

## KEMAO INDUSTRIES LIMITED – HALF-YEAR INFORMATION

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

(Lodged with the NSX under Listing Rule 6.10)

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

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Financial period ended (‘Current period’)
625 928 216	✓		30 June 2024

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

	Up/Down	%		\$A'000
Revenue	Down	22.7%	to	68,352

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

	Up/Down	%		\$A'000
Profit (loss) after income tax:	Down	248.2%	to	(6,384)

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

	Up/Down	%		\$A'000
Profit (loss) for the period attributable to members of the parent	Down	248.2%	to	(6,384)

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

No dividends have been paid or proposed to pay.

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

The Group reported a consolidated loss of \$6.3 million for the half-year ended 30 June 2024 (2023: a consolidated loss of \$1.8 million). Revenue for the half year ended 30 June 2024 decreased to \$68.4 million (2023: \$88.5 million) and the Group suffered a gross loss of \$3.3 million (2023: gross profit of \$0.62 million).

As disclosed in KEM's Annual Report for the year ended 31 December 2023, the Group had decided to conduct substantial technical transformations across all its production lines. The transformation project, involving a complete upgrade of KEM's original operational systems and production lines, launched in late 2023 and was undergoing throughout this reporting period. The transformation project required suspensions of various production lines for new replacement, testing, and productional trials. While these disruptions impacted sales and operation performance negatively in the short-term, KEM believed the technical transformations were crucial for the Group to achieve its long-term sustainability and success.

Despite the Group was in a net liability position as at 30 June 2024, the business liquidity was considered sufficient and the financial conditions were stable. As a long-term established company, KEM has sound credit record and well recognized in the region. When required, KEM is confident that it can receive new borrowing facilities from banks and financial institutions.

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

	2024.6.30	2023.12.31
Net tangible assets per ordinary share (cents)	(8.85)	(2.59)

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

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

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

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

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

The Company has no dividend or distribution reinvestment plan.



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

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

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

Not applicable.



**KEMAO INDUSTRIES LIMITED**

ACN 625 928 216 | NSX Code: KEM

**FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
30 JUNE 2024**

This Financial Report for the Half Year ended 30 June 2024 is to be read in conjunction with the Financial Report for the Year ended 31 December 2023 and any announcements made to the market during the half year ended 30 June 2024.



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## Corporate Directory

### Board of Directors

Mr Dong Chen	Managing Director
Ms Fang Chen	Executive Director
Ms Xuekun Li	Non-executive Director

### Company Secretary

Ms Xuekun Li

### Registered Office in Australia

Office 20  
217 Hay St  
Subiaco WA6008  
Tel: +61 413 041 820  
Email: [info@kmggroup.cn](mailto:info@kmggroup.cn)  
Website: [www.kemao-tinplate.com](http://www.kemao-tinplate.com)

### Principle Business Address in China

No 5 Songwentou Road  
Yunting Town, Jiangyin City  
Jiangsu Province 214422 China  
Tel: +86 510 6882 6922  
Fax: +86 510 6882 6921

### Auditors

Hall Chadwick Audit (WA) Pty Ltd  
283 Rokeby Road  
Subiaco WA 6008

### Share Registry

Automic Registry Services  
Level 5, 126 Philip Street, Sydney NSW 2000

Telephone: +61 8 9389 8033  
Facsimile: +61 8 9262 3723

### Securities Exchange Listing

Fully Paid Shares in Kemao Industries Limited are quoted on National Stock Exchange of Australia (code: KEM).

## Financial Report for the Half Year ended 30 June 2024

	Page
Directors' Report	1
Auditor's Independence Declaration	3
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Condensed Consolidated Financial Statements	8
Directors' Declaration	15
Auditor's Independent Review Report	16

## Directors' Report

The directors of Kemao Industries Limited (**Kemao**) herewith submit the financial report of Kemao Industries and its subsidiaries ("KEM" or "the Group") for the half-year ended 30 June 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of the directors of the Company during or since the end of the half year are:

- Mr Dong Chen (Executive Director)
- Ms Fang Chen (Executive Director)
- Ms Xuekun Li (Non-executive Director)
- Mr Long Huy Lam (Non-executive Chairman, resigned on 1 June 2024)
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## Review of Operations

KEM is a professional metal packaging solution provider. The Group specialises in the production and supply of tinplate and cold-rolled steel coils to the global market. KEM's production base and manufacture centre is located in the Jiangsu Province of China.

