

Crigen Resources Limited and its Controlled Entities

(Formerly known as Crigen Resources Pty Limited)

ABN 56 644 338 018

Interim Financial Report - 31 December 2022

Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on Crigen Resources Limited and its Controlled Entities (the 'Group') for the half-year ended 31 December 2022.

Directors

The following persons were directors of Crigen Resources Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Hooi Tan Cheun (as Chairman)
Graham Victor Steer
Cynthia Tong Me Li
Suan Wong Loke
Shanil Nanayakkara

Company secretary

Graham Steer and Tamsin Johnston have held the position of the Company Secretary since the beginning of the reporting period, to the date of this report.

Principal activities

The principal activities of the Group during the financial period comprise the provision of spa, beauty and wellness services, sale of its related products and leasing of wellness equipment and outlet spaces.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the Group after providing for income tax amounted to \$400,037 (31 December 2021: Loss (Crigen Resources Limited) \$35,593).

Significant changes in the state of affairs

On 7 July 2022, the Board resolved to convert into a Public Limited Company, and that the Company issue 198,234,520 ordinary shares to the ordinary shareholders of Crigen Resources Berhad on the date the Company becomes a Public Limited Company. The Company became a Public Limited Company on 28 July 2022, issued the 198,234,520 ordinary shares, and acquired 9,911,776 ordinary shares of Crigen Resources Berhad, being 100% of the ordinary shares of that Company. On 21 September 2022, Crigen Resources Limited was admitted into the National Stock Exchange of Australia.

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

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the Group under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the Group issued on the exercise of options during the half-year ended 31 December 2022 and up to the date of this report.

Indemnity and insurance of officers

The Group has indemnified the directors and executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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Directors' report
31 December 2022

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on behalf of the Company

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



09 March 2023

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF CRIGEN RESOURCES LIMITED**

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2022, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.



WEN-SHIEN CHAI
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 9th day of March 2023.

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General information

The financial statements cover Crigen Resources Limited and its Controlled Entities as a consolidated entity consisting of Crigen Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency. The parent entity changed its name from Crigen Resources Pty Limited to Crigen Resources Limited on 28 July 2022.

Crigen Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

UHY Haines Norton
Level 11, 1 York Street
Sydney NSW 2000

Principal place of business

Level 10
20 Martin Place
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 9th March 2023. The directors have the power to amend and reissue the financial statements.

Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

			Crigen Resources Limited
		Consolidated	Unreviewed
	Note	31 December	31 December
		2022	2021
		\$	\$
Revenue	2	2,251,320	-
Cost of sales	3	(762,070)	-
Gross profit		<u>1,489,250</u>	<u>-</u>
Other income		37,950	-
Administration expenses		(1,076,324)	(35,593)
Depreciation and amortisation expense	3	(539,259)	-
Listing and formation expenses		(102,271)	-
Finance costs		<u>(139,850)</u>	<u>-</u>
Loss before income tax expense		(330,504)	(35,593)
Income tax expense		<u>(69,533)</u>	<u>-</u>
Loss after income tax expense for the half-year		(400,037)	(35,593)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>84,455</u>	<u>-</u>
Other comprehensive income for the half-year, net of tax		<u>84,455</u>	<u>-</u>
Total comprehensive loss for the half-year		<u><u>(315,582)</u></u>	<u><u>(35,593)</u></u>
		Cents	Cents
Earnings per share			
Basic earnings per share	23	(0.20)	(3,559.30)
Diluted earnings per share	23	(0.20)	(3,559.30)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Consolidated statement of financial position
As at 31 December 2022

