

KEMAO INDUSTRIES LIMITED – HALF-YEAR INFORMATION

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(Lodged with the NSX under Listing Rule 6.10)

Name of issuer: Kemao Industries Limited (NSX: KEM)

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Financial period ended (‘Current period’)
625 928 216	✓		30 June 2022

1. The amount and percentage change up or down from the previous corresponding period of revenue:

	Up/Down	%		\$A'000
Revenue	up	15.9%	to	89,731

2. The amount and percentage change up or down from the previous corresponding period of profit (loss) after income tax:

	Up/Down	%		\$A'000
Profit (loss) after income tax:	up	From loss to profit	to	518

3. The amount and percentage change up or down from the previous corresponding period of profit (loss) for the period attributable to members of the parent:

	Up/Down	%		\$A'000
Profit (loss) for the period attributable to members of the parent	up	From loss to profit	to	518

4. The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends:

No dividends have been paid or proposed to pay.

5. A brief explanation of any of the figures in 1 to 4 necessary to enable the figures to be understood.

The Group reported a consolidated profit of \$518,000 for the half-year ended 30 June 2022 (2021: a consolidated loss of \$2,880,000).

Revenue for the half year ended 30 June 2022 grew by 15.9% to \$89.7 million, compared with \$77.4 million of last period. Sales momentum was strong throughout the period. Due to strict COVID-19 containment measures, social and economic environment continued to be stable in China. With restriction eased globally, the Group saw its export sales recovered progressively. During the period, the Group's domestic sales increased by 11% to \$73.1 million while overseas sales jumped by 44% to 16.6 million. While a lot of small and medium tin-plate manufactures were closed down over the COVID-19 period the Group has shown its resilience in the challenging times. By diversifying its products and expanding its manufacture capacity, the Group has gained a solid market share and Kemao continued to be a trusted brand in the industry.

The Group continued to control its operating costs and saw a higher gross profit margin. It will remain focus on improving production management, cost saving and reducing waste. In addition, the Group spent significantly in the Research & Development, with R&D expenditure up 67% to \$2.93 million.

KEM has adopted prudent capital management. During the period the Group managed to repay RMB5 million borrowings. The reduction of the debt would result in lower future finance costs and a better gearing ratio.

6. Net tangible assets per security with the comparative figure for the previous corresponding period.

	2022.6.30	2021.12.31
Net tangible assets per ordinary share (cents)	(1.42)	(1.85)

7. Details of entities over which control has been gained or lost during the period:

The Company has not gained or lost control over any entities during the period.

8. Details of individual and total dividends or distributions and dividend or distribution payments:

No dividends or distribution payments have been paid or proposed to pay.

9. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan:

The Company has no dividend or distribution reinvestment plan.



10. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards):

KEM's half year financial report is a general purpose consolidated financial report which has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations (Standards) issued by the Australian Accounting Standards Board (AASB), in particular AASB 134 'Interim Financial Reporting'.

11. For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:

Not applicable.