As disclosed in KEM's Annual Report for the year ended 31 December 2023, the Group had decided to conduct substantial technical transformations across all its production lines. The transformation project, involving a complete upgrade of KEM's original operational systems and production lines, launched in late 2023 and was undergoing throughout this reporting period. The transformation project required suspensions of various production lines for new replacement, testing, and productional trials. While these disruptions impacted sales and operation performance negatively in the short-term, KEM believed the technical transformations were crucial for the Group to achieve its long-term sustainability and success.

The Group reported a consolidated loss of \$6.3 million for the half-year ended 30 June 2024 (2023: a consolidated loss of \$1.8 million). Revenue for the half year ended 30 June 2024 decreased to \$68.4 million (2023: \$88.5 million) and the Group suffered a gross loss of \$3.3 million (2023: gross profit of \$0.62 million).

KEM expects the Group's productivity and profitability will be improved after the completion of the transformation project in the 2<sup>nd</sup> half of 2024.

Despite the Group was in a net liability position as at 30 June 2024, the business liquidity was considered sufficient and the financial conditions were stable. As a long-term established company, KEM has sound credit record and well recognized in the region. When required, KEM is confident that it can receive new borrowing facilities from banks and financial institutions.

**Rounding off of amounts**

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

**Auditor's Independence Declaration**

The Auditor's Independence Declaration is included on page 3 and forms part of the Directors' Report for the half year ended 30 June 2024.

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

On behalf of the Board



**Xuekun Li**  
**Director**

Perth, 13 September 2024



To the Board of Directors

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

As lead audit director for the review of the financial statements of Kemao Industries Limited and its controlled entities for the half-year ended 30 June 2024, 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



**HALL CHADWICK AUDIT (WA) PTY LTD**  
**ABN 42 163 529 682**



**NIKKI SHEN CA**  
**Director**

Dated this 13<sup>th</sup> September 2024  
Perth, Western Australia

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year ended 30 June 2024

	2024	2023
	1 January – 30 June \$000's	1 January – 30 June \$000's
Sales	68,352	88,479
Cost of sales	(71,704)	(87,858)
<b>Gross profit/(loss)</b>	<b>(3,352)</b>	<b>621</b>
<b>Other income</b>	<b>3,032</b>	<b>3,875</b>
<b>Expenditure</b>		
Administration expenses	(1,538)	(1,512)
Operating expenses	(50)	(451)
Research & development expenses	(2,145)	(2,646)
Impairment losses impairment for doubtful debt	33	(111)
Impairment losses for inventories	(1,361)	-
Finance costs	(1,003)	(773)
<b>Total expenditure</b>	<b>(6,064)</b>	<b>(5,493)</b>
<b>Profit/(loss) before income tax</b>	<b>(6,384)</b>	<b>(997)</b>
Income tax expense	-	(836)
<b>Net loss for the period</b>	<b>(6,384)</b>	<b>(1,833)</b>
<b>Other comprehensive income/(expense)</b>	<b>59</b>	<b>(16)</b>
<b>Total comprehensive expense for the period</b>	<b>(6,325)</b>	<b>(1,849)</b>
Basic and diluted loss per share attributable to the ordinary equity holders of the Company (cents per share)	(6.32)	(1.81)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Financial Position as at 30 June 2024

	Notes	30 June 2024 \$000's	31 December 2023 \$000's
<b>Current assets</b>			
Cash and cash equivalents		5,567	13,142
Trade receivables and prepayments	4	11,606	14,160
Other receivables		4,185	2,359
Inventories	5	20,046	19,435
Total current assets		41,404	49,096
<b>Non-current assets</b>			
Plant and equipment	6	6,895	6,728
Right-of-use asset	7	754	760
Construction of equipment in progress		6,014	-
Total non-current assets		13,663	7,488
<b>Total assets</b>		55,067	56,584
<b>Current liabilities</b>			
Trade and other payables		29,876	31,601
Borrowings	8	28,368	24,448
Total current liabilities		58,244	56,049
<b>Non-current liabilities</b>			
Other payables		2,806	2,072
Long-term borrowings		2,960	1,081
<b>Total Non-current liabilities</b>		5,766	3,153
<b>Total liabilities</b>		64,010	59,202
<b>Net liabilities</b>		(8,943)	(2,618)
<b>Equity</b>			
Contributed equity	9	17,144	17,144
Reserve		1,299	1,240
Accumulated losses		(27,386)	(21,002)
<b>Total equity</b>		(8,943)	(2,618)

