



Annual Report

30 June 2022

Haodex Ltd

ACN 623 392 325

Financial Statements

For the Year Ended 30 June 2022

Haodex Ltd

ACN 623 392 325

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For the Year Ended 30 June 2022

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Corporate Information

DIRECTORS

Frank Huang
Anne Huang
Michael Pixely
Alvin Tan

COUNTRY OF INCORPORATION

Australia

AUDITORS

Rothsay Audit & Assurance Pty Ltd
Level 1/6-10 O'Connell Street
Sydney NSW 2000

COMPANY SECRETARY

Miranda Yuan

SHARE REGISTRY

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STOCK EXCHANGE LISTING

National Security Exchange Ltd
NSX code: HAO

REGISTERED OFFICE AND PRINCIPAL BUSINESS OFFICE

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INTERNET ADDRESS

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AUSTRALIAN BUSINESS NUMBER

ABN 80 623 392 325

Haodex Ltd

ACN 623 392 325

Review of Operations

30 June 2022

Highlights

- Haodex enters a Cross-border E-commerce Pilot zone through a partnership with Nanjing Zhonghe Ronghui information Technology Co.,Ltd ("NJZH")
- Haodex now has in total of 129 channel partners with wide coverage of China

Haodex Limited (NSX:HAO) ("Haodex" or the "Company") is pleased to update the market on its activities for the year end June 2022.

Updates on BulkBuy

BulkBuy is a wholesale and retail e-commerce marketplace that allows users and businesses to participate in group buying deals. BulkBuy enables merchants to set up an online store similar to the operation of Amazon and sell products from Chinese factories directly to all USA customers and businesses. On the Bulkbuy marketplace, Haodex generates revenue from sales commissions, membership fees and product listing fees.

Bulkbuy has stated to grow significantly from December 2021 inspired by a new innovative franchise model to develop merchants in various provinces in China. Under the franchise agreement, the franchisee will pay the initial franchise fee to Bulkbuy and Bulkbuy will share 20% of the revenue to the franchise.

Haodex currently has in total of 129 franchisees with wide coverage in six provinces in China and Sydney Australia. Haodex has channel partners in the following geographic areas:

Regional Area	Numbers of Partners
Sichuan	46
Beijing	32
Guangdong	27
Zhejiang	21
Jiangxi	9
Hainan	3
Sydney	3
Total	141

Strategic Partnership with NJZH by introducing Cross-border E-commerce Pilot Zone

Haodex has established a long-term strategic partnership for the development of cross-border e-commerce platform supply chain services. (Refer to the NSX Announcement on 31 March 2022)

NJZH has introduced the secretary of Nanjing Cross-border E-commerce Pilot Zone to provide an opportunity for Haodex to settle in the pilot zone with local office space. In these pilot zones, local governments provide a variety of trade services ranging from logistics, payment, law, taxation and customs clearance to facilitate enterprises' cross-border e-commerce businesses. The pilot zones provide comprehensive services to its members including a training and education programme on how to sell to overseas and generate profit from the platform. Haodex has been exposed to local manufacturers settled in the pilot zones and has acquired 12 new merchants to join Bulkbuy.

"Our Company has seen tangible benefits by entering the Cross-border E-commerce Pilot Zone," said Frank Huang, the Chairman of Haodex. "Haodex is finalising arrangements for a government subsidiary to support business development."

Review of Operations**30 June 2022****Operating Results**

Haodex was pleased to receive listing approval during the year for the National Stock Exchange ("NSX") and commenced share trading on 9 December 2021. The Board provides an explanation of the loss reported in the year ended 30 June 2022 including a significant corporate expense of \$3,437,077 related to the listing of the Company during the half-year.

Consolidated loss for the year ended 30 June 2022	(\$3,721,230)
Less Non-recurring items of corporate expenses	\$3,437,077
Less Non-recurring items of consulting expense	\$142,082
Normalised profit/loss before non-recurring one off items	(\$142,071)

COVID-19

The Company's operations in China have had to respond to the COVID-19 virus pandemic as a result of recent COVID control by the regional areas including Shanghai, Guangzhou, Beijing and Hangzhou. Marketing activities and expansion has been minimally impacted. However there have been some delays with site visits and finalising contracts due to travel restrictions, with a few marketing activities being postponed.

The Company's daily operations continue as normal with current initiatives being executed to acquire more merchants through its existing strategic partnerships and are in preparation of executing in-person marketing activities once released from the control of the local government. The company expects that once restrictions are eased, the marketing and merchant acquisition initiatives will be able to be fully executed.

Directors' Report

30 June 2022

The directors hereby present the following year ended report for the period ended 30 June 2022 for Haodex Limited ("Haodex" or the "Company") and its controlled entities. (the "Group").

The directors present their report, together with the financial statements of the Group, being the company and its controlled entities, for the year ended 30 June 2022.

1. General information Information on directors

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

Frank Huang
Anne Huang (appointed 17 March 2022)
Michael Pixley (appointed 22 November 2021)
Alvin Tan (appointed 22 November 2021)

Principal activities

The principal activities of the Group during the year were to invest in technology which offers a platform to buy and sell goods and services throughout China.

No other significant change in the nature of these activities occurred during the year.

2. Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to \$3,721,230 (30 June 2021: loss \$160,170) including a significant corporate expense of \$3,437,077 related to the listing of the Company during the year.

3. Review of Operations

Detailed comments on operations of this report are included separately in the Annual report under Review of Operations.