		Consolidated	Crigen
	Note	31 December	Resources
		2022	Limited
		\$	30 June
			2022
			\$
Assets			
Current assets			
Cash and cash equivalents	4	44,207	25,198
Trade and other receivables	5	1,194,068	3,575
Inventories	6	11,210	-
Other assets	7	208,666	-
Total current assets		<u>1,458,151</u>	<u>28,773</u>
Non-current assets			
Property, plant and equipment	8	3,016,071	-
Intangibles	10	2,229,804	-
Right-of-use assets	9	980,381	-
Total non-current assets		<u>6,226,256</u>	<u>-</u>
Total assets		<u>7,684,407</u>	<u>28,773</u>
Liabilities			
Current liabilities			
Trade and other payables	11	1,119,097	437,882
Lease liabilities	14	335,746	-
Redeemable preference shares	15	1,003,412	-
Contract liabilities	12	105,320	-
Provisions		9,511	-
Current tax liabilities		2,658	-
Total current liabilities		<u>2,575,744</u>	<u>437,882</u>
Non-current liabilities			
Deferred tax		255,050	-
Borrowings	13	16,500	-
Lease liabilities	14	732,197	-
Total non-current liabilities		<u>1,003,747</u>	<u>-</u>
Total liabilities		<u>3,579,491</u>	<u>437,882</u>
Net assets/(liabilities)		<u><u>4,104,916</u></u>	<u><u>(409,109)</u></u>
Equity			
Issued capital	16	19,824,552	1,000
Reserves	18	(14,909,490)	-
Accumulated losses		(810,146)	(410,109)
Total equity/(deficiency)		<u><u>4,104,916</u></u>	<u><u>(409,109)</u></u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Consolidated statement of changes in equity
For the half-year ended 31 December 2022

Unreviewed Crigen Resources Limited			Issued capital \$	Accumulated losses \$	Total equity \$	
Balance at 1 July 2021			1,000	(21,569)	(20,569)	
Loss after income tax expense for the half-year			-	(35,593)	(35,593)	
Other comprehensive income for the half-year, net of tax			-	-	-	
Total comprehensive loss for the half-year			-	(35,593)	(35,593)	
Balance at 31 December 2021			1,000	(57,162)	(56,162)	
Consolidated	Issued capital \$	Foreign currency reserve \$	Common control reserve \$	Accumulated losses \$	Total equity \$	
	Balance at 1 July 2022	1,000	-	-	(410,109)	(409,109)
	Loss after income tax expense for the half-year	-	-	-	(400,037)	(400,037)
	Other comprehensive income for the half-year, net of tax	-	84,455	-	-	84,455
Total comprehensive income for the half-year	-	84,455	-	(400,037)	(315,582)	
<i>Transactions with owners in their capacity as owners:</i>						
Share capital issued	19,823,552	-	-	-	19,823,552	
Acquisition of Crigen Resources Berhad	-	-	(14,993,945)	-	(14,993,945)	
Balance at 31 December 2022	19,824,552	84,455	(14,993,945)	(810,146)	4,104,916	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Consolidated statement of cash flows
For the half-year ended 31 December 2022

		Crigen Resources Limited
	Consolidated	Unreviewed
	31 December	31 December
Note	2022	2021
	\$	\$
Operating activities		
Receipts from customers	2,382,821	5,569
Payments to suppliers and employees	(2,070,710)	(40,837)
Interest and other finance costs paid	(139,850)	-
Income taxes paid	(4,435)	-
	<u>167,826</u>	<u>(35,268)</u>
Net cash from/(used in) operating activities	22	(35,268)
Investing activities		
Payments for intangibles	-	(122,635)
Payments for property, plant and equipment	(64,781)	-
	<u>(64,781)</u>	<u>(122,635)</u>
Net cash used in investing activities		
Financing activities		
Proceeds from borrowings	16,500	-
Proceeds from related party	-	20,000
Repayment of lease liabilities	(100,536)	-
	<u>(84,036)</u>	<u>20,000</u>
Net cash (used in)/from financing activities		
Net increase/(decrease) in cash and cash equivalents	19,009	(137,903)
Cash and cash equivalents at the beginning of the financial half-year	25,198	201,924
Cash and cash equivalents at the end of the financial half-year	<u>44,207</u>	<u>64,021</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Notes to the consolidated financial statements
31 December 2022

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

Transaction under common control

A common control transaction is a transfer of assets or an exchange of equity interests among entities are ultimately controlled by the same party or parties both and after the transaction, and that control is not transitory.