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Changes in Equity for the Half Year ended 30 June 2024

	Contributed Equity \$000's	Reserve \$000's	Accumulated Losses \$000's	Total \$000's
Balance at 1 January 2024	17,144	1,240	(21,002)	(2,618)
Loss for the period	-	-	(6,384)	(6,384)
Exchange differences on translating foreign controlled entities	-	59	-	59
Total comprehensive income/(expense) for the period	-	59	(6,384)	(6,325)
Balance at 30 June 2024	17,144	1,299	(27,386)	(8,943)
Balance at 1 January 2023	17,144	1,187	(19,087)	(756)
Loss for the period	-	-	(1,833)	(1,833)
Exchange differences on translating foreign controlled entities	-	(16)	-	(16)
Total comprehensive expense for the period	-	(16)	(1,833)	(1,849)
Balance at 30 June 2023	17,144	1,171	(20,920)	(2,605)

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Cash Flows for the Half Year ended 30 June 2024

	2024	2023
	1 January – 30 June \$000's	1 January – 30 June \$000's
<b>Cash flows from operating activities</b>		
Receipts from customers	72,428	99,893
Payments to suppliers and employees	(78,504)	(104,579)
Interest received	55	(73)
Interest paid	(928)	(2,249)
Net cash outflow from operating activities	(6,949)	(7,008)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(6,512)	(325)
Change in term deposits	-	17
Change in bank balances for restricted use	5,304	1,130
Net cash inflow/(outflow) from investing activities	(1,208)	822
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	21,390	26,241
Repayment of borrowings	(15,713)	(22,834)
Net cash inflow from financing activities	5,677	3,407
<b>Net increase in cash and cash equivalents</b>	(2,480)	(2,779)
Effect of foreign exchange translation	135	(68)
Cash and cash equivalents at the beginning of the period	5,774	6,134
<b>Cash and cash equivalents at the end of the period</b>	<b>3,429</b>	<b>3,287</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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## Notes to the Condensed Consolidated Financial Statements for the Half Year ended 30 June 2024

### 1. Significant Accounting Policies

#### (a) Statement of compliance

The half year financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations (**Standards**) issued by the Australian Accounting Standards Board (**AASB**), in particular AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

#### (b) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year consolidated financial report are consistent with those adopted and disclosed in the Group's Annual Financial Report for the Year ended 31 December 2023, except for the impact of the Standards described below. These accounting policies are consistent with the Standards and with International Financial Reporting Standards.

#### Going Concern

The Group incurred a consolidated loss after tax for the period of \$6,384,000 (2023: a consolidated loss of \$1,833,000) and a net cash out-flow from operating activities of \$6,949,000 (2023: outflow of \$7,008,000). As at 30 June 2024, the Group was in a net liability position of \$8,943,000 (31 December 2023: net liability \$2,618,000). The ability of the Group to meet its obligations is therefore dependent on the continuous financial support from its major shareholders, viable positive business performance in the foreseeable future and its ability to extend repayment of its current borrowings as well as to secure additional funding through borrowings or capital raisings as and when required to continue to meet its working capital requirements in the next 12 months. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been approved by the Directors on a going concern basis due to the following factors:

- The Company has received confirmation from the major shareholder that he will continue to provide financial support to the Group as and when required for it to meet its obligations for the next twelve months from date of this report. It was further confirmed that he has the financial capacity to do so and that he, as the primary authorised officer to the various direct and related party loans owed by / advanced to the Group as at 30 June 2024 of a total of about A\$6.33 million has confirmed that these loans will not be demanded to be repaid until such time the Group is able to make the repayments;
- The Group has successfully repaid or renewed those short term bank borrowings which expired at the date of this report for another twelve months from its expiration. Management is confident in renewing the remaining bank borrowings which have yet to be expired. If this renewal process is unsuccessful, the major shareholder has confirmed and agreed to assist with the bank repayments when called upon;
- The Group is confident that it can obtain new borrowings when required.

At the date of this report and having considered the above factors, the Directors are confident that the Group will be able to continue operations into the foreseeable future. This half year financial report does not include adjustments relating to the recoverability and classification of the recorded assets and liabilities amounts that might be necessary should the Group not continue as going concern.

### **(c) Adoption of new and revised accounting standards**

The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, and determined that there was no material impact on its financial statements in the current reporting year.