4. Review of Financial Condition

Capital Structure

At 30 June 2022, the consolidated entity had 151,995,338 ordinary shares on issue.

Financial Position

The net assets of the consolidated entity have decreased by \$359,665 from \$3,458,543 at 30 June 2021 to \$3,098,878 at 30 June 2022.

5. Dividends paid or recommended

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

6. Significant changes in the State of Affairs

During the year, the Company was pleased to receive listing approval during the year for the National Stock Exchange ("NSX") and commenced share trading on 9 December 2021.

7. Director's Interests

Interests in Shares and Options

	Ordinary shares	Options
Frank Huang	88,798,000	-
Anne Huang	6,250,000	-
Michael Pixley	-	-
Alvin Tan	-	-

Directors' Report

30 June 2022

Information on Directors

The following persons were Directors of Haodex Limited ("Group", "consolidated entity" or "Haodex") during the financial year and up to the date of this report, unless otherwise stated:

Director	Experience	Special responsibilities
Frank Huang B.Eng	<ul style="list-style-type: none"> - Bachelor of Aeronautical Engineering from China Civil Aviation University. - Managing Director of Chi Tel Global Holding Ltd; Managing Director of China Huge International Pty Ltd; General Manager of First Mobile Group Holding Ltd. - Frank has had over 25 years of executive management experience across a number of Australian and International companies and has been involved in a number of corporate leader roles within the technology sector. - Frank has extensive corporate leadership skills and strong financial and business planning capabilities. This provides him with the capacity to manage the complete cycle of commercial activity, from strategy development, corporate financing, operational implementation and ongoing growth via organic means and/or acquisition. 	Chairman and Executive Director
Anne Huang B.Com	<ul style="list-style-type: none"> - Bachelor of Commerce (Marketing & Accounting) from Macquarie University. - Sales executive at Bence Property Group, July 2016 -January 2017. - Business analyst in the Infant Nutrition division at Nestle Australia, January 2017 - May 2017. - Account executive for the National Pharmacy Sales division at Nestle Australia, May 2017 - December 2017. - Anne has been highly involved in various business development projects with Haodex and has helped to build the business of MonkeyKing. 	Executive Director
Michael Pixley	<ul style="list-style-type: none"> - Over 30 years of experience in investment banking. Involved in providing financial advisory and investment banking services to various companies throughout Asia. - Non-Executive Director, Story-I Ltd (ASX:SRV). - Non-Executive Director, Enerco Refresh Ltd (ASX:ERG). - Director, Credit Intelligence Ltd (ASX:CL1). 	Non- executive Director
Alvin Tan B.Com (Hon)	<ul style="list-style-type: none"> - Over 25 years' experience in Australia and Asia, including mergers, acquisitions, capital raising and listings on the ASX, AIM, Bursa Malaysia and Frankfurt Stock Exchange. - Previously worked for KPMG in Kuala Lumpur as a financial consultant in 1993-1995. - Previously worked with Australian based stock broking firm DJ Carmichael as an investment advisor, in 1996-1997. - Previously served as Non-Executive Director, Advanced Share Registry Ltd (ASX:ASW). - Bachelor of Commerce with second class honours, the University of Western Australia. - Non-Executive Director, Pyx Resources Ltd (NSX:PYX). - Non-Executive Director, BKM Management Limited. 	Non-executive Director
Miranda Yuan MFin, MCom	<ul style="list-style-type: none"> - Over 7 years in accounting services and auditing assistance to a number of public and listed companies. She has experience in Company secretarial work in a board range of ASX listed companies. - Extensive experience working as Finance Analyst to provide corporate advisory services for cross-border M&A, capital raising, IPOs/RTOs and to as a Finance perform due diligence reviews. - Honours graduate in Finance from Aberdeen University - Master of Commerce (Finance) from the University of UNSW - Master of Professional Accounting from Charles Sturt University 	Company Secretary

Directors' Report

30 June 2022

8. Directors' Benefits

With the exception of the matters referred to below, no director in the Group has, since the end of the financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or related body corporate with the director or with a firm of which the director is a member, or with an entity in which the director has a substantial financial interest.

9. Meeting of Directors

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

	Number of meetings held	Meetings attended
Frank Huang	4	4
Anne Huang	4	4
Michael Pixley	4	4
Alvin Tan	4	4

10. Non-Audit Services

No non-audit services were provided by Haodex's auditor, Rothsay Audit & Assurance Pty Ltd during the financial year ended 30 June 2022 (2021: Nil).

11. Shares under option

There were no options issued during the year ended 30 June 2022 (2021: Nil)

12. Remuneration Report (Audited)

The Remuneration Committee comprising members of the Board makes recommendations and approves:

- Non-executive director fees
- Remuneration of executive directors and other executives

Member of the Remuneration Committee at 30 June 2022 are Michael Pixley (Non-executive director) and Alvin Tan (Non-executive director).

The objective is to ensure the remuneration and reward practices are fair and competitive.

Non executive remuneration

Fees and payments to directors reflect the demands which are made on, and the responsibilities of, the directors. The current base fee of \$36,000 per annum, payable quarterly, for each non-executive director. The base fee is fixed and exclusive of superannuation. The Remuneration Committee determines remuneration of non-executive directors from time to time.

Executive and senior management remuneration

All Executive and Senior Management have rolling contracts. The Group may terminate the employment agreement by providing one month's written notice or providing payment in lieu of the notice period with the exception of the Executive Director who has three months' notice period. The Group may terminate these contracts at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Company may elect, at its discretion to make payment in lieu.

