



**PRELIMINARY FINAL REPORT OF  
VITA LIFE SCIENCES LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020**

This Preliminary Final Report is provided to the Australian Securities Exchange (“ASX”) under ASX Listing Rule 4.3A

**Current Reporting Period:**

Financial Year Ended 31 December 2020

**Previous Corresponding Period:**

Financial Year Ended 31 December 2019

**Vita Life Sciences Limited and its Controlled Entities  
ABN 35 003 190 421**

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# Name of Entity: Vita Life Sciences Limited

ABN: 35 003 190 421

## Results for announcement to the market

		Percentage Change %	2020 \$'000
Revenue	up	9.5	46,481
Profit from continuing operations before tax and finance costs	up	83.0	8,131
Profit before income tax	up	84.2	8,158
Net profit after tax	up	89.5	5,862
Net profit attributable to members	up	94.3	6,094

  

Dividends (distributions)		Franked amount per security
Interim dividend per share	1.5 cents	1.5 cents
Final dividend per share	2.75 cents	2.75 cents

Ex-Dividend date for the purpose of receiving the dividend

19-Mar-2021

Record date for determining entitlements to dividend

22-Mar-2021

Payment date

7-Apr-2021

The Company's dividend reinvestment plan remains suspended, and as such does not apply to the final dividend.

# Commentary on Results

Brief explanation of any of the figures above necessary to enable the figures to be understood

Key Financial Measures \$'000	2020	2019	Change
<b>Revenue and Profitability</b>			
Revenue	46,481	42,452	9.5% ↑
EBIT	8,131	4,443	83.0% ↑
Net profit after tax	5,862	3,094	89.5% ↑
EPS (cents)	11.58	5.73	102.1% ↑
Dividends declared (cents)	4.25	3.75	13.3% ↑
<b>Cashflow and Capital Management</b>			
Operating cashflow before interest and tax	9,196	3,874	237.4% ↑
Gross operating cashflow/ EBITDA	105%	77%	

## Review of Business Operations

The VLS Group generated record revenues of \$46.5m, up 9.5% on previous corresponding period (PCP). Net profit after tax was at \$5.9m, up 89.5% compared to the PCP.

2020 trading conditions were impacted by Covid-19 with the impact, initially, delivering increased demand for immunity and health support products particularly in key markets Australia, Malaysia and China, however over time, traditional selling channels in several overseas markets, were adversely impacted, reducing some of the initial gains. On balance, revenue growth from the Group's core markets remained strong.

In conjunction with the initial Covid-19 uncertainties, management deployed a deliberate strategy to reduce normalised advertising and marketing investments of approximately \$2m. This combined with government subsidies, increased EBIT to \$8.1m.

A summary of the key results for the main operating markets are detailed below.

## Divisional Results

### Australia

Revenue from the Australian business achieved a record result of \$20.8m (2019: \$16.7m).

Revenue from both the Health food and Pharmacy channels performed strongly on the back of higher consumer demand for complementary medicine products.

Revenue contributions from our export partner in mainland China for the Herbs of Gold Brand are very encouraging. Increased brand awareness on all major e-commerce platforms provided an increase in demand from Chinese consumers.

In conjunction with initial Covid-19 uncertainty, management reduced its advertising and promotional investments of approximately \$1m, resulting in a higher EBIT.

### Malaysia and Singapore

The Malaysian business generated favourable growth in 2020, with revenue of \$16.9m (2019: \$15.5m). The Malaysian business was favourably influenced by sales growth of both Vitahealth and Herbs of Gold brands.

In conjunction with initial Covid-19 uncertainty, management reduced its advertising and promotional investments of approximately \$0.5m, resulting in a higher EBIT.

Singapore generated revenue of \$4.9m (2019: \$5.9m) The Singaporean market performance was negatively impacted by Covid-19. A significant number of retail stores were temporarily closed in line with Government orders and therefore reducing revenue contributions. Retailing conditions remains challenging and is likely to continue in the short term within this market.

### Other Asia

Revenue from the Group's other markets, Vietnam, Thailand, Indonesia declined marginally to \$3.9m (2019: \$4.3m). Lower sales were reported in Vietnam and Thailand following the ongoing pandemic with marginal growth reported in Indonesia. In late 2020, the Thailand business was restructured with a new distributor appointed.

# Consolidated Statement of Comprehensive Income

For the year ended 31 December	Notes	Consolidated	
		2020 \$'000	2019 \$'000
<b>CONTINUING OPERATIONS</b>			
Sale of goods		46,481	42,452
Cost of sales		(17,209)	(14,555)
<b>Gross profit</b>		<b>29,272</b>	<b>27,897</b>
Other income	3 (a)	587	30
Distribution expenses		(3,962)	(3,933)
Marketing expenses		(2,201)	(3,442)
Occupancy expenses		(575)	(854)
Administrative expenses	3 (b)	(14,662)	(15,204)
Other expenses	3 (c)	(328)	(357)
Gain on disposal of investments	4	-	280
Share of associate's profit		-	26
<b>Profit from continuing operations before interest and taxes</b>		<b>8,131</b>	<b>4,443</b>
Finance income	3 (d)	192	131
Finance costs	3 (e)	(165)	(146)
<b>Profit before income tax</b>		<b>8,158</b>	<b>4,428</b>
Income tax expense	6	(2,296)	(1,334)
<b>Net profit for the year</b>		<b>5,862</b>	<b>3,094</b>
<b>Other comprehensive income after income tax</b>			
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Exchange differences on translating foreign controlled entities		(1,416)	498
Other comprehensive income for the year, net of income tax		(1,416)	498
<b>Total comprehensive income for the year</b>		<b>4,446</b>	<b>3,592</b>
Net profit/ (loss) for the year attributable to:			
Non-controlling interest		(232)	(42)
Members of the parent		6,094	3,136
		<b>5,862</b>	<b>3,094</b>
Total comprehensive income attributable to:			
Non-controlling interest		(232)	(42)
Members of the parent		4,678	3,634
		<b>4,446</b>	<b>3,592</b>
<b>Earnings per share (cents per share)</b>			
- basic earnings per share	5	11.58	5.73
- diluted earnings per share	5	11.58	5.73