Under the common control transaction, the assets and liabilities are transferred have accounted in the financial statements of the Group at book value without revaluation. The book value of the assets transferred is represented as an entry directly to equity with no impact on the Statement of Profit or Loss and Other Comprehensive Income. The premium paid between the consideration of acquiring the assets and the carrying value of the assets at acquisition date is not accounted for as intangible assets under the common control transaction.

The "pooling of interests" method allows a choice of different presentations of the financial statements of the newly combined entity.

- Comparative periods may be restated as if the combination had occurred at the start of the comparative period- in effect presenting the financial statements as if the entities had always been combined; or
- Combined results may be presented only from the date on which the combination occurred

The directors have elected to apply the common control transaction on the combined results from the date on which the combination occurred. Therefore, the comparative information relates only to the parent entity (Crigen Resources Limited).

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 24.

Basis for consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Crigen Resources Limited (the 'Company') as at 31 December 2022 and the results of all subsidiaries for the year then ended. Crigen Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Crigen Resources Limited and its Controlled Entities
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Notes to the consolidated financial statements
31 December 2022

Note 1. Significant accounting policies (continued)

Subsidiaries are all those entities over which the Group has control. 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

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

A list of controlled entities is contained in note 21 to the financial statements.

Foreign currency translation

The Group's functional currency is Malaysian Ringgit (RM) but presentation currency is Australian Dollars (\$).

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$400,037, and had net current liabilities of \$1,117,593 for the half-year ended 31 December 2022. The ability of the Group to continue as a going concern is dependent on a number of factors, the most significant of which is the ability to raise additional equity, reduce costs, increase revenue, or a combination of these.

Accordingly, the Directors believe that the Group's working capital needs for at least the next 12 months from the date of this report will be satisfied and the Group will be able to continue as a going concern. Therefore, it is appropriate to adopt the going concern basis in the preparation of the financial report.

Crigen Resources Limited and its Controlled Entities
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Notes to the consolidated financial statements
31 December 2022

Note 2. Revenue

	Crigen Resources Limited
	Consolidated Unreviewed
	31 December 31 December
	2022 2021
	\$ \$
Sales of goods	2,251,320 -

Disaggregation of revenue

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

	Crigen Resources Limited
	Consolidated Unreviewed
	31 December 31 December
	2022 2021
	\$ \$
<i>Geographical regions</i>	
Malaysia	2,251,320 -
<i>Timing of revenue recognition</i>	
Goods transferred at a point in time	1,086,437 -
Services transferred over time	1,164,883 -
	2,251,320 -

Operating segments

The Group is required to determine and present its operating segments based on the way in which financial information is organised and reported to the chief operating decision-makers (CODM). The CODM have been identified as the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Group on the basis that they make the key operating decisions of the Group and are responsible for allocating resources and assessing performance.

The Group has considered its internal reporting framework, management and operating structure and the Directors' conclusion is that the Group has one operating segment being health and wellness, operating in one geographical location, Malaysia.

Accounting policy for revenue

(i) Revenue from contract with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation ("PO") in the contract with customer and is measured at the consideration specified in the contract of which the Group and the Company expect 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 and the Company recognise 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.

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Note 2. Revenue (continued)

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

- The customer simultaneously received and consumes the benefits provided as the Group and the Company perform.
- The Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced.
- The Group's and the Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

Revenue for PO that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

(ii) Spa, beauty and wellness treatment services

The Group and the Company sell prepaid packages for spa, beauty and wellness treatments which comprise multiple number of treatments. The service period of a prepaid package is one year. Prepaid packages are non-refundable and customers may utilise all of their contracted rights within the service period. Revenue is recognised over time when the PO is satisfied over the period of the contract i.e. when services are rendered to the customers.