Details of remuneration

The key management personnel ("KMP") of Haodex are the directors of the Group and Company. Details of the remuneration of each director of the Company and the consolidated entities are set out in the following tables:

Directors' Report

30 June 2022

2022	Short-Term Benefits			Post-Employment	Termination Benefits	Share-based payments		Total	% Remuneration as equity
	Salary & Fees	Cash Bonus	Other short-term benefits	Superannuation		Equity-settled (options)	Cash-settled	\$	
	\$	\$	\$	\$	\$	\$	\$		
Directors									
Frank Huang	26,256	-	2,280	2,496	-	-	-	31,032	-
Anne Huang	76,968	-	6,665	7,320	-	-	-	90,953	-
Michael Pixley	21,000	-	-	-	-	-	-	21,000	-
Alvin Tan	21,000	-	-	-	-	-	-	21,000	-
Total	145,224	-	8,945	9,816	-	-	-	163,985	-

Cash Bonus, Performance-related Bonuses and Share-based Payments

KMP and other executives may be paid cash bonuses or performance -related bonuses. There were nil remuneration options on issue during the 2022 financial year to KMP.

Shareholdings

Details of ordinary shares held directly, indirectly or beneficially by KMP and their related parties are as follows:

	Balance 1 July 2021	Issued as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 2022 •
Directors					
Frank Huang	88,750,000	-	-	48,000	88,798,000
Anne Huang	6,250,000	-	-	-	6,250,000
Michael Pixley	-	-	-	-	-
Alvin Tan	-	-	-	-	-
Total	95,000,000	-	-	48,000	95,048,000

Options holdings

There were nil options held and share-based payments to KMP and other executives awarded and vested/unvested during the year ended 30 June 2022 and 30 June 2021.

Transactions with KMP and their related entities**Mr Frank Huang**

- As at 30 June 2022 director fees totaling \$Nil (2021:\$Nil) remain outstanding to Mr Huang.
- As at 30 June 2022, the Company has provided a director loan to Mr Huang totaling \$368,851. This loan is interest free.
- During the year, further services fee were paid by Oilvest Pty Ltd of \$1,773,352 and Mr Huang is a director and shareholder of Oilvest Pty Ltd.

Ms Anne Huang

- As at 30 June 2022 director fees totaling \$Nil (2021:Nil) remain outstanding to Ms Huang.

Mr Michael Pixley

- As at 30 June 2022 director fees totaling \$Nil (2021:Nil) remain outstanding to Mr Pixley.

Mr Alvin Tan

- As at 30 June 2022 director fees totaling \$Nil (2021:Nil) remain outstanding to Mr Tan.

End of Remuneration Report**13. Corporate Governance**

Refer to page 8 to 12 or this report for the Corporate Governance Statement.

Directors' Report

30 June 2022

14. Other items

Environmental matters

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer or auditor of Haodex Ltd and Controlled Entities.


15. Subsequent events to 30 June 2022

No matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

16. 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 on page 13.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to be 'Frank Huang', written over a horizontal line.

Frank Huang
Chairman
Dated 30 September 2022

Corporate Governance Statement

30 June 2022

The Board is committed to best practice corporate governance and compliance arrangements for the Company. The ASX Corporate Governance Council has developed and released its fourth edition of the ASX Corporate Governance Principles and Recommendations for Australian listed entities ("Corporate Governance Principles") to promote investor confidence and to assist companies in meeting stakeholder expectations. While it is noted that the Company is not proposing to list on ASX the Company believes reference to the Corporate Governance Principles is still best practice so reports against them as set out in this Section.

The Corporate Governance Principles are not prescriptions, but guidelines. However, under the NSX Listing Rules, the Company will be required to provide a statement in its annual report as to the main corporate governance practices that the Company had in place during the reporting period.

Section 6.8.4 sets out a brief summary of the approach currently adopted by the Company in relation to the Corporate Governance Principles and summarises the key aspects of the Company's corporate governance framework.

1. Board

Composition of the Board

The Company's Constitution provides that the maximum number of Directors is 9 and the minimum number of Directors is 3. As at 30 June 2022, the Company has 4 Directors serving on the Board being Mr Huang, Ms Huang, Mr Tan and Mr Pixley.

Independence of the Board

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisors as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

The Company considers that a Director is an independent Director where that Director is free from any business or other relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the Director's judgement. The Company has also assessed the independence of its Directors having regard to the requirement for independence which are set out in Principle 2 of the Corporations Governance Principles.

Board Charter

The responsibilities of the Board are set down in the Company's Board Charter, which has been prepared having regard to the Corporate Governance Principles. A copy of the Company's Board Charter is available on the Company's Website. The Company will also send you a copy of its Board Charter, at no cost to you, should you request a copy during the Offer Period.

Board's role in risk oversight

The Board's role in risk oversight includes receiving reports from management and the Audit and Risk Management Committee on a regular basis regarding material risks faced by the Company and applicable mitigation strategies and activities. Those reports detail the effectiveness of the risk management program and identify and address material business risks such as risks relating to conduct of business, regulatory and compliance risks, reputational risks, reporting and IT systems as they relate to business continuity. The Board and its committees consider these reports, discuss matters with management and identify and evaluate any potential strategic or operational risks including appropriate activity to address those risks.

2. Board Committees

As set out below, the Board has established two standing committees to facilitate and assist the Board in fulfilling its responsibilities. The Board may also establish other committees from time-to-time to assist in the discharge of its responsibilities.

