01 January 2023/2022	-	-
Arising from the reverse acquisition	-	3,796,733
At 30 June 2023/31 December 2022	-	3,796,733
Less: Accumulated impairment loss		
At 01 January 2023/2022	-	-
Additional during the period/year	-	(3,796,733)
At 30 June 2023/31 December 2022	-	(3,796,733)
Carrying amount	-	-

6. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

Group	Office equipment, furniture and fittings							Total
	Computers	Freehold shoplot	Motor vehicles	Renovation	Technical tools	Office equipment, furniture and fittings	Technical tools	
	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD
<i>Cost</i>								
At 01 January 2022	164,102	-	161,027	115,166	20,661			614,109
Acquisition of a subsidiary	363,569	277,254	123,704	360,412	-			1,353,789
Additions	9,926	-	-	95,358	80,344			206,376
Effect of foreign exchange translation reserve	7,324	3,737	3,838	8,037	1,649			30,181
At 31 December 2022/01 January 2023	544,921	280,991	288,569	578,973	102,654			2,204,455
Additions	8,308	-	-	66,605	-			179,463
Written off	-	-	-	(28,510)	-			(28,510)
Effect of foreign exchange translation reserve	(20,011)	(18,146)	(10,456)	(22,198)	(3,720)			(84,712)
At 30 June 2023	533,218	494,751	278,113	594,870	98,934			2,270,696
<i>Accumulated depreciation</i>								
At 01 January 2022	158,868	-	161,027	102,068	20,169			561,321
Acquisition of a subsidiary	361,300	75,063	104,233	281,105	-			940,840
Charge for the financial year	4,554	5,504	3,930	29,293	8,253			82,796
Effect of foreign exchange translation reserve	7,106	1,127	3,659	5,785	447			21,998
At 31 December 2022/01 January 2023	531,828	81,694	272,849	418,251	28,869			1,606,955
Charge for the financial period	2,721	2,797	1,998	21,375	8,196			54,585
Written off	-	-	-	(21,689)	-			(21,689)
Effect of foreign exchange translation reserve	(19,357)	(3,049)	(9,950)	(15,145)	(1,309)			(59,279)
At 30 June 2023	515,192	81,442	264,897	402,792	35,756			1,580,572
<i>Carrying amount</i>								
At 30 June 2023	18,026	214,258	13,216	192,078	63,178			690,124
At 31 December 2022	13,093	134,883	15,720	160,722	73,785			597,500

The freehold shoplot of the Group has been pledged to licensed banks as security for banking facilities granted to the Group.

7. INVESTMENT PROPERTIES

	<i>Group</i>	
	30.06.2023	31.12.2022
	AUD	AUD
<i>At fair value:</i>		
At 01 January 2023/2022	7,525,420	300,155
Addition during the financial period/year	-	592,936
Acquisition of a subsidiary	-	6,171,846
Fair value (loss)/gain recognised in profit or loss	(73,265)	466,085
Effect of foreign exchange translation reserve	(270,316)	(5,602)
At 30 June 2023/31 December 2022	<u>7,181,839</u>	<u>7,525,420</u>
Represented by:		
Freehold buildings	6,395,462	6,709,479
Buildings under construction	<u>786,377</u>	<u>815,941</u>
	<u>7,181,839</u>	<u>7,525,420</u>

The details of the Group's investment properties that are carried at fair values are analysed as follows:

	Level 2	Total
	AUD	AUD
30 June 2023		
Freehold buildings	<u>6,395,462</u>	<u>6,395,462</u>
31 December 2022		
Freehold buildings	<u>6,709,479</u>	<u>6,709,479</u>

The level 2 fair value of the freehold buildings has been derived using the market comparison approach with reference to sales price of comparable properties in close proximity, adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial period.

The buildings under construction are stated at cost. The fair value of these properties are unable to be determined reliably as there are uncertainties in estimating their fair value at this juncture.

The investment properties of the Group have been pledged to licensed banks as security for the banking facilities granted to the Group.