The accompanying notes should be read in conjunction with the above Statement of Comprehensive Income

# Consolidated Statement of Financial Position

As at 31 December	Notes	Consolidated	
		2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	14,477	10,478
Trade and other receivables	8	6,942	7,760
Inventories	9	7,127	6,838
Other assets	10	645	684
<b>Total Current Assets</b>		<b>29,191</b>	<b>25,760</b>
<b>Non Current Assets</b>			
Property, plant and equipment	11	8,372	9,139
Intangible assets	12	12	12
Deferred tax assets	6 (c)	1,529	1,602
<b>Total Non Current Assets</b>		<b>9,913</b>	<b>10,753</b>
<b>Total Assets</b>		<b>39,104</b>	<b>36,513</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	6,216	5,669
Interest bearing loans and borrowings	13	343	364
Current tax liability		894	277
Employee entitlements	14	1,286	951
Contract return liability	15	4,025	4,575
Lease liability	16	274	280
<b>Total Current Liabilities</b>		<b>13,038</b>	<b>12,116</b>
<b>Non Current Liabilities</b>			
Deferred Tax Liability	6 (c)	70	75
Interest bearing loans and borrowings	13	1,161	1,401
Employee entitlements	14	98	83
Lease liability	16	294	304
<b>Total Non Current Liabilities</b>		<b>1,623</b>	<b>1,863</b>
<b>Total Liabilities</b>		<b>14,661</b>	<b>13,979</b>
<b>Net Assets</b>		<b>24,443</b>	<b>22,534</b>
<b>EQUITY</b>			
Contributed equity	17	41,593	42,249
Accumulated losses		(17,925)	(22,046)
Employee share based payments reserve		714	622
Share options reserve		992	992
Revaluation Reserve		325	325
Foreign currency translation reserve		(978)	457
<b>Parent entity interest</b>		<b>24,721</b>	<b>22,599</b>
Non-controlling interest		(278)	(65)
<b>Total Equity</b>		<b>24,443</b>	<b>22,534</b>

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

# Consolidated Statement of Cash Flows

For the year ended 31 December	Notes	Consolidated	
		2020 \$'000	2019 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		50,258	45,115
Payments to suppliers and employees		(41,062)	(41,241)
Income tax paid		(1,679)	(1,831)
Interest received		192	131
Borrowing costs		(165)	(146)
<b>Net cash flows provided by operating activities</b>	7(d)	<b>7,544</b>	<b>2,028</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(89)	(54)
<b>Net cash flows used in investing activities</b>		<b>(89)</b>	<b>(54)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of external borrowings and leasing		(402)	(577)
Dividends Paid		(1,973)	(2,017)
Shares bought back (net of costs)		(656)	(145)
<b>Net cash flows used in financing activities</b>		<b>(3,031)</b>	<b>(2,739)</b>
Net increase in cash and cash equivalents		4,424	(765)
Net foreign exchange differences		(425)	302
Cash and cash equivalents at beginning of the year		10,478	10,941
<b>Cash and cash equivalents at end of the year</b>	7	<b>14,477</b>	<b>10,478</b>

## Reconciliation of liabilities arising from financing activities

	Notes	2020 \$'000	Cashflows \$'000	Non-cash changes Foreign exchange movement \$'000	2019 \$'000
Interest bearing loans and borrowings	13	1,504	(119)	(142)	1,765

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

# Consolidated Statement of Changes in Equity

	Contributed Equity	Employee Share Based Payments Reserve	Share Options Reserve	Revaluation Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Attributable to Equity Holders of Parent	Non- controlling Interest	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2020</b>	42,249	622	992	325	(22,046)	457	22,599	(65)	<b>22,534</b>
<b>Comprehensive income</b>									
Profit attributable to members of parent entity	-	-	-	-	6,094	-	6,094	(232)	<b>5,862</b>
Other comprehensive income for the year	-	-	-	-	-	(1,435)	(1,435)	19	<b>(1,416)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,094</b>	<b>(1,435)</b>	<b>4,659</b>	<b>(213)</b>	<b>4,446</b>
<b>Transactions with owners, in their capacity as owners</b>									
Shares bought back	(656)	-	-	-	-	-	(656)	-	<b>(656)</b>
Employee share based expense	-	92	-	-	-	-	92	-	<b>92</b>
Dividends paid	17(e)	-	-	-	(1,973)	-	(1,973)	-	<b>(1,973)</b>
<b>Total transactions with owners</b>	<b>(656)</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>(1,973)</b>	<b>-</b>	<b>(2,537)</b>	<b>-</b>	<b>(2,537)</b>
<b>Balance at 31 December 2020</b>	<b>41,593</b>	<b>714</b>	<b>992</b>	<b>325</b>	<b>(17,925)</b>	<b>(978)</b>	<b>24,721</b>	<b>(278)</b>	<b>24,443</b>

The accompanying notes should be read in conjunction with the above Statement of Changes In Equity