Each committee has the responsibilities described in the committee charter adopted by the Company (which have been prepared having regard to the Corporate Governance Principles). A copy of the charters for the above committees are available on the Company's Website. The Company will also send Shareholders a copy of the committee charters, at no cost, should they request a copy during the Offer Period.

Corporate Governance Statement

30 June 2022

2. Board Committees (continued)

Board committee	Overview	Initial composition
Audit and Risk Management Committee	Responsible for safeguarding the integrity of the Company's financial reporting and overseeing the independence of the external auditors. Oversees the Company's corporate accounting and financial reporting, including auditing of the Company's financial statements and the qualifications, independence, performance and terms of engagement of the Company's external auditor.	Alvin Tan Michael Pixley
Remuneration and Board Nomination Committee	Establishes, amends, reviews and approves the compensation and equity incentive plans with respect to senior management and employees of the Company including determining individual elements of total compensation of the Chief Executive Officer and other members of senior management. Responsible for advising the Board on the composition of the Board and its committees.	Alvin Tan Michael Pixley

3. Corporate governance policies

The NSX has developed suggested content for corporate governance policies and procedures which is set out in the NSX's Practice Note 14 (Practice Note 14). The content outlined in Practice Note 14 is not prescriptive, but is intended to act as a guideline for listed entities' corporate governance.

The policies and procedures that listed entities may adopt as suggested by Practice Note 14, and the approach adopted by the Company to comply with such guidelines, is listed below:

A. Policies and procedures adopted to ensure that the issuer acts according to law, including satisfying its reporting obligations under the Corporations Act and the Listing Rules.	<p><u>Code of Conduct</u></p> <p>The Company has adopted a Code of Conduct which outlines the standard of corporate and individual behaviour expected of the Company, the board, management and employees. The Code of Conduct also considers compliance and reporting of circumstances which may be a breach of law or the Company's internal governance policies.</p> <p><u>Audit Committee Charter</u></p> <p>The Company also has an Audit Committee which is governed by the Company's Audit Committee Charter. The role of the Audit Committee is to safeguard the integrity of the Company's financial reporting and oversee the independence of external auditors engaged by the Company.</p>
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Corporate Governance Statement

30 June 2022

<p>B. Policies and procedures adopted to ensure that the entity's board acts with due care and diligence and in the interests of shareholders</p>	<p><u>Board Charter</u></p> <p>The Company has adopted a Board Charter which sets out the principles for operation of the Company board of directors. The board is accountable to shareholders for performance of the Company.</p> <p><u>Securities Trading Policy</u></p> <p>The Company has adopted a securities trading policy designed to maintain investor confidence in the integrity of the Company's internal controls and procedures and to provide guidance on avoiding any breach of the insider trading laws.</p>
<p>C. Policies and procedures adopted to adequately identify And deal with conflicts of interest at board management and employee levels</p>	<p><u>Conflicts of Interest and Related Party Transactions Policy</u></p> <p>The Company has adopted a conflicts of interest and related party transactions policy prior to listing on the NSX. The policy will outline the Company's approach to identifying, recording, and dealing with conflicts of interest at the board, management and employee levels. The Board also recognises that any commercial arrangements between director related parties and the Company should be conducted on an arms length basis. This approach will also be outlined in the conflicts of interest and related party transactions policy.</p>
<p>D. Policies and procedures adopted to protect shareholder interests, including access to information, voting rights, share of profits and equitable treatment</p>	<p><u>Continuous Disclosure Policy</u></p> <p>The Company is committed to ensuring it complies with its continuous disclosure obligations and has adopted a continuous disclosure policy supporting this position.</p> <p>The Board has ultimate responsibility for ensuring the Company complies with its continuous disclosure obligations and recognises that price sensitive information concerning the Company must be immediately disclosed.</p> <p><u>Risk Management Framework</u></p> <p>The Company has adopted a risk management framework which addresses the Company's approach to risk management and the responsibilities for risk management shared across the Board and Company.</p>
<p>E. Policies and procedures adopted to protect the interests of stakeholders including employees, creditors and the wider community</p>	<p><u>Remuneration Committee Charter</u></p> <p>The Company's Remuneration Committee assists the Board to fulfil its corporate governance responsibilities with respect to remuneration by reviewing and recommending remuneration packages of senior executives, employee incentive and equity-based plans, and recruitment retention and termination policies. The Committee's approach is guided by the Remuneration Committee Charter which outlines the board's approach to remuneration of employees.</p>

In addition to the above corporate governance policies, the Company has also adopted:

- Corporate Governance Statement

The Company has followed the approach set by the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations.

- Diversity Policy

The Company will encourage diversity and foster an environment within that respects diversity in the workplace and promotes equal opportunities for employment and a work environment that is free from harassment.

The Company's corporate governance policies and statements can be accessed from the Company's Website.