8. RIGHT-OF-USE ASSETS

	Retail stores AUD	Group Motor vehicles AUD	Total AUD
<i>Carrying amount</i>			
At 01 January 2022	203,224	22,773	225,997
Acquisition of a subsidiary	40,772	54,425	95,197
Additions (Note 28 (a))	427,538	165,551	593,089
Lease modification (Note 15)	761,141	-	761,141
Depreciation charge for the financial year	(616,399)	(67,161)	(683,560)
Effect of foreign exchange translation reserve	15,028	3,801	18,829
At 31 December 2022/01 January 2023	831,304	179,389	1,010,693
Additions (Note 28 (a))	65,937	-	65,937
Lease modification (Note 15)	346,580	-	346,580
Derecognise due to lease modification	(6,870)	-	(6,870)
Depreciation charge for the financial period	(299,986)	(37,333)	(337,319)
Effect of foreign exchange translation reserve	(33,506)	(5,303)	(38,809)
At 30 June 2023	903,459	136,753	1,040,212

	Group	
	30.06.2023 AUD	31.12.2022 AUD
<i>Analysed by:</i>		
Cost	1,703,720	1,671,826
Accumulated depreciation	(663,508)	(661,133)
	1,040,212	1,010,693

The Group leases stores and motor vehicles of which the leasing activities are summarised below:

- (i) Retail stores: The Group has leased a number of retail stores that run between 1 to 4 years (31.12.2022: 1 to 3) years, with an option to renew the lease after that date. The Group is not allowed to sublease the retail stores.
- (ii) Motor vehicles: The Group has leased motor vehicles under hire purchase arrangements.

9. INVENTORIES

	<i>Group</i>	
	30.06.2023	31.12.2022
	AUD	AUD
Finished goods - at cost	<u>3,354,448</u>	<u>4,071,174</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	<u>18,732,041</u>	<u>52,344,386</u>

10. TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
<i>Note</i>	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	AUD	AUD	AUD	AUD
Trade receivables - net of impairment				
- related parties	81,146	162,333	-	-
- others	3,068,074	3,027,215	-	-
(a)	<u>3,149,220</u>	<u>3,189,548</u>	-	-
Other receivables - net of impairment				
- related parties	13,633	469,244	-	-
- a subsidiary	-	-	11,220	-
- others	493,849	577,434	-	-
(b)	<u>507,482</u>	<u>1,046,678</u>	11,220	-
Contract assets	149,905	316,186	-	-
(c)	<u>1,240,125</u>	<u>503,953</u>	4,950	19,211
Deposits and prepayment				
	<u>5,046,732</u>	<u>5,056,365</u>	<u>16,170</u>	<u>19,211</u>
(a) Trade receivables	3,149,220	3,189,548	-	-
Less: Impairment losses				
At 01 January 2023/2022	-	-	-	-
Acquisition of subsidiaries	-	(8,596)	-	-
Disposal of subsidiaries	-	8,596	-	-
At 30 June 2023/31 December 2022	-	-	-	-
	<u>3,149,220</u>	<u>3,189,548</u>	-	-
(b) Other receivables	550,192	1,089,388	53,930	42,710
Less: Impairment losses				
At 01 January 2023/2022	(42,710)	-	(42,710)	(42,710)
Acquisition of subsidiaries	-	(422,968)	-	-
Disposal of subsidiaries	-	380,258	-	-
At 30 June 2023/31 December 2022	<u>(42,710)</u>	<u>(42,710)</u>	<u>(42,710)</u>	<u>(42,710)</u>
	<u>507,482</u>	<u>1,046,678</u>	<u>11,220</u>	<u>-</u>

	<i>Group</i>		<i>Company</i>	
	30.06.2023 AUD	31.12.2022 AUD	30.06.2023 AUD	31.12.2022 AUD
(c) Contract assets				
At 01 January 2023/2022	316,186	-	-	-
Performance obligation performed	154,867	316,186	-	-
Transfer to trade receivables	(314,817)	-	-	-
Effect of foreign exchange translation reserve	(6,331)	-	-	-
At 30 June 2023/31 December 2022	<u>149,905</u>	<u>316,186</u>	<u>-</u>	<u>-</u>

The Group's normal trade credit terms range from 30 to 120 days (31.12.2022: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

11. FIXED DEPOSITS WITH A LICENSED BANK

	<i>Group</i>	
	30.06.2023 AUD	31.12.2023 AUD
Fixed deposits with a licensed bank	<u>394,054</u>	<u>405,102</u>
Interest rate (%)	2.79	2.32
Maturity period (months)	<u>12</u>	<u>12</u>

Included in the fixed deposits with a licensed bank of the Group at the end of the reporting period have been pledged to a licensed bank as security for bank facilities granted to the Group.