## Consolidated Statement of Changes in Equity (continued)

		Contributed Equity	Employee Share Based Payments Reserve	Share Options Reserve	Revaluation Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Attributable to Equity Holders of Parent	Non- controlling Interest	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2019</b>		43,742	570	992	325	(23,243)	(11)	22,375	32	<b>22,407</b>
Impact of changes in accounting standard		-	-	-	-	77	(32)	45	(54)	<b>(9)</b>
<b>Adjusted Balance at 1 January 2019</b>		43,742	570	992	325	(23,166)	(43)	22,420	(22)	<b>22,398</b>
<b>Comprehensive income</b>										
Profit attributable to members of parent entity		-	-	-	-	3,137	-	3,137	(42)	<b>3,095</b>
Other comprehensive income for the year		-	-	-	-	-	500	500	(1)	<b>499</b>
<b>Total comprehensive income for the year</b>		-	-	-	-	3,137	500	3,637	(43)	<b>3,594</b>
<b>Transactions with owners, in their capacity as owners</b>										
Equal Reduction in capital		(1,348)	-	-	-	-	-	(1,348)	-	<b>(1,348)</b>
Shares bought back		(145)	-	-	-	-	-	(145)	-	<b>(145)</b>
Employee share based expense		-	52	-	-	-	-	52	-	<b>52</b>
Dividends paid	17(e)	-	-	-	-	(2,017)	-	(2,017)	-	<b>(2,017)</b>
<b>Total transactions with owners</b>		<b>(1,493)</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>(2,017)</b>	<b>-</b>	<b>(3,458)</b>	<b>-</b>	<b>(3,458)</b>
<b>Balance at 31 December 2019</b>		<b>42,249</b>	<b>622</b>	<b>992</b>	<b>325</b>	<b>(22,046)</b>	<b>457</b>	<b>22,599</b>	<b>(65)</b>	<b>22,534</b>

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

# Notes to the Financial Statements

For the Year Ended 31 December 2020

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### (b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

### (c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Vita Life Sciences Limited and its subsidiaries ("the Group") as at 31 December 2020. Interests in associates are equity accounted and are not part of the consolidated Group.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has the right 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 consolidated entity. They are de-consolidated from the date that control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Vita Life Sciences Limited are accounted for at cost in the separate financial statements of the parent entity.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Minority interests represent the interests in Vita Life Sciences (Thailand) Co. Ltd and Vitahealth (Thailand) Co. Ltd not held by the Group. Minority interests are allocated their share of net profit or loss after tax in the statement of comprehensive income and are presented within Equity in the consolidated statement of financial position, separately from the parent shareholders' equity.

Operating segments are presented using the "management approach" where information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 1 Summary of Significant Accounting Policies (continued)

### (d) Foreign currency translation

#### (i) Functional and presentation currency

Both the functional and presentation currency of Vita Life and its Australian subsidiaries are in Australian dollars (\$).

The functional currency of the main operating overseas subsidiaries Vita Healthcare Asia Pacific Sdn Bhd, VitaHealth Malaysia Sdn Bhd, Herbs of Gold Sdn Bhd, Vita Life Sciences Sdn Bhd and Pharma Direct Sdn Bhd are Malaysian Ringgit (RM), whilst Vitahealth IP Pte Ltd, VitaHealth Asia Pacific (S) Pte Ltd, Herbs of Gold (Singapore) Pte Ltd and Vita Corporation Pte Limited are Singapore Dollars (SGD), Herbs of Gold (Shanghai) Company Ltd is Chinese Renminbi (RMB), PT Vita Health Indonesia is Indonesian Rupiah (IDR), Vita Health (Thailand) Co Ltd and Vita Life Sciences (Thailand) Co Ltd are Thai Baht (THB) and Vita Health (Vietnam) Company Limited is Vietnamese Dong (VND).

#### (ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the statement of comprehensive income.

### (e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### (f) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment using the expected credit losses model.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. The consolidated entity 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.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 1 Summary of Significant Accounting Policies (continued)

### (g) Inventory

Inventories including raw materials are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated selling costs.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Raw materials – purchase cost on a first-in, first-out basis.

Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

### (h) Property, plant and equipment

Land and building are initially recognised at costs and was previously measured at cost less accumulated depreciation and impairment losses. Land and building are measured at fair value and restated at its revalued amount. An independent professional valuer is appointed to determine the fair value of the land and building. Increases in carrying amount are recognised in the asset revaluation reserve, unless they offset previous decreases in the carrying amount of the same asset, in which case they are taken to profit or loss in the statement of comprehensive income. Decreases in carrying amounts that offset previous increases of the same asset are recognised against the asset revaluation reserve. All other decreases in carrying amounts are recognised as a loss in the statement of comprehensive income.

All other plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

#### Depreciation

The depreciable amounts of all fixed assets except for right-of-use assets, including capitalised lease assets are depreciated on a straight-line basis over the estimated useful lives. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	<b><u>Rate</u></b>	<b><u>Method</u></b>
Buildings	2%	Straight-line method
Plant and equipment	10-33%	Straight-line method
Leasehold Improvements	20-50%	Straight-line method
Motor Vehicles	20-50%	Straight-line method

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognised.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 1 Summary of Significant Accounting Policies (continued)

### (h) Property, plant and equipment (continued)

#### 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.

### (i) Intangibles

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at that cash-generating unit level consistent with the methodology outlined for goodwill above. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on prospective basis.

A summary of the policies applied to the Group's intangible asset is as follows:

<b>Useful lives</b>	<b><u>Development costs</u></b> Finite
<b>Method used</b>	3 years – Straight line
<b>Internally generated/ Acquired</b>	Internally generated
<b>Impairment test / Recoverable amount testing</b>	Amortisation method reviewed at each financial year-end annually for indicator of impairment

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 1 Summary of Significant Accounting Policies (continued)

### (i) Intangibles (continued)

#### Impairment of non-financial assets other than goodwill

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

### (j) Trade and other payables and, Contract Return Liability

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade payables are normally settled within 30 to 90 days.

#### Contract Return Liability

Contract return liability is recognised where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A contract return liability is measured at the amount of consideration received or receivable for which the consolidated entity does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product range to estimate such returns at the time of sale based on an expected value methodology.