Corporate Governance Statement

30 June 2022

4. Corporate Governance Principles and Recommendations

Principle 1	Lay solid foundations for management and oversight	<p>The respective roles and responsibilities of the Board and executives are defined in the Board Charter, a copy of which is available on the Company's Website. The Board is responsible for managing the strategic and financial performance of the Company and must remain accountable to shareholders for the performance of the Company.</p> <p>The Remuneration Committee Charter, a copy of which is available on the Company's Website provides that the Remuneration Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration. Under the Remuneration Committee Charter, the Remuneration committee must, amongst other things, review recommendations from the CEO on each senior executive's performance evaluations, review the Company's recruitment, retention and termination policies, and review directors' remuneration and applicable incentive schemes.</p> <p>The Company has adopted a Diversity Policy, a copy of which is available on the Company's Website. The Diversity Policy requires the Board to establish measurable objectives to assist the Company in achieving diversity and to review the Company's progress in meeting these objectives.</p>
Principle 2	Structure the Board to add value	<p>The Board is comprised of 2 Executive and 2 Non-Executive Directors. The Board believes that the size, composition and skills of the Board are appropriate for the Company's business and circumstances, and are in the best interests of Shareholders as a whole.</p> <p>The Company's Remuneration Committee is responsible for regularly reviewing the performance of the CEO.</p> <p>As the Company is still in an early stage of development, it has not yet undertaken a formal review of the Board's performance. However, the Board Charter provides for an annual self-assessment of the Board's performance to be provided to the Group's Remuneration and Board Nomination Committee.</p>
Principle 3	Promote ethical and responsible decision making	<p>The Company has adopted a Code of Conduct which applies to all Directors, officers, employees, contractors or consultants of the Company as well as a Securities Trading Policy. Each of these are available on the Company's Website.</p>

Corporate Governance Statement

30 June 2022

Principle 4	Safeguard integrity in financial reporting	The Company has established an Audit Committee to safeguard the integrity of the Company's financial reporting and oversee the independence of external auditors. All the members of the Company's Audit Committee are non-executive Directors. The Audit Committee is governed by an Audit Committee Charter, a copy of which is available on the Company's Website.
Principle 5	Make timely and balanced disclosure	The Company is committed to providing timely and balanced disclosure to the market in accordance with its Continuous Disclosure Policy, a copy of which is available on the Company's Website.
Principle 6	Respect the rights of security holders	<p>The Company provides investors with comprehensive and timely access to information about itself and its governance on its Website.</p> <p>The Company seeks to recognise numerous modes of communication, including electronic communication, to ensure that its communication with Shareholders is frequent, clear and accessible.</p> <p>All Shareholders are invited to attend the Company's annual meeting, either in person or by representative. The Board regards the annual meeting as an excellent forum in which to discuss issues relevant to the Company and accordingly encourages full participation by Shareholders. Shareholders have an opportunity to submit questions to the Board and to the Company's auditor.</p>
Principle 7	Recognise and manage risk	<p>The Company has adopted a Code of Conduct, which is designed to assist the Company to identify, evaluate and mitigate conflicts of interest affecting the Company.</p> <p>Regular internal communication between the Company's management and Board supplements the Company's policies which are designed to address various forms of risks.</p>
Principle 8	Remunerate fairly and responsibly	<p>The Company has a Remuneration Committee to oversee the level and composition of remuneration of the Company's Directors and executives. The Company's Remuneration Committee is governed by a Remuneration Committee Charter, a copy of which is available on the Company's Website.</p> <p>The Company will provide disclosure of its Directors' and executives' remuneration in its annual report.</p>

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of Haodex Ltd

As lead auditor of Haodex Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Haodex Ltd and the entities it controlled during the year.

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla

Director

Sydney, 30 September 2022

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	1,125,833	1,403,958
Finance income	4	973	642
Other income	4	39,396	159,530
Cost of sales		(53,833)	(41,072)
Employee benefits expense		(748,340)	(580,984)
Depreciation, amortisation and impairment expense		(148,289)	(597,697)
Finance expenses		-	(1,620)
Corporate expenses		(3,437,077)	-
Other expenses		(1,173,479)	(561,164)
Profit (loss) before income tax		(4,394,816)	(218,407)
Income tax benefit	5	673,586	58,237
Profit (loss) for the year		(3,721,230)	(160,170)
Other comprehensive income, net of income tax			
Exchange difference on translation of foreign operations		6,529	-
Total comprehensive income (loss) for the year		(3,714,701)	(160,170)
Profit (loss) attributable to:			
Members of the parent entity		(3,662,144)	(139,031)
Non-controlling interest		(59,086)	(21,139)
		(3,721,230)	(160,170)
Total comprehensive income (loss) attributable to:			
Members of the parent entity		(3,655,615)	(139,031)
Non-controlling interest		(59,086)	(21,139)
		(3,714,701)	(160,170)
Earnings per share contributable to owners of Haodex Limited		Cents	Cents
Basic and Diluted Earnings/(loss) per Share		(2.41)	(0.10)

Statement of Financial Position

As At 30 June 2022

		30 June 2022	30 June 2021
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,530,845	1,314,708
Trade and other receivables	7	1,411,356	2,474,075
Inventories		30,660	56,748
Other assets	10	562,701	1,156,558
TOTAL CURRENT ASSETS		3,535,562	5,002,089
NON-CURRENT ASSETS			
Plant and equipment	8	587	-
Deferred tax assets	12	400,003	5,934
Intangible assets	9	156,525	304,316
TOTAL NON-CURRENT ASSETS		557,115	310,250
TOTAL ASSETS		4,092,677	5,312,339
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	127,640	144,391
Current tax liabilities	12	22,048	304,437
Employee entitlements	13	33,758	8,150
Other financial liabilities (unearned income)		805,701	1,396,818
TOTAL CURRENT LIABILITIES		989,147	1,853,796
NON-CURRENT LIABILITIES			
Trade and other payables	11	4,652	-
TOTAL NON-CURRENT LIABILITIES		4,652	-
TOTAL LIABILITIES		993,799	1,853,796
NET ASSETS		3,098,878	3,458,543
EQUITY			
Issued capital	14	3,383,600	2,217,862
Reserves	15	2,398,762	202,935
Retained earnings		(2,702,741)	959,403
Non-controlling interest		19,257	78,343
TOTAL EQUITY		3,098,878	3,458,543

The accompanying notes form part of these financial statements.