12. SHARE CAPITAL

	<i>Company</i>			
	30.06.2023		31.12.2022	
	Number of shares		Number of shares	
Authorised share capital	At par	Unit ('000)	At par	Unit ('000)
Ordinary shares				
At 1 January 2023/2022	US\$0.25 each	950,000	US\$0.25 each	400,000
Share Consolidation	US\$0.25 each	(855,000)	US\$0.25 each	-
Increased during the period/year	US\$2.50 each	<u>105,000</u>	US\$0.25 each	<u>550,000</u>
At 30 June 2023/31 December 2022	US\$2.50 each	<u>200,000</u>	US\$0.25 each	<u>950,000</u>

	<i>Group</i>			
	Number of shares		Amount	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	Unit	Unit	AUD	AUD
Issued and fully paid-up				
Ordinary shares				
At 1 January 2023/2022	897,757,606	180,000,400	2,607,213	383,155
Issued pursuant to the:				
- reverse acquisition of OMC	-	450,288,135	-	894,668
- acquisition of MPS	-	267,469,071	-	1,329,390
- Share Consolidation	(807,981,846)	-	-	-
At 30 June 2023/31 December 2022	<u>89,775,760</u>	<u>897,757,606</u>	<u>2,607,213</u>	<u>2,607,213</u>

	<i>Company</i>			
	Number of shares		Amount	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	Unit	Unit	AUD	AUD
Issued and fully paid-up				
Ordinary shares				
At 1 January 2023/2022	897,757,606	180,000,400	61,223,667	57,656,229
Issued pursuant to the:				
- reverse acquisition of OMC	-	450,288,135	-	2,238,048
- acquisition of MPS	-	267,469,071	-	1,329,390
- Share Consolidation	(807,981,846)	-	-	-
At 30 June 2023/31 December 2022	<u>89,775,760</u>	<u>897,757,606</u>	<u>61,223,667</u>	<u>61,223,667</u>

- (a) The holders of ordinary shares are entitled to receive dividends and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company.
- (b) During the financial period,
- (1) the Company has consolidated its authorised share capital from 950,000,000 shares with par value of US\$0.25 each to 95,000,000 shares with par value of US\$0.25 each on effective date 28 June 2023 involving the consolidation of every 10 ordinary shares into 1 ordinary shares (“Share Consolidation”); and
 - (2) the Company has increased its authorised share capital from 95,000,000 shares with par value of US\$0.25 to 200,000,000 shares with par value of US\$2.50 each; and
 - (3) the Company has consolidated its existing number of ordinary shares from 897,757,606 share with par value of US\$0.25 to 89,775,760 share with par value of US\$2.50 each on effective date 28 June 2023 involving the consolidation of every 10 ordinary shares into 1 ordinary shares (“Share Consolidation”).

13. RESERVES

	<i>Group</i>		<i>Company</i>	
	30.06.2023 AUD	31.12.2022 AUD	30.06.2023 AUD	31.12.2022 AUD
Retained profits/(Accumulated losses)	2,922,654	2,543,355	(58,406,409)	(58,352,121)
Effect of foreign exchange translation reserve	<u>(299,893)</u>	<u>(54,114)</u>	<u>(69,133)</u>	<u>(52,181)</u>
	<u>2,622,761</u>	<u>2,489,241</u>	<u>(58,475,542)</u>	<u>(58,404,302)</u>

Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of the Company and its foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

14. DEFERRED TAX LIABILITIES

	<i>Group</i>	
	30.06.2023 AUD	31.12.2022 AUD
At 01 January 2023/2022	132,664	-
Acquisition of a subsidiary	-	17,702
Recognised in profit or loss (<i>Note 25</i>)	(17,584)	112,349
Effect of foreign exchange translation reserve	<u>(4,243)</u>	<u>2,613</u>
At 30 June 2023/31 December 2022	<u>110,837</u>	<u>132,664</u>
Represented:		
Accelerated capital allowances over depreciation on qualifying cost of property, plant and equipment	17,200	17,941
Fair value gain on investment properties	<u>93,637</u>	<u>114,723</u>
	<u>110,837</u>	<u>132,664</u>

15. LEASE LIABILITIES

	<i>Group</i>	
	30.06.2023	31.12.2022
	AUD	AUD
At 01 January 2023/2022	1,081,810	253,639
Acquisition of a subsidiary	-	135,701
Additions (<i>Note 28 (a)</i>)	65,937	568,471
Changes due to lease modification (<i>Note 8</i>)	346,580	761,141
Derecognition due to lease modification	(7,242)	(3,717)
Interest expense recognised in profit or loss	40,003	63,442
Repayment of principal	(305,488)	(653,131)
Repayment of interest expense	(40,003)	(63,442)
Effect of foreign exchange translation reserve	(42,393)	19,706
	<u>1,139,204</u>	<u>1,081,810</u>
At 30 June 2023/31 December 2022		
Analysed by:		
Current liabilities	545,665	528,751
Non-current liabilities	593,539	553,059
	<u>1,139,204</u>	<u>1,081,810</u>