### (k) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### Borrowing costs

Borrowing costs are recognised as an expense when incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

### (l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 1 Summary of Significant Accounting Policies (continued)

### (m) Employee entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled plus related on-costs. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses and revenues arising in respect of wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits; and other types of employee benefits are recognised against profits on a net basis in their respective categories.

### (n) Leases

#### *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 entity's or 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.

### (o) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the gross proceeds.

### (p) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### *Sale of goods*

The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. However, the amount of revenue to be recognised was affected by variable consideration i.e. transaction price.

Contractual terms and geographical business practice provide retail customers with a right of return of goods up to the point at which they about to expire or have expired. The right of return gives rise to variable consideration which is required to be reflected in the revenue recognised in the period. Revenue should be constrained until such time that any uncertainty in the amount to be recognised is resolved. Revenue recognised by the Group is required to reflect the right of return in its expectation for consideration to be received for a sale.

#### *Interest*

Revenue is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 1 Summary of Significant Accounting Policies (continued)

### (q) Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from 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 the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from 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 the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

#### **Tax consolidation**

The Company is the head entity of the tax consolidated group comprising all the Australian wholly owned subsidiaries. The implementation date for the tax consolidated group was 30 June 2003.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using a "stand-alone basis without adjusting for intercompany transactions" approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under consolidation.

Any current tax Australian liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax consolidated group. Any difference between these amounts is recognised by the head entity as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 1 Summary of Significant Accounting Policies (continued)

### (r) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST") (or its equivalent in non-Australian tax jurisdictions) except:

- where the GST incurred is not recoverable from the Australian Taxation Office ("ATO") or similar tax authorities outside Australia, and is therefore recognised as part of the asset's cost or as part of the expense item.
- Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position. Cash flows are presented in the Statement of Cash Flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to the taxation authority are classified as operating cash flows.

### (s) Financial instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

#### **De-recognition of financial instruments**

##### **Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

##### **Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 1 Summary of Significant Accounting Policies (continued)

### (s) Financial instruments (continued)

#### *Financial assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

#### *Financial assets carried at cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

### (t) Earnings per share

#### *Basic earnings per share*

Basic earnings per share is determined by dividing the net profit/(loss) after income tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### *Diluted earnings per share*

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (u) Share-based payment transactions

#### *(i) Equity settled transactions:*

The Group provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of the equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of Vita Life Sciences Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 1 Summary of Significant Accounting Policies (continued)

### (u) Share-based payment transactions (continued)

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

- (i) the grant date fair value of the award;
- (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- (iii) the expired portion of the vesting period.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards are vested than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### (v) New and Amended Accounting Standards and Interpretations Adopted by the Group

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

#### Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

### (w) New Accounting Standards and Interpretations for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2020. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## (x) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

### ***Sale of goods***

When recognising revenue in relation to sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

### ***Contract Return Liability***

The contract return liability requires a degree of estimation and judgement. It is measured based on projected historical data across market/ product range to estimate such returns at the time of sale based on an expected value methodology.

### ***Allowance for expected credit losses***

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for customer. These assumptions include recent sales experience and historical collection rates.

### ***Taxation***

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the consolidated statement of comprehensive income.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

**(x) Significant accounting judgements, estimates and assumptions (continued)**

***Share-based payment transactions***

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The Group measures the cost of share-based payments at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted.

***Estimation of useful lives of assets***

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

***Inventory obsolescence***

Inventories are stated at the lower of cost and net realisable value. The Directors assess slow moving or obsolete inventory on a regular basis and a provision is raised to write down inventory to net realisable value as described in Note 1 (g).

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 2 Segment Information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. As the Board monitors business activity by each country the Group operates in, management has determined the Geographic Segment report to be of primary interest to users of this financial report.

### Geographical segments

The consolidated entity operates in the regions identified as Australia, Singapore, Malaysia and others.

The following tables present revenue and profit information and certain asset and liability information regarding geographical segments for the years ended 31 December 2020 and 31 December 2019.

	Australia \$'000	Singapore \$'000	Malaysia \$'000	Others \$'000	Corporate \$'000	Total \$'000
<b>Year ended 31 December 2020</b>						
<b>Revenue</b>						
Sales to external customers	20,779	4,884	16,864	3,954	-	46,481
Total segment revenue	20,779	4,884	16,864	3,954	-	46,481
<b>Segment results</b>						
Earnings before interest and tax	3,528	850	4,306	(224)	(329)	8,131
Net interest	14	(31)	(2)	46	-	27
Profit before income tax						8,158
Income tax expense						(2,296)
<b>Net profit for the year</b>						<b>5,862</b>
<b>Assets and liabilities</b>						
Segment assets	11,955	5,011	19,351	2,336	451	39,104
Total assets						39,104
Segment liabilities	5,262	2,493	6,140	325	441	14,661
Total liabilities						14,661
<b>Other segment information</b>						
Capital expenditure	(245)	-	(38)	(154)	-	(437)
Depreciation	(118)	(123)	(170)	(134)	-	(545)
Amortisation	-	-	-	(8)	-	(8)

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 2 Segment Information (continued)

	Australia \$'000	Singapore \$'000	Malaysia \$'000	Others \$'000	Corporate \$'000	Total \$'000
<b>Year ended 31 December 2019</b>						
<b>Revenue</b>						
Sales to external customers	16,662	5,911	15,547	4,332	-	42,452
Total segment revenue	16,662	5,911	15,547	4,332	-	42,452
<b>Segment results</b>						
Earnings before interest and tax	1,342	551	2,724	(164)	(36)	4,417
Net interest	16	(13)	(39)	21	-	(15)
Share of profit of associates	-	-	-	26	-	26
Profit before income tax						4,428
Income tax expense						(1,334)
<b>Net profit for the year</b>						3,094
<b>Assets and liabilities</b>						
Segment assets	10,553	5,038	18,535	2,350	37	36,513
Total assets						36,513
Segment liabilities	3,604	3,120	6,493	380	382	13,979
Total liabilities						13,979
<b>Other segment information</b>						
Capital expenditure	(24)	(361)	(59)	(135)	-	(579)
Depreciation	(115)	(63)	(195)	(136)	-	(509)
Amortisation	-	-	(69)	(3)	-	(72)