(iii) Rendering of general medical services

The Group renders general medical services to customers. Revenue is recognised at point in time when the PO is satisfied i.e. when services are rendered to the customers.

(iv) Sale of spa, beauty and wellness products and medicines

Revenue from sale of beauty and wellness products and medicines are recognised upon delivery of goods when the control of the goods has been passed to the customers, net of sales and services taxes and discounts, if any. Such revenue is recognised at point in time when control of goods is transferred to the customers.

Note 3. Expenses

	Crigen Resources Limited
	Consolidated unreviewed
	31 December 31 December
	2022 2021
	\$ \$
Loss before income tax includes the following specific expenses:	
<i>Cost of sales</i>	
Cost of sales	(762,070) -
<i>Depreciation and amortisation</i>	
Property, plant and equipment	243,158 -
Right-of-use assets	164,284 -
Intangible assets	131,817 -
Total depreciation and amortisation	539,259 -

Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Notes to the consolidated financial statements
31 December 2022

Note 4. Cash and cash equivalents

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Current assets</i>		
Cash on hand	3,621	1,000
Cash at bank	15,605	-
Trust account (i)	24,981	24,198
	<u>44,207</u>	<u>25,198</u>

(i) Trust account represents cash that is held in a Trust account by Australian Presence Legal on behalf of the Company.

Note 5. Trade and other receivables

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Current assets</i>		
Trade receivables	1,181,161	-
GST receivable	12,907	3,575
	<u>1,194,068</u>	<u>3,575</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

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

There were no expected credit losses recognised as at 31 December 2022.

Crigen Resources Limited and its Controlled Entities
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Notes to the consolidated financial statements
31 December 2022

Note 6. Inventories

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Current assets</i>		
Raw materials and consumables	<u>11,210</u>	<u>-</u>

Accounting policy for inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and comprises the original purchase price and directly attributable costs of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less all the estimated costs necessary to make the sale.

Note 7. Other assets

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Current assets</i>		
Prepayments	<u>208,666</u>	<u>-</u>

Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Notes to the consolidated financial statements
31 December 2022

Note 8. Property, plant and equipment

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Non-current assets</i>		
Fixtures and fittings - at cost	141,436	-
Less: Accumulated depreciation	(41,353)	-
	<u>100,083</u>	<u>-</u>
Motor vehicles - at cost	54,853	-
Less: Accumulated depreciation	(19,199)	-
	<u>35,654</u>	<u>-</u>
Computer equipment - at cost	18,081	-
Less: Accumulated depreciation	(11,114)	-
	<u>6,967</u>	<u>-</u>
Office equipment - at cost	1,313,279	-
Less: Accumulated depreciation	(372,168)	-
	<u>941,111</u>	<u>-</u>
Beauty equipment - at cost	2,747,926	-
Less: Accumulated depreciation	(1,220,783)	-
	<u>1,527,143</u>	<u>-</u>
Healthcare wellness equipment - at cost	521,961	-
Less: Accumulated depreciation	(116,848)	-
	<u>405,113</u>	<u>-</u>
	<u><u>3,016,071</u></u>	<u><u>-</u></u>

Accounting policy for property, plant and equipment

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

Depreciation is calculated on a straight-line basis for each item of property, plant and equipment at their depreciation rates as follows:

Beauty equipment	10%
Healthcare wellness equipment	10%
Spa equipment	10%
Computer and software	33.33%
Office equipment	10%
Renovation	10%
Furniture and fittings	10%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Crigen Resources Limited and its Controlled Entities
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Notes to the consolidated financial statements
31 December 2022

Note 9. Right-of-use assets

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Non-current assets</i>		
Right-of-use assets	1,377,476	-
Less: Accumulated depreciation	(397,095)	-
	<u>980,381</u>	<u>-</u>

The Group leases a number of outlet spaces and properties that run between 2 years and 3 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The motor vehicle is being acquired under a 5 years lease arrangement and is pledged as security for the related lease liabilities as disclosed in note 14.