16. TERM LOANS

The terms loans are repayable as follows:

	<i>Group</i>	
	30.06.2023	31.12.2022
	AUD	AUD
Current liabilities	882,936	582,040
Non-current liabilities	5,885,257	6,466,068
	<u>6,768,193</u>	<u>7,048,108</u>
Interest rate (%)	<u>3.37-13.00</u>	<u>3.37-13.00</u>

The term loans are secured by:

- (a) a joint and several guarantee by the directors of the subsidiaries;
- (b) a legal charge over the investment properties of the Group;
- (c) a legal charge over a freehold shoplot of the Group; and
- (d) fixed deposits pledge to a licensed bank of the Group.

17. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		30.06.2023 AUD	31.12.2022 AUD	30.06.2023 AUD	31.12.2022 AUD
Trade payables					
- related parties		20,071	3,205	-	-
- others		1,355,583	1,291,562	-	-
		1,375,654	1,294,767	-	-
Other payables		232,285	168,811	128,858	113,250
Contract liabilities	(a)	151,219	133,673	-	-
Accruals		271,225	322,175	17,941	21,231
Amount owing to related parties		10,172	12,138	-	96
Amount owing to directors of subsidiaries		86,939	32,218	-	-
Amount owing to a director		-	-	10,860	-
Amount owing to subsidiaries		-	-	677,924	632,807
		<u>2,127,494</u>	<u>1,963,782</u>	<u>835,583</u>	<u>767,384</u>
(a) Contract liabilities					
At 01 January 2023/2022		133,673	-	-	-
Acquisition of a subsidiary		-	109,785	-	-
Contract liabilities recognised as revenue		(133,094)	(108,962)	-	-
Cash received/Amount billed for unfulfilled performance obligations		156,225	130,906	-	-
Effect of foreign exchange translation		(5,585)	1,944	-	-
At 30 June 2023/31 December 2022		<u>151,219</u>	<u>133,673</u>	<u>-</u>	<u>-</u>
Represented by:					
Sales of mobile phones		112,075	101,519	-	-
Provision for services		39,144	32,154	-	-
		<u>151,219</u>	<u>133,673</u>	<u>-</u>	<u>-</u>

The Group's normal trade credit terms range from 30 to 90 days (31.12.2022: 30 to 90 days).

Amount owing to a director, amount owing to directors of subsidiaries, amount owing to related parties and amount owing to subsidiaries are non-trade in nature, unsecured, interest-free and payable upon demand in cash and cash equivalents.

The contract liabilities primarily relate to advances received from few customers for sales of mobile phones and the provision for services. The amount will be recognised as revenue when the performance obligations are satisfied.

No information is provided for remaining performance obligations that have original expected durations of 1 year or less, as allowed by IFRS 15.121(a).

18. BORROWINGS

	<i>Group</i>	
	30.06.2023 AUD	31.12.2022 AUD
Multi trade line	<u>2,088,975</u>	<u>3,329,756</u>
Interest rate (%)	<u>2.20-18.00</u>	<u>4.00-18.00</u>

The borrowing is secured by:

- (a) a legal charge over a freehold shoptop of the Group; and
- (b) a joint and several guarantee by the directors of the subsidiaries.

19. BANK OVERDRAFT

	<i>Group</i>	
	30.06.2023 AUD	31.12.2022 AUD
Bank overdraft	<u>753,661</u>	<u>788,798</u>
Interest rate (%)	<u>6.89-8.20</u>	<u>6.89-7.95</u>

The bank overdraft is secured by:

- (a) a legal charge over the certain investment properties of the Group;
- (b) a legal charge over a freehold shoptop of the Group;
- (c) a joint and several guarantee by the directors of a subsidiary; and
- (d) fixed deposits pledge to a licensed bank of the Group.

20. REVENUE

	<i>Group</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 31.12.2022 AUD
<u>At point of time:</u>		
Services rendered	6,489,737	5,258,717
Sales of consumer products	14,372,681	21,029,962
Incentives	<u>74,503</u>	<u>131,262</u>
	<u>20,936,921</u>	<u>26,419,941</u>

21. OTHER INCOME

	<i>Group</i>		<i>Company</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
Imputed interest on receivables	26,930	-	-	-
Gain on modification of leases	372	-	-	-
Interest income	3,754	3,585	-	-
Management fees	313,041	-	-	-
Realised gain on foreign exchange	4,166	3,700	-	-
Reimbursement of manpower	9,991	23,489	-	-
Reimbursement of rental	191,326	256,360	-	-
Rental income	103,403	103,742	-	-
Unrealised gain on foreign exchange	29,640	-	29,640	-
Other income	279	-	-	-
Bargain purchase gain on acquisition of a subsidiary	-	1,476,107	-	-
Fair value gain on investment properties	-	466,085	-	-
Gain on disposal of subsidiaries	-	2,200,926	-	-
	<u>682,902</u>	<u>4,533,994</u>	<u>29,640</u>	<u>-</u>

