

Crigen Resources Limited and its Controlled Entities
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 2023
Previous period: For the half-year ended 31 December 2022

2. Results for announcement to the market

				\$
Revenues from ordinary activities	down	41.3%	to	1,320,666
loss from ordinary activities after tax	down	5.2%	to	(379,249)
loss for the half-year	down	5.2%	lo	(379,249)

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 \$379,249 (31 December 2022: \$400,037).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.45</u>	<u>0.45</u>

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

4. Control gained over entities

- Nil

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 2023 is attached

11. Signed

On behalf of the Directors



Shuen Hooi Tan
(Chairman)
15 March 2024

Crigen Resources Limited and its Controlled Entities

ABN 56 644 338 018

Interim Financial Report - 31 December 2023

**Crigen Resources Limited and its Controlled Entities
Directors' Report
31 December 2023**

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 2023.

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:

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

Company secretary

Andrew Brown (from 1 November 2023)
(Graham Steer and Tamsin Johnston have held the position of the Company Secretary from 1 July 2023 to 31 October 2023)

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 \$379,249 (31 December 2022: Loss \$400,037).

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2023 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 2023 and up to the date of this report.

Crigen Resources Limited and its Controlled Entities
Directors' Report
31 December 2023

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.

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



Chuen Hooi Tan
(Chairman)
15 March 2024

**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 2023, 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 15th day of March 2024.

Crigen Resources Limited and its Controlled Entities
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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 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 15th March 2024. The directors have the power to amend and reissue the financial statements.

Crigen Resources Limited and its Controlled Entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Half year ended 31 December 2023 \$	Half year ended 31 December 2022 \$
Revenue	2	1,320,666	2,251,320
Cost of Sales	3	(699,801)	(762,070)
Gross Profit		<u>620,865</u>	<u>1,489,250</u>
Other Income		155,695	37,950
Administration Expenses		(576,701)	(1,076,324)
Depreciation expenses		(393,610)	(407,442)
Amortisation expenses		(131,432)	(131,817)
Listing and formation expenses		-	(102,271)
Finance costs		(20,908)	(139,850)
Loss before income tax expense for the half year		(346,091)	(330,504)
Income tax expense		(33,158)	(69,533)
Loss after income tax expense for the half year		(379,249)	(400,037)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(71,671)	84,455
Other comprehensive income/(loss) for the half year, net of tax		(71,671)	84,455
Total comprehensive loss for the half year		<u>(450,920)</u>	<u>(315,582)</u>
		cents	cents
Earnings/(loss) per share			
Basic earnings/(loss) per share	20	(0.19)	(0.20)
Diluted earnings/(loss) per share	20	(0.19)	(0.20)

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
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Note	Consolidated 31 December 2023 \$	Consolidated 30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents	4	61,303	385,060
Trade and other receivables	5	882,779	362,897
Inventories	6	20,206	22,571
Other assets	7	147,532	245,951
Total current assets		<u>1,111,820</u>	<u>1,016,479</u>
Non-current assets			
Trade and other receivables	5	251,447	327,860
Property, plant and equipment	8	2,363,657	2,624,559
Right-of-use assets	9	817,325	790,594
Intangibles	10	1,867,414	2,020,853
Total non-current assets		<u>5,299,843</u>	<u>5,763,866</u>
TOTAL ASSETS		<u>6,411,663</u>	<u>6,780,345</u>
Liabilities			
Current liabilities			
Trade and other payables	11	304,445	455,693
Lease liabilities	14	294,887	222,500
Contract liabilities	12	84,245	111,011
Borrowings	13	184,415	14,192
Current tax liabilities		45,999	78,504
Total current liabilities		<u>913,991</u>	<u>881,900</u>
Non-current liabilities			
Deferred tax		279,475	258,537
Borrowings	13	16,492	23,746
Lease liabilities	14	560,527	606,117
Redeemable preference shares	15	1,044,054	1,057,314
Total non-current liabilities		<u>1,900,548</u>	<u>1,945,714</u>
Total Liabilities		<u>2,814,539</u>	<u>2,827,614</u>
Net assets		<u>3,597,124</u>	<u>3,952,731</u>
Equity			
Issued capital	16	19,919,865	19,824,552
Reserves		(14,993,945)	(14,993,945)
Foreign currency reserve		(160,028)	(88,357)
Accumulated losses		(1,168,768)	(789,519)
Total Equity		<u>3,597,124</u>	<u>3,952,731</u>