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 10. Intangibles

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Non-current assets</i>		
Trade secrets	2,675,764	-
Less: Accumulated amortisation	(445,960)	-
	<u>2,229,804</u>	<u>-</u>

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Note 10. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Trade secrets \$
Balance at 30 June 2022	-
Additions	-
Transfer in as a result of common control transaction (acquisition of Crigen Resources Berhad)	2,361,621
Amortisation expense	(131,817)
	<u>2,229,804</u>
Balance at 31 December 2022	<u>2,229,804</u>

Trade secrets

Crigen Resources Berhad (the "Assignee") entered into a Deed of Assignment with Cynthia Tong Mee Li ("Cynthia"), Tan Chuen Hooi and Wong Loke Suan (collectively referred to as the "Assignors") for the Company to acquire from the Assignors the technical and marketing knowhow, procedures and practices, including devices and ingredients used in its provision of spa and wellness services ("trade secrets"). Subsequently on 1 February 2021, the Assignee and Assignors entered into a supplemental agreement to revise certain terms and conditions in the Deed of Assignment.

The total consideration for the acquisition of trade secrets was RM8,000,000 of which the Company has paid the Assignors in the following manner:

(i) Cash payment of RM5,500,000 to Cynthia; and

(ii) Issuance of 1,016,260 new ordinary shares of RM2.46 each on 24 April 2021 amounting to RM2,500,000 to the following parties:

- 469,934 shares to Crigen MCM Nominee PLT, a partnership belonging to the Directors and a key management personnel of the Group;
- 282,098 shares to Cynthia;
- 101,626 shares to Tan Chuen Hooi; and
- 162,602 shares to Wong Loke Suan.

Note 11. Trade and other payables

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Current liabilities</i>		
Trade payables	486,849	20,113
Amounts payable to related parties	176,842	404,769
Other payables	455,406	13,000
	<u>1,119,097</u>	<u>437,882</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period/year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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Note 12. Contract liabilities

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Current liabilities</i>		
Contract liabilities	105,320	-

Unsatisfied performance obligations

Accounting policy for contract liabilities

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

Note 13. Borrowings

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Non-current liabilities</i>		
Term loans	16,500	-

Accounting policy for borrowings

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

The term loans are secured by way of:

- (i) 80% guaranteed by the Government of Malaysia under Government Guarantee Scheme ("GGG Prihatin"); and
- (ii) Joint and several guarantee by the Directors.

Note 14. Lease liabilities

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
<i>Current liabilities</i>		
Lease liability	335,746	-
<i>Non-current liabilities</i>		
Lease liability	732,197	-

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Note 14. Lease liabilities (continued)

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

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

Note 15. Redeemable preference shares

	Consolidated	Crigen
	31 December	Resources
	2022	Limited
	\$	30 June
	\$	2022
	\$	\$
<i>Current liabilities</i>		
Redeemable preference shares	<u>1,003,412</u>	<u>-</u>

Preference shares are classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, or is the equity holders' ultimate intention to convert the preference shares into ordinary shares, and any dividends are discretionary. Dividends thereon are recognised as distribution within equity.

Preference shares are classified as liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as incurred.

On 16 November 2020, the Company issued 30 redeemable preference shares ("RPS") at an issue price of RM100,000 per preference share amounting to RM3,000,000. The transaction cost of RM12,000 was deducted from the total proceeds of the issue to determine the initial carrying amount of the RPS. The RPS are classified and presented as a financial liability measured at amortised cost instead of equity in accordance with the requirements of AASB 132 Financial Instruments: Presentation.