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 3 Revenue and Expenses

	CONSOLIDATED	
	2020 \$'000	2019 \$'000
<b>(a) Other income</b>		
Realised gain on foreign exchange	12	-
Unrealised loss on foreign exchange	(70)	(6)
Other income	645	36
	<b>587</b>	<b>30</b>
<b>(b) Administrative expenses</b>		
Legal and other professional fees	(383)	(546)
Consultants	(265)	(244)
Allowance for impairment loss	(24)	5
Wages, salaries and other employee expenses	(11,606)	(11,786)
Defined contribution superannuation expense	(1,082)	(1,076)
Travelling expenses	(124)	(338)
Share based payment expense	(92)	(52)
Depreciation	(545)	(532)
Amortisation	(8)	(72)
Other administrative expenses	(533)	(563)
	<b>(14,662)</b>	<b>(15,204)</b>
<b>(c) Other expenses</b>		
Product registration costs	(327)	(357)
Loss on disposal of property, plant and equipment	(1)	-
	<b>(328)</b>	<b>(357)</b>
<b>(d) Finance income</b>		
Interest received - external parties	192	131
	<b>192</b>	<b>131</b>
<b>(e) Finance expenses</b>		
Interest expense - external parties	(128)	(112)
Bank charges	(37)	(34)
	<b>(165)</b>	<b>(146)</b>

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 4 Equal Reduction of Capital

At the Company's Annual General Meeting on 31 May 2019 shareholders approved:

- the transfer of its shares and assets in Mitre Focus (owned by its subsidiary Lovin Pharma Ltd) to another wholly-owned subsidiary at the date of the transaction being completed, Macarthur National Ltd (MNL); and
- a pro-rata in specie distribution of all the shares of MNL to all shareholders of the Company registered as at the Spinoff Record date and simultaneously effected a reduction in the issued share capital of the Company, without cancelling any shares, by an amount equal to the fair value of the total issued capital of MNL.

These transactions were completed on 12 June 2019 with shareholders receiving 1 new MNL shares for every 10 shares held in the Company.

The fair value of the shares and assets of Mitre Focus at the Spin off Record Date was determined by the Directors of the Company at \$1.348 million or \$0.25 per MNL share. This amount is treated as a reduction both in the value of the share capital (without reducing the number of shares) of the Company and the assets of the Company, represented by an investment in an associate. The distribution resulted in a gain as stated below.

The gain from the equal reduction of capital/ distribution is as follows:

	\$'000
Fair value of Mitre Focus at spinoff date	1,348
Carrying amount of Mitre Focus at spinoff date	<u>(1,068)</u>
Net gain before income tax	280
Income tax expense	<u>(84)</u>
Gain after income tax	<u>196</u>

As MNL was a wholly-owned subsidiary of the Company prior to the Spinoff and shares common directors before and after the Spinoff, at the date of this report, MNL is considered a related party for purposes of disclosure.

## 5 Earnings per share

Earnings per share (cents per share)	2020	2019
- basic earnings per share	11.58	5.73
- diluted earnings per share	11.58	5.73

### (a) Earnings used in calculating earnings per share

	2020 \$'000	2019 \$'000
Net profit attributable to equity holders from continuing operations	5,862	3,094
Loss attributable to non-controlling interest	232	42
Earnings used to calculate basic and dilutive earnings per share	<u>6,094</u>	<u>3,136</u>

### (b) Weighted average number of shares

	2020 Number	2019 Number
Weighted average number of ordinary shares for basic earnings per share	52,612,612	54,764,409
Adjusted weighted average number of ordinary shares for diluted earnings per share. Plan shares were not classified as dilutive for purposes of this calculation as they are not exercisable.	52,612,612	54,764,409

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 6 Income Taxes

### (a) Income Tax Expense

	2020 \$'000	2019 \$'000
The major components of income tax expense are:		
<b>Income Statements:</b>		
<i>Current income tax</i>		
Current income tax charge	2,458	1,514
Prior year under / (over) provision	(138)	237
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	(24)	(417)
Income tax expense reported in the income statement	<b>2,296</b>	1,334

### (b) A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	2020 \$'000	2019 \$'000
Total accounting profit before income tax	8,158	4,428
At the parent entity's statutory income tax rate of 27.5% (2019: 27.5%)	2,243	1,218
Adjustment in respect of current income tax of previous year	(138)	236
Foreign tax rate adjustment	(233)	(289)
Share based payments	(25)	(14)
Other expenditure not allowable for income tax purposes	104	402
Deferred tax asset recognised during financial year	(24)	(417)
Tax losses and timing differences not brought to account	369	198
<b>Aggregate income taxes</b>	<b>2,296</b>	1,334
The applicable weighted tax rates are as follows:	28%	30%

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 6. Income Taxes (continued)

(c) Deferred income taxes at 31 December relates to the following:

	2020 \$'000	2019 \$'000
<b>Deferred tax assets/ (liabilities)</b>		
Doubtful debts	129	129
Provision for sales returns/ stock obsolescence	805	1,029
Provision for annual leave	83	66
Provision for long service leave	95	23
Other provision	347	280
<b>Net deferred tax assets/ (liabilities)</b>	<b>1,459</b>	<b>1,527</b>
<i>Presented in the consolidated Statement of Financial Position as follows:</i>		
Deferred tax assets	1,529	1,602
Deferred tax liabilities	(70)	(75)
	<b>1,459</b>	<b>1,527</b>

### (d) Tax losses

The Group has carry forward tax losses of SGD \$16.2million (A\$15.9m) (2019: SGD \$16.7 million (A\$17.3m)) held within a wholly owned subsidiary, for which no deferred tax asset is brought to account. These losses are available indefinitely for offset against taxable income of the companies in which those losses arose subject to the meeting of the conditions required under the shareholders' continuity test. The benefit of these tax losses has not been brought to account as the probable recognition criteria has not been satisfied. Were these tax losses to be recognised, it would result in a deferred tax asset at the Singaporean company tax rate of 17%.