Haodex Ltd

ACN 623 392 325

Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

	Issued Capital \$	Retained Earnings \$	Share Based Payment Reserve \$	Translation Reserve \$	Non-controlling Interests \$	Total \$
Balance at 1 July 2021	2,217,862	959,403	202,935	-	78,343	3,458,543
Other comprehensive income	-	-	-	6,529	-	6,529
Loss attributable to members of the parent entity	-	(3,622,144)	-	-	-	(3,622,144)
Loss attributable to non-controlling interests	-	-	-	-	(59,086)	(59,086)
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Issue of Capital	1,165,738	-	-	-	-	1,165,738
Share based payments	-	-	2,189,298	-	-	2,189,298
Balance at 30 June 2022	3,383,600	(2,702,741)	2,392,233	6,529	19,257	3,098,878

2021

	Issued Capital \$	Retained Earnings \$	Share Based Payment Reserve \$	Non-controlling Interests \$	Total \$
Balance at 1 July 2020	2,217,862	1,098,434	202,935	99,482	3,618,713
Profit attributable to members of the parent entity	-	(139,031)	-	-	(139,031)
Loss attributable to non-controlling interests	-	-	-	(21,139)	(21,139)
Transactions with owners in their capacity as owners	-	-	-	-	-
Balance at 30 June 2021	2,217,862	959,403	202,935	78,343	3,458,543

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,599,673	735,477
Payments to suppliers and employees		(3,377,866)	(884,458)
Interest received		973	642
Interest paid		-	(1,620)
Receipt from grants		-	124,171
Net cash provided by/(used in) operating activities	16	<u>222,780</u>	<u>(25,788)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant & equipment		(6,643)	-
Net cash provided by/(used in) investing activities		<u>(6,643)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Shareholder application monies received in advance		-	1,396,818
Payment of lease liabilities		-	(74,102)
Net cash provided by/(used in) financing activities		<u>-</u>	<u>1,322,716</u>
Net increase/(decrease) in cash and cash equivalents held		216,137	1,296,928
Cash and cash equivalents at beginning of year		1,314,708	17,780
Cash and cash equivalents at end of financial year	6	<u>1,530,845</u>	<u>1,314,708</u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Haodex Ltd and its controlled entities ('the Group'). Haodex Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 30 September 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 18 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(b) Business combinations (continued)

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(c) Revenue and other income (continued)

Platform sign-up fees

Platform sign-up fees are received upfront. The Group recognises these as revenue over time. As the Group has only started to sign-up customers to the platform in the current financial year the Group has estimated a reasonable period of time to recognise these fees as revenue is over 3 years.

Interest revenue

Interest is recognised using the effective interest method.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(d) Leases

When the Group enters into a lease a right of use asset representing its right to use the underlying asset and a lease liability representing the present value of its obligation to make lease payments is recognised. The related expense is recorded as depreciation, on the right of use asset, and interest expense on the lease liability.

(e) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(f) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less allowance for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced a significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(i) Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of five years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

(j) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(k) Employee entitlements

A liability is recognised for the Group's liability for employee entitlements arising from services rendered by employees to the end of the reporting period. Employee entitlements that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(l) Equity-settled compensation

The Group provides equity-settled share-based payments to employees and third parties. The fair value of the equity granted is measured at grant date and recognised as an expense with a corresponding increase to the share-based payment reserve.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(m) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(n) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Group.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment

In accordance with AASB 136 Impairment of Assets, the Group considers whether there are any indicators of impairment of non-current assets.

Impairment testing is an area involving management judgement, requiring assessment as to whether there are any indicators of impairment and if so comparing the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate and using a terminal value to incorporate expectations of growth thereafter.

4 Revenue and Other Income

	2022	2021
	\$	\$
- Sale of goods – recognised as a point in time	17,961	63,442
- Commission on bulkbuy sales – recognised at a point in time	-	840,516
- Provision of services – recognised over time and at a point in time	1,107,872	500,000
	1,125,833	1,403,958
- Interest received	973	642
- Grants	39,396	159,530
	40,369	160,172

Platform sign-up fees

Platform sign-up fees are received upfront. The Group recognises these as revenue over time. As the Group has only started to sign-up customers to the platform in the current financial year the Group has estimated a reasonable period of time to recognise these fees as revenue is over 3 years.

Notes to the Financial Statements

For the Year Ended 30 June 2022

5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2022	2021
	\$	\$
Profit (loss)	(4,394,816)	(218,407)
Tax	25.00%	26.00%
	(1,098,704)	(56,786)
Add:		
Tax effect of:		
- other non-allowable items/nondeductible expenses	552,325	(1,451)
- tax losses not recognised	(127,207)	-
Income tax expense (benefit)	(673,586)	(58,237)

6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	1,530,845	111,193
Share application moneys held on trust	-	1,203,515
	1,530,845	1,314,708

7 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Receivable from Shareholder and director	368,851	-
Receivable from related party Oilvest Pty Ltd	213,719	1,987,331
Receivable from external parties (guaranteed by Director Frank Huang)	683,955	-
Other receivables	144,831	486,744
	1,411,356	2,474,075

8 Plant and equipment

	2022	2021
	\$	\$
Right-of-Use - Plant and Equipment		
At cost	-	263,926
Accumulated depreciation	-	(263,926)
	-	-
Plant and Equipment		
At cost	6,643	-
Accumulated depreciation	(6,056)	-
	587	-

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Intangible Assets

	2022	2021
	\$	\$
Computer software		
At cost	1,306,003	1,306,003
Accumulated amortisation and impairment	(1,149,478)	(1,001,687)
	156,525	304,316

Movements in carrying amounts of intangible assets

	Computer software	Total
	\$	\$
Year ended 30 June 2021		
Balance at the beginning of the year	304,316	304,316
Disposals	-	-
Amortisation	(147,791)	(147,791)
Closing value at 30 June 2022	156,525	156,525

10 Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	562,701	1,156,558
	562,701	1,156,558

11 Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Trade payables	103,749	27,499
Other payables	23,891	116,892
	127,640	144,391

Payables to shareholders are short-term, interest free and are unsecured.