The salient terms of the redeemable preference shares ("RPS") are disclosed are as follows:

- (a) The RPS are redeemable two (2) years after the issuance thereof or at the option of the Company for any early redemption.
- (b) The RPS holders are entitled to receive a cumulative preferential cash dividend ("Dividend") at the rate of twelve per cent (12%) per annum payable on 31 December in each year ("Dividend Date") when, as and if declared by the Board of Directors of the Company ("Board"). The Board reserves the rights to declare interim dividend from time to time at the Board's discretion.
- (c) In the event of the commencement of any dissolution or winding up of the Company before any redemption of the preference shares, the preference shares shall rank senior to the holders of the Company's ordinary shares and any other securities of obligations of the Company that are subordinated to the preference shares. On such dissolution or winding up, each preference shareholder shall be entitled to receive an amount equal to the Redemption Price together with any accrued but unpaid Dividend (whether or not declared).
- (d) The RPS holders shall not be entitled to attend and vote at general meetings of the Company. The RPS holders shall be entitled to attend class meetings of the RPS holders. Every RPS holder who is present in person in such class meetings shall have on a show of hands one vote and on a poll vote for every RPS of which he is the holder.

Crigen Resources Limited and its Controlled Entities
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Note 16. Issued capital

	Consolidated 31 December 2022 Shares	Crigen Resources Limited 30 June 2022 Shares	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
Ordinary shares - fully paid	<u>198,235,520</u>	<u>1,000</u>	<u>19,824,552</u>	<u>1,000</u>

	Consolidated 31 December 2022 Number	Crigen Resources Limited 30 June 2022 Number
Opening balance of the financial year	1,000	1,000
Shares issued as part of common control transaction (acquisition of Crigen Resources Berhad)	<u>198,234,520</u>	<u>-</u>
	<u>198,235,520</u>	<u>1,000</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

Note 17. Common control reserve

On 7 July 2022, the Board resolved to convert into a Public Limited Company, and that the Company issue 198,234,520 ordinary shares to the ordinary shareholders of Crigen Resources Berhad on the date the Company becomes a Public Limited Company. The Company became a Public Limited Company on 28 July 2022, issued the 198,234,520 ordinary shares, and acquired 9,911,776 ordinary shares of Crigen Resources Berhad, being 100% of the ordinary shares of that Company. On 21 September 2022, Crigen Resources Limited was admitted into the National Stock Exchange of Australia.

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Note 17. Common control reserve (continued)

Details of the acquisition are as follows:

	30 June 2022 \$
Recognised amounts of identified net assets acquired	
Cash and cash equivalents	13,455
Trade and other receivables	1,164,536
Inventories	28,643
Property, plant and equipment	3,194,448
Right-of-use assets	938,466
Intangibles	2,361,621
Current tax receivables	10,313
Trade payables	(479,551)
Contract liabilities	(210,944)
RPS	(1,001,289)
Lease liabilities	(962,280)
Term loans	(24,888)
Deferred tax liabilities	(202,923)
Issued shares	<u>(19,823,552)</u>
Common control reserve	<u><u>(14,993,945)</u></u>

Note 18. Reserves

	Consolidated 31 December 2022 \$	Crigen Resources Limited 30 June 2022 \$
Foreign currency reserve	84,455	-
Common control reserve	<u>(14,993,945)</u>	-
	<u><u>(14,909,490)</u></u>	<u><u>-</u></u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Common control reserve

Under the common control transaction, the premium paid between the consideration of acquiring the assets and the carrying value of the assets at acquisition date is not accounted for as intangible assets under the common control transaction, but treated as common control reserve.

Crigen Resources Limited and its Controlled Entities
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Notes to the consolidated financial statements
31 December 2022

Note 18. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency reserve \$	Common control reserve \$	Total \$
Balance at 1 July 2022	-	-	-
Foreign currency translation	84,455	-	84,455
Transfers in/(out) as part of common control transaction (acquisition of Crigen Resources Berhad)	-	(14,993,945)	(14,993,945)
Balance at 31 December 2022	<u>84,455</u>	<u>(14,993,945)</u>	<u>(14,909,490)</u>

Note 19. Contingencies

The Group had no significant contingencies as at 31 December 2022.