### (e) Tax consolidation

(i) *Members of the tax consolidated group and the tax sharing agreement*

The Company is the head entity of the tax consolidated group comprising all the Australian wholly owned subsidiaries. The implementation date for the tax consolidated group was for the tax period ended 30 June 2003. Members of the group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

(ii) *Tax effect accounting by members of the tax consolidated group*

#### Measurement method adopted

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. Current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

The current and deferred tax amounts of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using a "Stand-Alone Taxpayer" approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under consolidation.

Any current tax Australian liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax consolidated group and are recognised as amounts receivable from (payable to) other entities in the tax consolidated group. Any difference between these amounts is recognised by the head entity as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 6 Income Taxes (continued)

### Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement, which sets out the funding obligations of members of the tax consolidated group. Payments required to / (from) head entity are equal to the current tax liability / (assets) assumed from the members of the tax consolidated group. The inter-entity receivable (payable) is at call.

### Tax consolidation contributions / (distributions)

The Company has recognised the following amount as tax-consolidation contribution adjustment:

	2020 \$'000	2019 \$'000
Total increase in intercompany receivable of Vita Life Sciences Limited	1,143	468

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 7 Cash and cash equivalents

	2020 \$'000	2019 \$'000
Cash at bank and in hand (a)	10,095	8,370
Short term deposit (b)	4,382	2,108
<b>Total cash and cash equivalents</b>	<b>14,477</b>	<b>10,478</b>

(a) Cash at bank of \$10,095,000 (2019: \$8,370,000) earns interest at floating rates based on daily bank deposit rates.

(b) Short term deposit earns interest at the respective short-term deposit rates.

(c) The fair value of cash equivalents for the Group is as stated above.

### (d) Reconciliation of net profit after tax to net cash flows from operations

	2020 \$'000	2019 \$'000
<b>Net profit after tax</b>	5,862	3,094
<b>Adjustments for non-cash income and expense items:</b>		
Depreciation and Fair value adjustment	545	532
Amortisation	8	72
Shared based expense	92	52
Reversal of impairment loss	24	(5)
Gain on disposal of investments	-	(280)
	<b>6,531</b>	<b>3,465</b>
<b>Increase/decrease in assets and liabilities:</b>		
Increase in inventories	(289)	(707)
Increase in investment in associates	-	(26)
Increase in receivables	793	(662)
Increase in other assets	39	(52)
Decrease in deferred tax balances	68	(434)
Decrease in current income tax payable	617	(206)
Increase in trade and other payables	546	524
(Decrease)/ Increase in other liabilities	(200)	72
Effect of foreign exchange translation of assets and liabilities	(561)	54
<b>Net cash provided by operating activities</b>	<b>7,544</b>	<b>2,028</b>

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 8 Trade and other receivables

	2020 \$'000	2019 \$'000
<b>Current</b>		
Trade receivables, third parties	6,532	7,212
Allowance for expected credit loss	(39)	(15)
	6,493	7,197
Other receivables:		
Other receivables (b)	434	542
Net tax receivable	15	21
	<b>6,942</b>	<b>7,760</b>

(a) Other receivables are non-interest bearing and have repayment terms between 30 to 90 days. It is expected that these other balances will be received when due.

(b) Fair value

The carrying value for trade and other receivables is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables.

## 9 Inventories

	2020 \$'000	2019 \$'000
<b>Current</b>		
Raw materials at cost	1,692	2,531
Finished goods at lower of cost and net realisable value	5,929	4,795
Less: Provision for stock obsolescence	(494)	(488)
	<b>7,127</b>	<b>6,838</b>

## 10 Other assets

	2020 \$'000	2019 \$'000
<b>Current</b>		
Prepayments	391	421
Security deposits	254	263
	<b>645</b>	<b>684</b>

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 11 Property, plant and equipment

	Land and Building \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Leased Plant and Equipment \$'000	Right of Use-Building \$'000	Right of Use-Plant and Equipment \$'000	Total \$'000
<b>Year ended 31 December 2020</b>							
At 1 January 2020 net of accumulated depreciation and impairment	7,949	14	607	6	491	72	9,139
Additions	-	5	93	15	322	2	437
Disposals	-	-	-	-	(24)	-	(24)
Depreciation / amortisation for the year	(72)	(10)	(153)	(5)	(281)	(24)	(545)
Exchange differences	(568)	-	(38)	(1)	(25)	(3)	(635)
At 31 December 2020 net of accumulated depreciation, adjustments and impairment	<b>7,309</b>	<b>9</b>	<b>509</b>	<b>15</b>	<b>483</b>	<b>47</b>	<b>8,372</b>
<b>At 31 December 2020</b>							
Cost/ revalued	7,677	118	2,000	175	888	111	10,969
Accumulated depreciation and impairment	(368)	(109)	(1,491)	(160)	(405)	(64)	(2,597)
<b>Net carrying amount</b>	<b>7,309</b>	<b>9</b>	<b>509</b>	<b>15</b>	<b>483</b>	<b>47</b>	<b>8,372</b>

The Group leases office premises and warehouse facilities under various agreements of between two and three years and, in some cases with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases equipment under agreements of between three and five years.