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

Crigen Resources Limited and its Controlled Entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

	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 tax for the half year	-	-	-	(400,037)	(400,037)
Other comprehensive income for the half year	-	84,455	-	-	84,455
Total comprehensive income for the half year	-	84,455	-	(400,037)	(315,582)
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
Profit after tax for the half-year	-	-	-	20,627	20,627
Other comprehensive income for the half year	-	(172,812)	-	-	(172,812)
Balance at 30 June 2023	19,824,552	(88,357)	(14,993,945)	(789,519)	3,952,731
Loss after tax for the half-year	-	-	-	(379,249)	(379,249)
Other comprehensive loss for the half year	-	(71,671)	-	-	(71,671)
Share Capital issued	98,469	-	-	-	98,469
Costs of issuance	(3,156)	-	-	-	(3,156)
Balance at 31 December 2023	19,919,865	(160,028)	(14,993,945)	(1,168,768)	3,597,124

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

Crigen Resources Limited and its Controlled Entities
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Note	Consolidated 31 December 2023 \$	Consolidated 31 December 2022 \$
Operating activities			
Receipts from customers		1,076,988	2,382,821
Payments to suppliers and employees		(1,266,545)	(2,070,710)
Interest and other finance costs paid		(20,908)	(139,850)
Income taxes paid		(33,532)	(4,435)
Net cash from/(used in) operating activities		<u>(243,997)</u>	<u>167,826</u>
Investing activities			
Payments for property, plant and equipment		(1,692)	(64,781)
Net cash used in investing activities		<u>(1,692)</u>	<u>(64,781)</u>
Financing activities			
Proceeds from borrowings		-	16,500
Proceeds from related party		3,921	-
Proceeds from issue of equity		98,469	-
Cost of equity issuance		(3,156)	-
Repayment of finance lease liabilities		(4,441)	(3,940)
Repayment of lease liabilities		(146,054)	(96,596)
Repayment of term loans		(2,837)	-
Net cash (used in)/from financing activities		<u>(54,098)</u>	<u>(84,036)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(299,787)</u>	<u>19,009</u>
Cash and cash equivalents at the beginning of the financial year		385,060	25,198
Foreign exchange translation impact		(23,970)	-
Cash and cash equivalents at the end of the financial period	4	<u>61,303</u>	<u>44,207</u>

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

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 1. Material accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 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 2023 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.

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 1. Material accounting policies (continued)

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only.

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 2023 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'.

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 19 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.

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 1. Material accounting policies (continued)

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 \$379,249 and net cash operating outflow of \$243,997 for the half-year ended 31 December 2023. These indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. 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. No adjustments have been made to the financial information relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that may be necessary should the Group not continue as a going concern.

Note 2. Revenue

	Consolidated 31 December 2023	Consolidated 31 December 2022
	\$	\$
Sales of goods	1,320,666	2,251,320

Disaggregation of revenue

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

Geographical regions

Malaysia	1,320,666	2,251,320
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Timing of revenue recognition

Goods transferred at a point in time	325,043	1,086,437
Services transferred over time	995,623	1,164,883
	<u>1,320,666</u>	<u>2,251,320</u>

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, with a support function in Australia maintaining the public listing status of the Company.

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 2. Revenue (continued)

Segmental financial performance and net assets

\$	Half year ended 31 December 2023			Half year ended 31 December 2022		
	Malaysia	Australia	Total	Malaysia	Australia	Total
Revenue	1,320,666	-	1,320,666	2,251,320	-	2,251,320
EBITDA	425,100	(225,251)	199,859	573,370	(224,765)	348,605

	As at 31 December 2023			As at 30 June 2023		
	Malaysia	Australia	Total	Malaysia	Australia	Total
Segment Assets	6,400,969	10,694	6,411,663	6,749,633	30,712	6,780,345
Segment Liabilities	(2,610,748)	(203,791)	(2,814,539)	(2,624,532)	(203,082)	(2,827,614)
Net Assets	3,790,221	(193,097)	3,597,124	4,125,101	(172,370)	3,952,731

Accounting policy for revenue

(i) Revenue from contracts 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.