Note 20. Capital commitments

The Group did not have any capital commitments as at 31 December 2022 and 30 June 2022.

Note 21. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
Crigen Resources Berhad	Malaysia	100.00%	-
CA Life Science Sdn. Bhd	Malaysia	100.00%	-

Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Notes to the consolidated financial statements
31 December 2022

Note 22. Cashflow information

	Crigen Resources Limited
	Consolidated Unreviewed
	31 December 31 December
	2022 2021
	\$ \$
Loss after income tax expense for the half-year	(400,037) (35,593)
Adjustments for:	
Depreciation and amortisation	539,259 -
Change in operating assets and liabilities:	
(Increase)/decrease in trade and other receivables	(25,957) 5,569
Decrease in inventories	17,433 -
Increase in prepayments	(208,666) -
Increase/(decrease) in trade and other payables	276,809 (5,244)
Decrease in contract liabilities	(105,624) -
Increase in provision for income tax	12,971 -
Increase in deferred tax liabilities	52,127 -
Increase in other provisions	9,511 -
Net cash from/(used in) operating activities	<u>167,826</u> <u>(35,268)</u>

Note 23. Earnings per share

	Crigen Resources Limited
	Consolidated Unreviewed
	31 December 31 December
	2022 2021
	\$ \$
Loss after income tax	<u>(400,037)</u> <u>(35,593)</u>
	Number Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>198,235,520</u> <u>1,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>198,235,520</u> <u>1,000</u>
	Cents Cents
Basic earnings per share	(0.20) (3,559.30)
Diluted earnings per share	(0.20) (3,559.30)

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Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Directors' declaration
31 December 2022

In accordance with a resolution of the directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*, the directors declare that:

1. The consolidated interim financial report and notes, as set out on pages 5 to 24, is in accordance with the *Corporations Act 2001*, including:

- (a) complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
- (b) giving a true and fair view of the Group's financial position as 31 December 2022 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



09 March 2023

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF CRIGEN RESOURCES LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of Crigen Resources Limited (the Company) and its controlled entities (Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

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

- i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard *AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of Matter – Disclosure of Comparative Information

We draw attention to Note 1 – Transaction under common control which describes the accounting treatment and disclosure of comparative information associated with the acquisition of Crigen Resources Berhad in July 2022 (common control transaction). The Directors have adopted the "pooling of interests" method to account for this transaction and have chosen to present the consolidated information from the date of acquisition. As a result, the comparative information in the half-year financial report relates only to the parent entity (Crigen Resources Limited). The comparative information as at 30 June 2022 has been audited, whereas the comparative information for the half-year ended 31 December 2021 has not been reviewed. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF CRIGEN RESOURCES LIMITED (CONTINUED)**

Responsibility of the Directors for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and
- ii. complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



WEN-SHIEN CHAI
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 9th day of March 2023.

Crigen Resources Limited and its Controlled Entities
(Formerly known as Crigen Resources Pty Limited)
Appendix 3
Half-year report

1. Company details

Name of entity:	Crigen Resources Limited and its Controlled Entities
ABN:	56 644 338 018
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

				\$
Revenues from ordinary activities	up	-	to	2,251,320
Loss from ordinary activities after tax	up	1023.9%	to	(400,037)
Loss for the half-year	up	1023.9%	to	(400,037)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$400,037 (31 December 2021: \$35,593).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.45	(40,910.90)

ROU Assets have not been included in the calculation of NTA.

4. Control gained over entities

- Crigen Resources Berhad (Acquired 28 July 2022)
- CA Life Science Sdn. Bhd (Acquired 28 July 2022)

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

10. Attachments

Details of attachments (if any):

The Interim Financial Report of Crigen Resources Limited and its Controlled Entities for the half-year ended 31 December 2022 is attached.

11. Signed

Signed 

Date: 10 / 3 / 2023