### (a) Fair Value Measurement

In December 2018, the Company engaged a professional independent valuer, to determine the fair value of its land and building, which was based on recent transactions for similar assets within the same location. The directors do not believe that there has been a material movement in the fair value since the valuation date. The directors consider the fair value of the land and buildings to be materially correct at year-end.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 11 Property, plant and equipment (Continued)

	Land and Building \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Leased Plant and Equipment \$'000	Right of Use-Building \$'000	Right of Use-Plant and Equipment \$'000	Total \$'000
<b>Year ended 31 December 2019</b>							
At 1 January 2019 net of accumulated depreciation and impairment	7,882	14	735	11	-	-	8,642
Adjustments due to AASB 16	-	-	-	-	240	58	298
Additions	-	10	44	-	489	36	579
Depreciation / amortisation for the year	(73)	(10)	(183)	(5)	(238)	(23)	(532)
Exchange differences	140	-	11	-	-	1	152
At 31 December 2019 net of accumulated depreciation, adjustments and impairment	<b>7,949</b>	<b>14</b>	<b>607</b>	<b>6</b>	<b>491</b>	<b>72</b>	<b>9,139</b>
<b>At 31 December 2019</b>							
Cost/ revalued	<b>8,273</b>	<b>122</b>	<b>2,251</b>	<b>166</b>	<b>844</b>	<b>115</b>	<b>11,771</b>
Accumulated depreciation and impairment	(324)	(108)	(1,644)	(160)	(353)	(43)	(2,632)
<b>Net carrying amount</b>	<b>7,949</b>	<b>14</b>	<b>607</b>	<b>6</b>	<b>491</b>	<b>72</b>	<b>9,139</b>

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 12 Trade and other payables

	2020 \$'000	2019 \$'000
<b>Current</b>		
Trade payables (a)	3,088	2,526
Net tax payable	283	189
Other payables and accruals	2,845	2,954
	<b>6,216</b>	<b>5,669</b>

- (a) Trade payables are non-interest bearing and are normally settled within 90-day terms. Other payables are non-interest bearing and have an average term of 3 months.

## 13 Interest bearing loans and borrowings

	2020 \$'000	2019 \$'000
<b>Current</b>		
Property facility - secured (a)	343	364
	<b>343</b>	<b>364</b>
<b>Non – Current</b>		
Property facility - secured (a)	1,161	1,401
	<b>1,161</b>	<b>1,401</b>
At the balance date, the following financing facilities were available:		
<b>Total facilities available:</b>		
Property facility (a)	<b>1,504</b>	1,765
<b>Facilities utilised at balance date:</b>		
Property facility (a)	<b>1,504</b>	1,765
<b>Facilities not utilised at balance date:</b>		
Property facility (a)	-	-

### (a) Property finance facility

The property facility is provided by a Malaysian bank to the Group's main operating subsidiary in Malaysia. The interest rate for the facility as at 31 December 2020 was fixed at 4.25% (2019: 4.25%) to 30 June 2024. The facility is secured by a charge over the premises.

### (b) Default and breaches

During the current and prior year, there were no defaults nor breaches on any of the loans.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 14 Employee Entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

	<b>Employee Entitlements</b>
	<b>\$'000</b>
<b>Balance at 1 January 2020</b>	<b>1,217</b>
Charged during the year	1,197
Used during the year	(990)
Foreign exchange difference	(40)
<b>Balance at 31 December 2020</b>	<b>1,384</b>
<b>At 31 December 2020</b>	
Current	1,286
Non-Current	98
	<b>1,384</b>
<b>At 31 December 2019</b>	
Current	951
Non-Current	83
	<b>1,034</b>

## 15 Contract Return Liability

The Contract Return Liability is to account for the right of return assets and refund liabilities.

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January</b>	<b>4,575</b>	<b>4,722</b>
Charged during the year	1,823	2,166
Used during the year	(2,033)	(2,427)
Foreign exchange difference	(340)	114
<b>Balance at 31 December</b>	<b>4,025</b>	<b>4,575</b>

## 16 Lease Liability

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>At 31 December</b>		
Current	274	280
Non-Current	294	304

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 16 Lease Liability (continued)

Minimum lease payments due within:

	1 year \$'000	2-3 years \$'000	4-5 years \$'000	Total \$'000
<b>31 December 2020</b>				
Lease Payments	297	254	57	608
Finance charges	(23)	(10)	(7)	(40)
<b>Lease Liability</b>	<b>274</b>	<b>244</b>	<b>50</b>	<b>568</b>

## 17 Contributed equity

	2020 Number	2019 Number	2020 \$	2019 \$
<b>Issued and paid up capital</b>				
Ordinary shares	<b>54,082,612</b>	55,587,257	<b>41,593,088</b>	42,248,693
<b>Ordinary shares</b>				
Balance at beginning of the year	55,587,257	54,842,257	42,248,693	43,742,222
Share buy back (a)	(1,004,645)	(225,000)	(655,605)	(145,440)
Cancellation of Plan Shares of certain:				
- Employees and Directors (b)	(500,000)	(500,000)	-	-
Issue of shares to Employees and Director (c)	-	1,470,000	-	-
Equal Reduction of Capital	-	-	-	(1,348,089)
Balance at end of the year	<b>54,082,612</b>	<b>55,587,257</b>	<b>41,593,088</b>	<b>42,248,693</b>

### (a) Share Buy-Back

A total of 1,004,645 (2019: 225,000) ordinary shares were bought back for year ended 31 December 2020 as approved by the shareholders at the 31 May 2019 Annual General Meetings at a total cost of \$655,605 (2019: \$145,440).

### (b) Cancellations of Long Term Incentive Plan Shares to key executives

In 2020, 500,000 Long Term Incentive Plan shares expired as the 2019 financial year performance conditions were not achieved.