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements

For the Year Ended 30 June 2022

11 Trade and Other Payables (continued)

	2022	2021
	\$	\$
NON-CURRENT		
Other payable	4,652	-
	4,652	-

12 Tax assets and liabilities

	2022	2021
	\$	\$
Income tax payable	22,048	304,437
	22,048	304,437

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
Deferred tax assets			
Accruals and employee entitlements	2,268	3,666	5,934
Balance at 30 June 2021	2,268	3,666	5,934
Accruals and employee entitlements	5,934	102,221	108,155
Tax Losses	-	291,848	291,848
Balance at 30 June 2022	5,934	394,069	400,003

13 Employee Entitlements

	2022	2021
	\$	\$
CURRENT		
Annual leave	33,758	8,150
	33,758	8,150

Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Issued Capital

	2022 \$	2021 \$
151,995,338 authorised and fully paid ordinary shares (30 June 2021: 135,000,000)		
Opening balance	2,217,862	2,217,862
Movement	1,165,738	-
Closing balance	3,383,600	2,217,862

The key objectives of the Group when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Group defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

15 Reserves

	2022 \$	2021 \$
Share Based Payment Reserve		
Opening balance	202,935	202,935
Movement	2,189,298	-
Closing balance	2,392,233	202,935
Translation Reserve		
Opening balance	-	-
Movement	6,529	-
Closing balance	6,529	-

Share based payments comprise ordinary shares issued to employees and to third parties for services performed for the Company. The value was determined with reference to the average paid-up amounts on capital raisings throughout the period as it was not possible to reliably estimate the fair value of the services received due to the unique nature of the services provided. The shares granted vested on issue.

Notes to the Financial Statements

For the Year Ended 30 June 2022

16 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Profit (loss) for the year	(3,721,230)	(160,170)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation	148,289	597,697
- share based payment	2,189,298	
- provision for annual leave	25,608	
Changes in assets and liabilities:		
-(increase)/ decrease in trade and other receivables	1,062,720	(703,840)
- (increase)/decrease in other assets	593,857	525,478
- (increase)/decrease in inventories	26,088	(4,764)
- increase/(decrease) in trade and other payables	574,608	(17,332)
- increase/(decrease) in income taxes	(676,458)	(262,857)
Cashflows from operations	222,780	(25,788)

17 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2022	Percentage Owned (%) [*] 2021
Subsidiaries:			
Monkey King Australia Pty Ltd	Australia	78	78
Chendu Bulkbuyworld E-Commerce Co.,Ltd	China	78	-

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

Notes to the Financial Statements

For the Year Ended 30 June 2022

18 Financial Risk Management

The Group is exposed to financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The financial risks to which the Group is exposed to are noted below:

Specific risks

- Liquidity risk;
- Credit risk; and
- Market risk - primarily currency risk.

The key risks faced by the Company is market risk, primarily foreign currency risk.

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives regular reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash to meet its liquidity requirements.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under reasonably expected circumstances.

Notes to the Financial Statements

For the Year Ended 30 June 2022

18 Financial Risk Management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents and balances recorded as receivable.

The credit risk for liquid funds and is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables and contract assets

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

On a geographical basis, the Group has significant credit risk exposures in Australia and China given the location of its operations in those regions.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The following table shows the material exposure to foreign currency risk.

	CNY
2022	\$
Nominal amounts	
Financial assets	3,013,200
	<u>3,013,200</u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

19 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2022	2021
	\$	\$
Short-term employee benefits	154,169	116,987
Post employment benefits	9,816	11,114
	163,985	128,101

20 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor Rothsay Audit & Assurance Pty Ltd, for:		
- auditing or reviewing the financial statements	19,960	12,000
	19,960	12,000

21 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel - refer to Note 19.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

a. Transactions with related parties

The following transactions occurred with related parties:

	Sales	Balance outstanding Owed to the Group
	\$	\$
KMP related parties		
Oilvest Pty Ltd - Service Fees	1,773,612	213,719

Notes to the Financial Statements

For the Year Ended 30 June 2022

21 Related Parties (continued)

b. Loans to/from related parties

The Group has the following amounts payable to shareholders. The amounts payable are not due within 12 months and are interest free.

- A loan to director and shareholder amounting to \$368,851

22 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2022 (30 June 2021: None).