22. OTHER EXPENSES

	<i>Group</i>		<i>Company</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
Bad debts written off	6,181	-	-	-
Property, plant and equipment written off	6,821	-	-	-
Depreciation of property, plant and equipment	54,585	36,292	-	-
Depreciation of right-of-use assets	337,319	338,632	-	-
Fair value loss on investment properties	73,265	-	-	-
Impairment losses on goodwill	-	3,796,733	-	-
Realised loss on foreign exchange	2,041	-	-	-
	<u>480,212</u>	<u>4,171,657</u>	<u>-</u>	<u>-</u>

23. FINANCE COSTS

	<i>Group</i>		<i>Company</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
Interest expense on lease liabilities	40,003	26,404	-	-
Term loans interest	261,601	216,740	-	-
Borrowings interest	118,363	49,165	-	-
Bank overdraft interest	18,497	15,782	-	-
	<u>438,464</u>	<u>308,091</u>	<u>-</u>	<u>-</u>

24. PROFIT/(LOSS) BEFORE TAXATION

	<i>Group</i>		<i>Company</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
Profit/(Loss) before taxation is stated after charging:				
Auditors' remunerations	16,289	23,384	8,796	16,239
Lease expenses:				
- low-value assets	1,298	1,543	-	-
- short-term leases	48,013	71,953	-	-
Staff costs (<i>Note 26</i>)	<u>1,102,009</u>	<u>999,800</u>	<u>10,743</u>	<u>30,526</u>

25. INCOME TAX EXPENSE

	<i>Group</i>		<i>Company</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
Malaysian income tax				
- current period's provision	156,544	358,855	-	-
- overprovision in the previous financial years	(16,445)	-	-	-
	<u>140,099</u>	<u>358,855</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities (<i>Note 14</i>)				
- effect on fair value adjustment on investment properties	(17,584)	111,898	-	-
	<u>122,515</u>	<u>470,753</u>	<u>-</u>	<u>-</u>

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	<i>Group</i>		<i>Company</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
Profit/(Loss) before taxation	<u>501,814</u>	<u>1,160,364</u>	<u>(54,288)</u>	<u>(182,271)</u>
Tax at statutory tax rate of 24%	120,435	278,487	(13,029)	(43,745)
• Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	36,109	962,368	13,029	43,745
- non-taxable income	-	(882,000)	-	-
	36,109	80,368	13,029	43,745
• Overprovision in the previous financial years	(16,445)	-	-	-
• Effect on fair value adjustment on investment properties	(17,584)	111,898	-	-
	<u>122,515</u>	<u>470,753</u>	<u>-</u>	<u>-</u>

26. STAFF COSTS

The staff costs recognised in profit or loss are as follows:

	<i>Group</i>		<i>Company</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
Director's fees	10,743	10,070	10,743	10,070
Directors' remunerations				
- fees	-	-	-	-
- salaries, allowances, bonuses and commission	51,241	55,029	-	-
- defined contribution plans	1,559	1,662	-	-
- other employee benefits	193	166	-	-
Directors of a subsidiary's remunerations				
- fees	46,623	-	-	-
- salaries, allowances, bonuses and commission	-	26,099	-	-
- defined contribution plans	-	2,349	-	-
- other employee benefits	29	158	-	-
Salaries, wages and allowances	930,324	804,938	-	18,126
Defined contribution plans	42,814	79,822	-	2,175
Other employee benefits	18,483	19,507	-	155
	<u>1,102,009</u>	<u>999,800</u>	<u>10,743</u>	<u>30,526</u>

27. EARNINGS PER SHARE(a) Basic earnings per share

	<i>Group</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
Profit after taxation	<u>379,299</u>	<u>689,611</u>
Issued ordinary shares at 1 January 2023/2022	897,757,606	180,000,400
Effects of weighted average number of ordinary shares issued during the period/year	-	684,323,572
Effects of Share Consolidation	<u>(807,981,846)</u>	<u>(777,891,575)</u>
	<u>89,775,760</u>	<u>86,432,397</u>
Basic earnings per share (cents)	<u>0.42</u>	<u>0.80</u>

The weighted average number of ordinary shares for the financial period 30 June 2023 calculated using the number of ordinary shares issued by the Company for the reverse acquisition, which is the number of shares deemed to be outstanding from the beginning of the period to the reverse acquisition date, and the number of ordinary shares of the Company outstanding from the reverse acquisition date to the end of the period.