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.

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 2. Revenue (continued)

Accounting policy for revenue (continued)

(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

	Consolidated 31 December 2023	Consolidated 31 December 2022
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	(699,801)	(762,070)
<i>Depreciation and amortisation</i>		
Property, plant and equipment	237,896	243,158
Right-of-use assets	155,714	164,284
Intangible assets	131,432	131,817
Total depreciation and amortisation	525,042	539,259

Note 4. Cash and equivalents

<i>Current assets</i>		
Cash on hand	3,910	2,499
Cash at bank	54,708	361,509
Trust account (i)	2,685	21,052
	61,303	385,060

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

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

	Consolidated 31 December 2023	Consolidated 30 June 2023
	\$	\$
Note 5. Trade and other receivables		
GST receivables	6,173	7,880
Related party receivables (i)	235,719	118,905
	<u>882,779</u>	<u>362,897</u>
<i>Non-current assets</i>		
Related party receivables (i)	<u>251,447</u>	<u>327,860</u>

- (i) Relates to unsecured and non-interest bearing amount from CA Life Science Sdn. Bhd (“CALs”) whereby CALS entered into a monthly repayment plan with the Company during the 2023 financial year. Pursuant to the repayment plan, CALS has to repay the Company in 36 monthly repayments with the first installment having commenced on September 2023 and the final repayment due in August 2026.

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 30 December 2023

Note 6. Inventories

<i>Current assets</i>		
Raw materials and consumables	<u>20,206</u>	<u>22,571</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

<i>Current assets</i>		
Deposits	147,536	236,281
Prepayments	-	9,670
	<u>147,536</u>	<u>245,951</u>

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 8. Property, plant and equipment

	Consolidated 31 December 2023	Consolidated 30 June 2023
	\$	\$
Fixtures and fittings – at cost	79,209	80,215
Accumulated depreciation	(28,678)	(25,936)
	<u>50,531</u>	<u>54,279</u>
Spa equipment – at cost	26,436	26,771
Accumulated depreciation	(14,826)	(13,675)
	<u>11,610</u>	<u>13,096</u>
Computer equipment – at cost	24,033	21,833
Accumulated depreciation	(15,211)	(12,371)
	<u>8,822</u>	<u>9,462</u>
Motor Vehicles	52,203	52,866
Accumulated depreciation	(28,711)	(23,790)
	<u>23,492</u>	<u>29,076</u>
Office Equipment – at cost	1,216,698	1,232,151
Accumulated depreciation	(475,199)	(418,181)
	<u>741,499</u>	<u>813,970</u>
Beauty Equipment – at cost	2,615,148	2,648,362
Accumulated depreciation	(1,423,310)	(1,308,969)
	<u>1,191,838</u>	<u>1,339,393</u>
Healthcare wellness equipment – at cost	496,741	503,049
Accumulated depreciation	(160,876)	(137,766)
	<u>335,865</u>	<u>365,283</u>
	<u>2,363,657</u>	<u>2,624,559</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%
Office equipment	10% - 33%
Renovation	10% - 33%
Furniture and fittings	10% - 20%

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
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

	Consolidated 31 December 2023	Consolidated 30 June 2023
	\$	\$
Note 9. Right-of-use assets		
<i>Non-current assets</i>		
Outlet spaces	1,116,796	1,252,726
Accumulated depreciation	(299,471)	(462,132)
	<u>817,325</u>	<u>790,594</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.

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.