23 Events Occurring After the Reporting Date

The financial report was authorised for issue on 30 September 2022 by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

24 Parent entity

The following information has been extracted from the books and records of the parent, Haodex Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Haodex Ltd has been prepared on the same basis as the financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Notes to the Financial Statements

For the Year Ended 30 June 2022

25 Parent entity (continued)

	2022 \$	2021 \$
Statement of Financial Position		
Assets		
Current assets	1,442,440	5,316,728
Non-current assets	369,273	279,747
Total Assets	1,811,713	5,596,475
Liabilities		
Current liabilities	160,673	1,895,256
Non-current liabilities	1,609	-
Total Liabilities	162,282	1,895,256
Equity		
Issued capital	3,383,600	2,217,862
Retained earnings	(4,126,402)	1,280,422
Share based payments	2,392,233	202,935
Total Equity	1,649,431	3,701,219
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	(5,406,824)	(65,380)
Total comprehensive income	(5,406,824)	(65,380)

25 Operating Segments

(a) Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

Operating segments are determined on the basis of financial information reported to the Directors which is revenue and gross profit from Mainland China (BulkbuyWorld) and Business from Australia.

Therefore, management identified the Group as having two reportable segments. The financial results from these reportable segments are equivalent to the financial statements of the Group as a whole. Geographical sales information is disclosed below to assist in the understanding of the Group.

(b) Accounting policies adopted

All amounts reported to the Directors are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

25 Operating Segment (continued)

(c) Segment assets

Assets and liabilities of the Group are maintained in Australia and China.

	Assets		Liabilities		Net Asset	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Australia	2,014,024	5,312,339	159,325	1,853,796	1,854,699	3,458,543
Mainland China	2,078,653	-	834,474	-	1,244,179	-
Total	4,092,677	5,312,339	993,799	1,853,796	3,098,878	3,458,543

(d) Geographical information

The company established an online platform BulkbuyWorld in China. Sales through BulkbuyWorld represented % of the Company's total revenue in the year.

	2022 \$	2021 \$
Australia	540,701	1,403,958
Mainland China	585,132	-
Total	1,125,833	1,403,958

26 Earnings Per Share

	2022 \$	2021 \$
Basic earnings per share (cents)	(2.41)	(0.10)
The calculation of the basic earnings per share is based on the following data:		
Earnings		
Earnings for the purpose of basic earnings per share being net loss attributable to owners of the Company	(3,662,144)	(139,031)
Numbers of shares		
Weighted average number of shares used in calculating basic earnings per share	151,995,338	135,000,000

27 Statutory Information

The registered office of the company is:

Haodex Ltd
Suite 23
88 Pitt Street
Sydney NSW 2194

Directors' Declaration

The directors of the Group declare that:

1. the financial statements and notes for the year ended 30 June 2022 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. The Directors have been given the declarations by the Chairman required by section 295A of the *Corporations Act 2001*.

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

Director



Frank Huang

Dated 30 September 2022

HAODEX LTD

INDEPENDENT AUDITOR'S REPORT

To the members of Haodex Ltd:

Opinion

We have audited the financial report of Haodex Ltd ("Haodex" or the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



HAODEX LTD

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matter - Capital Raising and Initial Public Offering	How our Audit Addressed the Key Audit Matter
<p>During the year the Company undertook a capital raise and an initial public offering on the National Stock Exchange of Australia.</p> <p>The Company incurred costs related to the capital raise and the initial public offering process.</p> <p>Transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.</p> <p>Costs that relate to the initial public offering or are not otherwise not incremental and directly attributable to the issuing of new shares are recorded as an expense in profit or loss.</p> <p>This is considered to be a key audit matter given the judgement required to determine the appropriate split of transaction costs and the complexity of the accounting related to recording the capital raise and associated transaction costs.</p>	<p>We reviewed documentation to support the number of shares issued as part of the initial public offering.</p> <p>We reviewed the assumptions and calculations related to the allocation of transaction costs between equity and expense.</p> <p>We assessed whether the disclosures included in the financial report met the requirements of Australian Accounting Standards.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



HAODEX LTD

INDEPENDENT AUDITOR'S REPORT (continued)

Responsibility of Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2022. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Haodex Ltd, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla
Director

Sydney, 30 September 2022

Additional information required by the NSX Listing Rules clause 6.9 and not disclosed elsewhere in this report is as follows. The information is current as at 28 September 2022.

1. Historical Summary Table

Item	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Profit/(loss)	(3,103,008)	(139,031)	351,994	1,020,302	(273,862)
Assets	3,872,898	5,312,339	5,322,938	5,046,977	13,318,733
Liabilities	215,932	1,853,796	1,704,225	1,715,393	3,542,244

2. Ten Largest Shareholders

		Number of shares	% of total shares
1	FRANK HUANG	88,750,000	58.39
2	ENOCH INVESTMENT HOLDINGS PTY LTD	35,647,280	23.45
3	MINIMUM RISK PTY LTD <THE CDM FAMILY A/C>	10,946,488	7.2
4	ANNE HUANG	6,250,000	4.11
5	BIN CHEN	2,500,000	1.64
6	NG KOK	2,500,000	1.64
7	SOLIS HOLDINGS PTY LTD	1,650,000	1.09
8	MRS LISA VAN KOLCK + MR JOHNSON RUHAI HAN VAN KOLCK	537,695	0.35
9	ENOCH GLOBAL INVESTMENTS PTY LTD	497,900	0.33
10	MS HONG YU ZHU	485,850	0.32

3. Shareholder Distribution Table

	Ordinary shares		
	Number of holders	Number of shares	% of Total Issued Capital
1 – 1,000	1	250	0.00%
1,001 – 5,000	40	199,000	0.13%
5,001 – 10,000	43	346,000	0.23%
10,001 – 100,000	15	447,200	0.29%
100,001 and over	16	151,002,888	99.35%
Total	115	151,995,338	100%