At the date of authorisation of the Financial Statements, the Standards applicable to the Group's business listed below were in issue but not yet effective. The potential effect of the revised Standards on the Group's financial statements are deemed to be insignificant.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended), effective for annual reporting periods beginning on or after 1 January 2025;

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability, effective for annual reporting periods beginning on or after 1 January 2025;

IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual reporting periods beginning on or after 1 January 2027.

## 2. Segment Reporting

The Group identifies its operating segments based on the nature of the products and the nature of the production processes and other economic characteristics. The Group has identified a single operating segment, being the sale of electrolytic tinplate products.

The Group's revenue from external customers are categorised from two geographical regions, being mainland China and overseas.

	Sale of electrolytic tinplate products		Unallocated		Total	
	2024	2023	2024	2023	2024	2023
	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Revenue from external customers	68,352	88,479	-	-	68,352	88,479
Total segment revenue	68,352	88,479	-	-	68,352	88,479
<b>Result</b>						
Gross profit/(loss)	(3,352)	621	-	-	(3,352)	621
Other income	3,032	3,875	-	-	3,032	3,875
R & D expenses	(2,145)	(2,646)	-	-	(2,145)	(2,646)
Operating expenses	(50)	(451)	-	-	(50)	(451)
Administration costs	-	-	(1,538)	(1,512)	(1,538)	(1,512)
Impairment loss allowance on trade and other receivables	33	(111)	-	-	33	(111)
Impairment provision for inventories	(1,361)	-	-	-	(1,361)	-
Finance costs	-	-	(1,003)	(773)	(1,003)	(773)
Profit before income tax	(3,843)	1,288	(2,541)	(2,285)	(6,384)	(997)
Income tax	-	(835)	-	-	-	(835)
Profit/(loss) for the year	(3,844)	453	(2,541)	(2,285)	(6,384)	(1,832)
<b>Segment assets</b>	49,500	43,442	5,567	13,142	55,067	56,584
<b>Other segment information</b>						
Depreciation	557	588	-	13	557	592
Additions to non-current assets	6,512	312	-	-	6,512	312

### Geographical information

The Group's revenue from external customers and information about its segment assets by geographical location are detailed below:

	2024		2023		Total	
	China	Overseas	China	Overseas	2024	2023
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue	56,587	11,765	72,420	16,059	68,352	88,479
Assets	52,881	2,186	53,366	3,218	55,067	56,584



### 3. Dividends

There were no dividends paid or declared by the Company during the period.

### 4. Trade Receivables

	30 June 2024 \$000's	31 December 2023 \$000's
Trade receivables	10,875	10,347
Less: Allowance for impairment loss	(6,305)	(6,217)
	<u>4,570</u>	<u>4,130</u>
Prepayments	8,994	11,970
Less: Allowance for impairment loss	(1,958)	(1,940)
	<u>7,036</u>	<u>10,030</u>
Total	<u>11,606</u>	<u>14,160</u>

### 5. Inventories

	30 June 2024 \$000's	31 December 2023 \$000's
Raw material	4,662	7,342
Work-in-progress	4,094	2,177
Finished goods	12,651	9,916
Impairment provision for finished goods	(1,361)	-
	<u>20,046</u>	<u>19,435</u>

During the period, the Company provided \$1.36 million impairment provision against its finished goods to write down the carrying amounts of the inventories to their net realizable value (2023: nil).

Inventories with a carrying amount of \$3.1 million have been pledged as security for certain of the Group's bank borrowings.

## 6. Plant and Equipment

	30 June 2024 \$000's	31 December 2023 \$000's
<u>Building</u>		
At cost	1,326	1,313
Accumulated depreciation	(25)	(4)
Total building	1,301	1,309
<u>Plant and equipment</u>		
At cost	35,740	34,705
Accumulated depreciation	(30,163)	(29,401)
Total plant and equipment	5,577	5,304
<u>Furniture, fixture and fittings</u>		
At cost	65	65
Accumulated depreciation	(59)	(59)
Total furniture, fixture and fittings	6	6
<u>Motor Vehicles</u>		
At cost	125	231
Accumulated depreciation	(114)	(122)
Total motor vehicles	11	109
<b>Total plant and equipment</b>	<b>6,895</b>	<b>6,728</b>