	Consolidated 31 December 2023	Consolidated 30 June 2023
	\$	\$
Note 10. Intangibles		
<i>Non-current assets</i>		
Trade secrets	2,546,473	2,579,596
Less: Accumulated depreciation	(679,059)	(558,743)
	<u>1,867,414</u>	<u>2,020,853</u>

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

	Consolidated 31 December 2023	Consolidated 30 June 2023
	\$	\$
Note 11. Trade and other payables		
<i>Current liabilities</i>		
Trade payables and accruals	304,445	92,510
Amounts payable to related parties	-	175,156
Other payables	-	188,027
	<u>304,445</u>	<u>455,693</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.

Note 12. Contract liabilities

<i>Current liabilities</i>		
Contract liabilities (unearned income)	<u>84,245</u>	<u>111,011</u>

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

<i>Current liabilities</i>		
Loans from related parties (nil interest)	169,486	-
Term loans	5,662	5,669
Other loans	9,267	8,523
	<u>184,415</u>	<u>14,192</u>
<i>Non-current liabilities</i>		
Term loans	4,713	7,621
Other loans	11,779	16,125
	<u>16,492</u>	<u>23,746</u>

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 ("GGS Prihatin"); and
- (ii) Joint and several guarantee by the Directors

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

	Consolidated 31 December 2023	Consolidated 30 June 2023
	\$	\$
Note 14. Lease liabilities		
<i>Current liabilities</i>		
Lease liability	294,887	222,500
<i>Non-current liabilities</i>		
Lease liability	560,527	606,117

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.

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

	Consolidated	Consolidated
	31 December 2023	30 June 2023
	\$	\$

Note 15. Redeemable preference shares

Current liabilities

Redeemable preference shares	1,044,054	1,057,314
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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 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
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

	Consolidated 31 December 2023	Consolidated 30 June 2023
	\$	\$
Note 16. Issued Capital		
199,220,207 fully paid authorised issued shares (30 June 2023: 198,235,520)	19,919,865	19,824,552

Movement in issued shares of the parent entity for the period

Date	Details	Number of shares	\$
30 June 2023	Opening balance	198,235,520	19,824,552
29 September 2023	Placement at \$0.10 per share	296,562	29,656
19 October 2023	Placement at \$0.10 per share	261,250	26,125
1 November 2023	Placement at \$0.10 per share	230,000	23,000
4 December 2023	Placement at \$0.10 per share	196,875	19,687
Cost of issuance		-	(3,155)
Total at 31 December 2023		199,220,207	19,919,865

Note 17. Contingencies

The Group had no significant contingencies as at 31 December 2023

Note 18. Capital commitments

The Group did not have any capital commitments as at 31 December 2023

Note 19. Interest 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 31 December 2023	Ownership Interest 30 June 2023
Crigen Resources Berhad	Malaysia	100%	100%

Note 20. Earnings per share

	Consolidated 31 December 2023	Consolidated 31 December 2022
	\$	\$
Loss after income tax	(379,249)	(400,037)
Weighted average number of ordinary shares used in calculating earnings per share (basic and diluted)	198,592,950	198,235,520
Earnings/(loss) per share (basic and diluted) (cents)	(0.19)	(0.20)

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 21. Events subsequent to reporting date

The Company has reached agreement and is currently finalising documentation, for the provision of a secured loan of RM3,200,000 (equivalent to \$1,018,589 at the exchange rate prevailing on 31 December 2023) to Crigen Resources Sdn Bhd from a commercial bank in Malaysia (a subsidiary of a publicly listed corporation) for the future expansion of centres and purchase of equipment in Malaysia.

Crigen Resources Limited and its Controlled Entities
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

DIRECTORS DECLARATION

In the directors' opinion:

- the attached financial statements and notes as set out on pages 5 to 21, thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, consisting of a series of loops and strokes, positioned below the text 'On behalf of the directors'.

Chuen Hooi Tan
Chairman

15 March 2024

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 2023, 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 material 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 2023 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.

Material Uncertainty Related to Going Concern

We draw attention to the consolidated statement of profit or loss and other comprehensive income in the financial report, which indicates that the Group incurred a net loss of \$379,249 and net cash operating outflow of \$243,997 during the half-year ended 31 December 2023. As stated in Note 1 – Going Concern, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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.

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

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 2023 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 15th day of March 2024.