Comparative figures for the weighted average number of ordinary shares in issue for both the basic and diluted earnings per ordinary share computations have been restated to reflect the adjustment arising from the share consolidation, which was completed on 28 June 2023.

(b) Diluted earnings per share

The Company has not issued any dilutive potential ordinary shares, and hence, the diluted earnings per share is equal to the basic earnings per share.

28. CASH FLOW INFORMATION

(a) The cash disbursed for the additions of right-of-use assets is as follows:

	<i>Group</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
Right-of-use assets		
Cost of right-of-use assets acquired (<i>Note 8</i>)	65,937	455,632
Less: additions of new lease liabilities (<i>Note 15</i>)	<u>(65,937)</u>	<u>(431,012)</u>
	<u>-</u>	<u>24,620</u>

(b) The total cash outflows for leases as a lessee are as follows:

	<i>Group</i>	
	01.01.2023	01.01.2022
	to	to
	30.06.2023	30.06.2022
	AUD	AUD
Interest paid on lease liabilities	40,003	26,404
Payment of lease liabilities	305,488	295,716
Payment of short-term leases	48,013	71,953
Payment of low-value assets	1,298	1,543
	<u>394,802</u>	<u>395,616</u>

(c) The cash and cash equivalents comprise the following:

	<i>Group</i>	
	30.06.2023	30.06.2022
	AUD	AUD
Cash and bank balances	489,234	1,178,663
Fixed deposits with a licensed bank	394,054	395,402
Bank overdraft	<u>(753,661)</u>	<u>(569,577)</u>
	129,627	1,004,488
Less: Fixed deposits pledged to a licensed bank	<u>(394,054)</u>	<u>(395,402)</u>
	<u>(264,427)</u>	<u>609,086</u>

(d) The reconciliation of liabilities arising from financing activities are as follows:

	<i>Group</i>			
	Term loans AUD	Borrowings AUD	Lease liabilities AUD	Total AUD
<i>Group</i> At 01 January 2023	7,048,108	3,329,756	1,081,810	11,459,674
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	307,048	4,017,836	-	4,324,884
Repayment of principal	(332,405)	(4,973,849)	(305,488)	(5,611,742)
Repayment of interest	(261,601)	(118,363)	(40,003)	(419,967)
	(286,958)	(1,074,376)	(345,491)	(1,706,825)
<u>Non-cash changes</u>				
Acquisition of new leases	-	-	65,937	65,937
Changes due to lease modification	-	-	346,580	346,580
Derecognition due to lease modification	-	-	(7,242)	(7,242)
Interest expenses recognised in profit or loss	261,601	118,363	40,003	419,967
Effect of foreign exchange translation reserve	(254,558)	(284,768)	(42,393)	(581,719)
	7,043	(166,405)	402,885	243,523
At 30 June 2023	6,768,193	2,088,975	1,139,204	9,996,372

	<i>Group</i>			Total AUD
	Term loans AUD	Borrowings AUD	Lease liabilities AUD	
<i>Group</i> At 01 January 2022	981,680	1,088,413	253,639	2,323,732
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	-	6,659,879	-	6,659,879
Repayment of principal	(219,256)	(5,319,477)	(295,716)	(5,834,449)
Repayment of interest	(216,740)	(49,165)	(26,404)	(292,309)
	(435,996)	1,291,237	(322,120)	533,121
<u>Non-cash changes</u>				
Acquisition of subsidiaries	6,550,084	561,449	135,701	7,247,234
Disposal of a subsidiary	(54,746)	-	-	(54,746)
Acquisition of new leases	-	-	764,392	764,392
Interest expenses recognised in profit or loss	216,740	49,165	26,404	292,309
Effect of foreign exchange translation reserve	(17,066)	10,520	3,966	(2,580)
	6,695,012	621,134	930,463	8,246,609
At 30 June 2022	7,240,696	3,000,784	861,982	11,103,462

29. RELATED PARTY DISCLOSURES**(a) Identifies of Related Parties**

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(i) The key management personnel compensation during the financial period are as follows:

	<i>Group</i>		<i>Company</i>	
	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD	01.01.2023 to 30.06.2023 AUD	01.01.2022 to 30.06.2022 AUD
Director's fees	10,743	10,070	10,743	10,070
Directors' remunerations				
- salaries, allowances, bonuses and commission	51,241	55,029	-	-
- defined contribution plans	1,559	1,662	-	-
- other employee benefits	193	166	-	-
Directors of a subsidiary's remunerations				
- fees	46,623	-	-	-
- salaries, allowances, bonuses and commission	-	26,099	-	-
- defined contribution plans	-	2,349	-	-
- other employee benefits	29	158	-	-
	<u>110,388</u>	<u>95,533</u>	<u>10,743</u>	<u>10,070</u>

(ii) Related party transactions

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following transactions with the related parties during the financial period:

	<i>Group</i>	
	01.01.2023	01.01.2022
	to	to
	30.06.2023	30.06.2022
	AUD	AUD
Sales to related parties	(11,375)	(75,402)
Reimbursement of manpower to a related party	(5,994)	(19,574)
Purchases from related parties	328,684	5,344
Transportation charge paid/payable to a related party	1,890	-
Salaries paid to persons connected to a director	<u>(72,698)</u>	<u>(91,520)</u>

30. OPERATING SEGMENT

The Group operates as three operating segments and internal management reporting systems present financial information as three separate segments. The segments derive its revenue and incurs expenses through the following:

- (1) Investment holding : Investment in shares are held for capital gain;
 - (2) Consumer products : Distribution and supply of telecommunication products;
 - (3) Repairing and servicing : Repairing and servicing of telecommunication devices.
- (a) The Group Chief Executive Officer assesses the performance of the reportable segments based on their profit or loss for the financial period. The accounting policies of the reportable segments are the same as the Group's accounting policies.
 - (b) Each reportable segment assets is measured based on all assets of the segment other than tax-related assets.
 - (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.
 - (d) Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

01 January 2023 to 30 June 2023

	Investment Holding AUD	Consumer Products AUD	Repairing and Servicing AUD	Others AUD	Elimination/ Consolidation adjustment AUD	Total AUD
Revenue						
External revenue	-	14,447,184	6,489,737	-	-	20,936,921
Inter-segment revenue	-	928,665	-	-	(928,665)	-
Total revenue	-	15,375,849	6,489,737	-	(928,665)	20,936,921
Represented by:						
Sales of consumer products	-	15,301,346	-	-	(928,665)	14,372,681
Repairing and servicing of consumer products	-	-	6,489,737	-	-	6,489,737
Incentives	-	74,503	-	-	-	74,503
	-	15,375,849	6,489,737	-	(928,665)	20,936,921
Results						
Segment (loss)/profit	(54,288)	748,054	253,978	(11,220)	-	936,524
Finance costs	-	(354,361)	(84,103)	-	-	(438,464)
Interest income	-	3,750	4	-	-	3,754
(Loss)/Profit before taxation	(54,288)	397,443	169,879	(11,220)	-	501,814
Income tax expense						(122,515)
Profit after taxation						379,299

01 January 2022 to 30 June 2022

	Investment Holding AUD	Consumer Products AUD	Repairing and servicing AUD	Elimination/ Consolidation adjustment AUD	Total AUD
Revenue					
External revenue	-	21,161,224	5,258,717	-	26,419,941
Inter-segment revenue	-	307,663	-	(307,663)	-
Total revenue	-	21,468,887	5,258,717	(307,663)	26,419,941
Represented by:					
Sales of consumer products	-	21,468,887	-	(307,663)	21,161,224
Repairing and servicing of consumer products	-	-	5,258,717	-	5,258,717
Results					
Segment (loss)/profit	(182,272)	1,247,190	519,652	(119,700)	1,464,870
Finance costs	-	(191,306)	(116,785)	-	(308,091)
Interest income	-	3,585	-	-	3,585
(Loss)/Profit before taxation	(182,272)	1,059,469	402,867	(119,700)	1,160,364
Income tax expense					(470,753)
Profit after taxation					689,611

30 June 2023

Assets

	Investment Holding AUD	Consumer Products AUD	Repairing and Servicing AUD	Others AUD	Elimination/ Consolidation Adjustment AUD	Total AUD
Segment assets	3,583,708	14,243,032	5,089,669	-	(4,719,766)	18,196,643
Unallocated asset: - current tax assets						<u>72,619</u>
Total assets						<u><u>18,269,262</u></u>

Included in the measure of segment assets are:
 Addition to non-current assets other than financial instruments are:
 - property, plant and equipment
 - right-of-use assets