	<b>Building</b>	<b>Plant and Equipment</b>	<b>Furniture, Fixture and Fittings</b>	<b>Motor Vehicles</b>	<b>Total</b>
	\$000's	\$000's	\$000's	\$000's	\$000's
Balance at 1 January 2024	1,309	5,304	6	109	6,728
Additions	-	746	-	-	746
Disposals	-	-	-	(85)	(85)
Depreciation	(22)	(523)	-	(12)	(557)
Translation difference	14	50	-	(1)	63
Balance at 30 June 2024	1,301	5,577	6	11	6,895
Balance at 1 January 2023	-	6,224	54	19	6,297
Additions	-	205	-	107	312
Reclassification	-	47	(47)	-	-
Depreciation	-	(588)	-	(4)	(592)
Translation difference	-	(107)	-	-	(107)
Balance at 30 June 2023	-	5,781	7	122	5,910

## 7. Right-of-use Asset

	30 June 2024 \$000's	31 December 2023 \$000's
Beginning balance of the period	760	809
Amortisation of the period	(13)	(27)
Translation difference	7	(22)
Ending balance of the period	754	760

## 8. Borrowings

	30 June 2024 \$000's	31 December 2023 \$000's
Borrowings – current	28,368	24,448
Borrowings – non-current	2,960	1,081
Total borrowings	31,328	25,529

All of the borrowings are denominated in RMB. Interest charged in the current period from 3.45% to 5.8% per annum (2023:4.79% to 6.50%).

As at 30 June 2024, term loans are secured by:

- machinery and equipment as disclosed in Note 6;
- inventory as disclosed in Note 5;
- guaranteed by Mr Dong Chen and his associates. Mr Chen is the Managing Director and a substantial shareholder of the Company; and
- guarantee by third parties.

## 9. Share Capital

	30 June 2024 Number 000'	31 December 2023 Number 000'	30 June 2024 000'	31 December 2023 000'
Movement of ordinary shares fully paid:				
Beginning balance	101,000	101,000	17,144	17,144
Ending balance:	101,000	101,000	17,144	17,144

## 10. Related Party Transactions

- (a) The Group's main related parties are subsidiaries within the group, directors, directors' close family members and companies controlled by directors.

- (b) Balances and transactions with related parties

As at 30 June 2024 the Group had total loan and other payable of \$2.76 million owing to Mr Chuandu Chen, a close family member of Mr Dong Chen.

As at 30 June 2024 the Group had a payable of \$239,000 owing to Mr Dong Chen and receivable of \$208,000 due from Mr Dong Chen;

At 30 June 2024, the Group had payables of \$1.66 million from Jiangyin Fumao Textile Chemical Fibre Co., Limited, a company controlled by Mr Dong Chen and his close family members.

At 30 June 2024, the Group had other payables of \$1.67 million to Jiangyin Jingtian Shengshi Import & Export Trading Limited Company.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred and balances with related parties:

	<b>Sales</b> <b>000's</b> <b>\$</b>	<b>Purchases</b> <b>000's</b> <b>\$</b>	<b>Advances</b> <b>to/(from)</b> <b>000's</b> <b>\$</b>
For the half-year ended 30 June 2024:			
Jiangyin Fumao Textile Chemical Fibre Co., Limited	-	-	(119)
Jiangyin Jingtian Shengshi Import & Export Trading Limited Company	-	-	-
Mr Dong Chen and his close family members	-	-	(135)
For the half-year ended 30 June 2023:			
Jiangyin Fumao Textile Chemical Fibre Co., Limited	-	-	(294)
Jiangyin Jingtian Shengshi Import & Export Trading Limited Company	-	-	(11)
Mr Dong Chen and his close family members	-	-	(40)

## 11. Subsequent Events

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group and the results of those operations on the state of the affairs of the Group in the financial period subsequent to 30 June 2024.

## Directors' Declaration

The directors declare that:

- ✦ In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- ✦ In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the entity.

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

On behalf of the Board



**Xuekun Li**  
**Director**

Perth, 13 September 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF KEMAO INDUSTRIES LIMITED AND ITS CONTROLLED ENTITIES

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Kemao Industries Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Emphasis of Matter – Going Concern

We draw attention to Note 1(b) of the half-year financial report, which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

#### Directors' Responsibility 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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2024 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting

and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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 other 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.

## Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



**HALL CHADWICK AUDIT (WA) PTY LTD**  
**ABN 42 163 529 682**



**NIKKI SHEN CA**  
**Director**

Dated this 13<sup>th</sup> September 2024  
Perth, Western Australia