In 2019, 500,000 Long Term Incentive Plan shares were cancelled following the resignation of the relevant employee.

### (c) Issue of Long Term Incentive Plan Shares to key executives

In 2020, the Company recognised net expense of \$91,690 (2019: \$51,640) in the income statement with a corresponding increase (2019: increase) in employee share based payment reserve.

In 2019, the Company approved loans to a Director, Mr Henry Townsing totalling \$550,000 in order for Mr Townsing to purchase a total of 500,000 shares under the Company's Long Term Incentive Plan. The Company also approved loans to employees totalling \$1,067,000 in order for them to purchase a total of 970,000 shares under the Company's Long Term Incentive Plan. Of these, 500,000 shares with loans of \$550,000, were cancelled in 2019 following the resignation of the relevant employee.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 17 Contributed equity (continued)

### (d) Capital management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns for shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management constantly assesses the capital structure to take advantage of favourable costs of capital and / or high returns on assets. As the market is continuously changing, management may issue dividends to shareholders, return capital to shareholders, issue new shares, increase the short or long term borrowings or sell assets to reduce borrowings.

### (e) Dividends

The Directors declared a fully franked interim dividend of 1.5 cents per share and a fully franked final dividend of 2.75 cents per share in respect of the financial year ended 31 December 2020 (2019: interim dividend of 1.5 cents fully franked and a final dividend of 2.25 cents fully franked).

The final dividend of 2.75 cents per share has not been recognised in these consolidated financial statements as it was declared subsequent to 31 December 2020.

	2020 Cents per Share	2019 Cents per Share	2020 \$'000	2019 \$'000
<b>Fully paid ordinary shares</b>				
Final dividend for the previous financial year				
- Full franking credits attached	2.25	2.25	1,184	1,211
Interim dividend for the financial year				
- Full franking credits attached	1.50	1.50	789	806
	<b>3.75</b>	<b>3.75</b>	<b>1,973</b>	<b>2,017</b>

## 18 Net tangible assets per share

	2020 \$	2019 \$
Net assets per share	0.45	0.41
Net tangible assets per share	0.42	0.38
	Number	Number
Number of ordinary shares for net assets per share	54,082,612	55,587,257

Following the adoption of AASB 16: Leases on 1 January 2019, the net assets include both right-of-use assets and corresponding lease liabilities accounted for under the current requirements.

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 19 Subsidiaries

Name	Place of Incorporation	Percentage of Equity Interest	
		2020 %	2019 %
Tetley Research Pty Limited	Australia	100	100
Tetley Treadmills Pty Limited	Australia	100	100
Tetley Manufacturing Pty Limited	Australia	100	100
Vimed Bio Sciences Pty Limited	Australia	100	100
Allrad No 19 Pty Limited	Australia	100	100
Lovin Pharma International Limited	Ireland	100	100
Herbs of Gold Pty Limited	Australia	100	100
Herbs of Gold (Shanghai) Co. Limited	People's Republic of China	100	100
VitaHealth Laboratories Australia Pty Limited	Australia	100	100
Vita Institute of Health Pty Ltd	Australia	100	100
VitaHealth Australia Pty Ltd	Australia	100	100
Vita Corporation Pte Limited	Singapore	100	100
Herbs of Gold (S) Pte Ltd	Singapore	100	100
VitaHealth Laboratories (HK) Limited	Hong Kong	100	100
Vita Healthcare Asia Pacific Sdn Bhd	Malaysia	100	100
VitaHealth Malaysia Sdn Bhd	Malaysia	100	100
VitaHealth Biotech Sdn Bhd	Malaysia	100	100
Vita Lifesciences Sdn Bhd	Malaysia	100	100
Vita Science Sdn Bhd	Malaysia	100	100
Herbs of Gold Sdn Bhd	Malaysia	100	100
VitaHealth Asia Pacific (S) Pte Limited	Singapore	100	100
Vita Life Sciences (S) Pte Limited	Singapore	100	100
VitaHealth IP Pte Limited	Singapore	100	100
Vita Life Sciences (Thailand) Co. Ltd	Thailand	49	49
VitaHealth (Thailand) Co. Ltd	Thailand	74	74
Vita Health Vietnam Company Limited	Vietnam	100	100
Sino Metro Developments Limited	British Virgin Island	100	100
VitaHealth (Macao Commercial Offshore) Limited	Macao	100	100
Pharma Direct Sdn Bhd	Malaysia	100	100
PT. Vita Health Indonesia	Indonesia	100	100

# Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2020

## 20 Subsequent events

The Directors have declared a final fully franked dividend of 2.75 cents per share in respect of the financial year ended 31 December 2020.

On 22 Jan 2021, the Company issued 1,050,000 new shares at a total costs of \$945,000 to three employees under the Company's Long Term Incentive Plans (LTIP). The Company also announced that 1,000,000 new shares at a total costs of \$900,000, subject to approval from shareholders at a General Meeting, will be issued to the Managing Director under the Company's LTIP.

Other than the above matters, there are no subsequent events after balance date that affect the operating results or financial position of the Company and its subsidiaries.

## 21 Contingent assets and liabilities

The Group has no other contingent assets or liabilities as at 31 December 2020.

## 22 Information on audit or review

This preliminary final report is based on accounts which are in the process of being audited.

**Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review.**

None noted
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# Compliance Statement

1. This report has been prepared in accordance with ASX Listing Rule 4.3A, Australian Accounting Standards (including Australian Accounting Interpretations) and other standards acceptable to the ASX.
2. This report, and the financial statements upon which the report is based, use the same accounting policies.
3. This report does give a true and fair view of the matters disclosed.
4. This report is based on financial statements which are in the process of being audited, and the audit report is not expected to contain any qualifications.
5. The entity has a formally constituted Audit Committee.

**Chin L Khoo**  
Company Secretary  
23 February 2021