Liabilities

	Investment Holding AUD	Consumer Products AUD	Repairing and Servicing AUD	Others AUD	Elimination/ Consolidation Adjustment AUD	Total AUD
Segment liabilities	835,583	10,541,429	2,629,481	23,262	(1,152,228)	12,877,527
Unallocated liabilities: - current tax liabilities - deferred tax liabilities						<u>50,924</u> <u>110,837</u>
Total liabilities						<u><u>13,039,288</u></u>

Other information

Depreciation of property and equipment	-	(31,009)	(23,576)	-	-	(54,585)
Depreciation of right-of-use assets	-	(107,131)	(230,188)	-	-	(337,319)
Fair value loss on investment properties	-	(73,265)	-	-	-	(73,265)

30 June 2022

Assets

	Investment Holding AUD	Consumer Products AUD	Repairing and Servicing AUD	Others AUD	Elimination/ Consolidation Adjustment AUD	Total AUD
Segment assets	3,567,908	15,097,694	5,471,005	-	(4,115,665)	20,020,942
Unallocated asset:						
- current tax assets						-
Total assets						20,020,942

Included in the measure of segment assets are:

Addition to non-current assets

other than financial instruments are:

- property, plant and equipment
- investment properties
- right-of-use assets

Liabilities

- Segment liabilities
- Unallocated liabilities:
- current tax liabilities
- deferred tax liabilities

Total liabilities

	928,135	11,301,073	3,383,498	-	(549,450)	15,063,256
						260,836
						130,676
Total liabilities						15,454,768

Other information

- Depreciation of property and equipment
- Depreciation of right-of-use assets
- Fair value gain on investment properties

	-	(26,942)	(9,350)	-	-	(36,292)
	-	(93,435)	(245,197)	-	-	(338,632)
	-	466,085	-	-	-	466,085

Geographical information

Analysis by geographical segment has been presented in respect of revenue only as the Group operates in Malaysia.

	<i>Group</i>	
	01.01.2023	01.01.2022
	to	to
	30.06.2023	30.06.2022
	AUD	AUD
Local	19,305,209	22,544,433
Export	<u>1,631,712</u>	<u>3,875,508</u>
	<u>20,936,921</u>	<u>26,419,941</u>

Major customer

The major customer with revenue equal to or more than 10% of the Group's total revenue are as follow:

	01.01.2023	01.01.2022	
	to	to	
	30.06.2023	30.06.2022	
	AUD	AUD	Segment
Customer 1	<u>3,167,207</u>	<u>2,902,337</u>	Repairing and servicing

31. CLASSIFICATION AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

	<i>Group</i>		<i>Company</i>	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	AUD	AUD	AUD	AUD
<u>Financial assets:</u>				
<u>Amortised costs</u>				
Trade and other receivables	3,656,702	4,236,226	11,220	-
Fixed deposits with a licensed bank	394,054	405,102	-	-
Cash and bank balances	489,234	834,784	-	-
	<u>4,539,990</u>	<u>5,476,112</u>	<u>11,220</u>	<u>-</u>
<u>Financial liabilities:</u>				
<u>Amortised costs</u>				
Trade and other payables	1,976,275	1,830,109	835,583	767,384
Borrowings	2,088,975	3,329,756	-	-
Lease liabilities	1,139,204	1,081,810	-	-
Term loans	6,768,193	7,048,108	-	-
Bank overdraft	753,661	788,798	-	-
	<u>12,726,308</u>	<u>14,078,581</u>	<u>835,583</u>	<u>767,384</u>

(b) Fair Value of Financial Instruments

The fair values of the financial assets and financial liabilities of the Group that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets the fair value profile of financial instruments that are not carried at fair value at the end of the financial period/year:

	Level 1	Level 2	Level 3	Total fair value	Carrying amount
	AUD	AUD	AUD	AUD	AUD
30.06.2023					
Financial Liability					
Term loans	-	6,768,193	-	6,768,193	6,768,193
31.12.2022					
Financial Liability					
Term loans	-	7,048,108	-	7,048,108	7,048,108

Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of term loans that carry floating interest rates are approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

32. SEASONAL/CYCLICAL FACTORS

The operation of the Group was not significantly affected by seasonality and cyclical factors.

33. UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income, and cash flows during the current financial period.

34. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates in prior interim periods or financial periods that have a material effect during the current financial period.

35. DETAILS OF CHANGES IN DEBT AND EQUITY SECURITIES

The shareholders of the Company had approved the Proposed Share Consolidation and Proposed Increase of Authorised Share Capital of the Company at an annual general meeting held by the Company on 28 June 2023.

36. DIVIDEND PAID

There were no dividend paid or declared during the current financial period.

37. CHANGES IN THE COMPOSITION OF THE GROUP

There were no change in the composition of the Group during the current financial period.