



Annual Report

30 June 2023

Haodex Ltd

ACN 623 392 325

Financial Statements

For the Year Ended 30 June 2023

Haodex Ltd

ACN 623 392 325

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Corporate Information

DIRECTORS

Frank Huang
Anne Huang
Michael Pixely

COUNTRY OF INCORPROATION

Australia

AUDITORS

Connect National Audit Pty Ltd
Level 14, 333 Collins Street
Melbourne VIC 3000

COMPANY SECRETARY

Miranda Yuan

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
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STOCK EXCHANGE LISTING

National Security Exchange Ltd
NSX code: HAO

REGISTERED OFFICE AND PRINCIPAL BUSINESS OFFICE

Suite 3/ 4 Edwards St, Summer Hill
2130

INTERNET ADDRESS

www.haodexinvestments.com

AUSTRALIAN BUSINESS NUMBER

ABN 80 623 392 325

Haodex Ltd

ACN 623 392 325

Review of Operations

30 June 2023

Highlights

- **Near completion of the Meccle app (formerly known as Bulkbuyworld) compatible with IOS, Android, H5 and PC**
- **Partnering with The Influencer Marketing Factory in preparation for the Meccle app launch in the US**
- **Grown the channel partner network with an addition of over 60 partners, bringing the total to more than 200**
- **Partnership with Zai enabling Meccle to accept secure card payment solutions**
- **Established partnership with Efficiency International LLC to provide warehouse/distribution services from Los Angeles**

Haodex Limited (NSX:HAO) (“Haodex” or the “Company”) is pleased to update the market on its activities for the year end June 2023.

Updates on Meccle

We are proud to announce our near completion and close to launch of our ecommerce shopping platform, Meccle, which has recently undergone a major rebranding from its previous name, Bulkbuyworld. Our rebranding from Bulkbuyworld to Meccle has been a game-changer. With this new name, we aim to reinforce our commitment to providing a simple shopping experience with big benefits for our customers. We want to be more than just another ecommerce platform; we want to become a partner to our customers and be a part of their daily lives.

Meccle is a wholesale and retail e-commerce marketplace that offers an extensive range of daily home goods and lifestyle products at affordable prices. Meccle offers seamless retail transactions between vendors and buyers, revolutionizing the way customers purchase products online. Moreover, we understand the needs of our business buyers and that is why we are proud to announce that Meccle provides wholesale purchasing options. Business buyers can purchase small to large quantities of products at wholesale prices through our platform. Our unique business model allows users and businesses to purchase products directly from suppliers and manufacturers, which not only offers unbeatable prices but also eliminates the middle man. This enables us to pass on the cost savings to our customers, making shopping for daily essentials a cost-effective experience.

Meccle app, has reached near completion stages and we are thrilled to announce that we are finally entering the final testing phase. Our talented team of developers has been working tirelessly to develop and fine-tune Meccle to offer the best user experience for customers of Meccle.

To catapult our Meccle app's launch into success we are proud to announce our partnership with The Influencer Marketing Factory. At Meccle, we understand that in today's digital world, viral marketing techniques can be the key to achieving exceptional growth and exposure for our products. That's why we chose to partner with The Influencer Marketing Factory, a world-renowned agency with an exceptional track record in accelerating company growth and achieving success.

As our partner, The Influencer Marketing Factory will work tirelessly to help us reach our target US audience by utilizing all the major social media platforms, including Tiktok, YouTube, and Instagram. Working closely with us to convey our marketing message, The Influencer Marketing Factory will provide expert influencer marketing content that will resonate with our target audience and drive our efforts to success.

We are excited to partner with an agency that has worked with some of the major players in the market such as Google, Amazon, Snapchat and Shein to name a few. This new collaboration signifies a milestone in our journey, and we are eager to work with The Influencer Marketing Factory to reach new heights of success.

Furthermore, we are pleased to announce the expansion of our channel partner network, with over 60 new additions, bringing our total partners to more than 200. Our continued efforts in enhancing our channel partner program have led to an exponential growth of our network, enabling us to provide even more options and services to our valued customers.

Our channel partner program serves as a strategic partnership, bringing together suppliers/vendors and Meccle. This collaboration model is based on mutual benefit and has proven to be successful in growing our network of sellers gearing up for Meccle's launch. Each channel partner introduces suppliers/vendors from their own unique network, which broadens our offering of high-quality products and services.

Our diverse partner base enables us to remain at the forefront of innovation, providing unparalleled customer experience. With our strong network, we have been able to collaborate with some of the top suppliers/vendors in the industry. This has given us the opportunity to diversify our portfolio, provide the latest technology, and stay competitive in a constantly evolving market.

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Review of Operations

30 June 2023

We are excited to announce our partnership with Hellozai to offer a secure and seamless card payment solution to our customers. Hellozai, a leading payment solutions platform, provides API integrations to our Meccle platform and enables us to accept credit card payments for global transactions.

We understand the importance of secure online transactions and Hellozai is committed to providing the payment security required for card payments. With their state-of-the-art payment gateway, we are confident in our ability to safeguard our customers' sensitive information during every transaction.

Furthermore, Hellozai's efficient payment process ensures that the entire experience of taking payments and paying them to Meccle is both swift and easy for our customers. With the use of their secure and reliable payment system, our clients can have peace of mind knowing their financial data is protected and transactions can be completed in a matter of minutes.

As we continue to evolve and adapt to meet the demands of the ever-changing market, this partnership will further cement our position as a leading provider of online services. We believe that this alliance will significantly benefit our customers, and we are committed to delivering high-quality services with enhanced security measures.

Last but not least, we are thrilled to establish a partnership with Efficiency International LLC to provide warehouse/distribution services from Los Angeles. This ensures a smooth and efficient logistics process, allowing us to provide the best possible service to our customers. The collaboration with Efficiency International LLC marks a significant milestone in our growth strategy. We recognize the value of streamlined logistics in achieving greater efficiencies in delivering our products to customers. By joining forces, we are equipped to offer a smoother, more efficient logistics process. This partnership, will give customers a fast shipping option on their orders which is crucial to leading us to become the preferential online shopping destination. With this partnership, we are able to offer goods storage within the United States and expedited delivery within 2-4 days, giving us an edge in our competition.

At Meccle, we are dedicated to providing our customers with quality products at the best prices possible, eliminating the middle man. We appreciate your support and look forward to continuing to serve you with even more innovative solutions and partnerships.

Directors' Report

30 June 2023

The directors hereby present the following year ended report for the period ended 30 June 2023 for Haodex Limited ("Haodex" or the "Company") and its controlled entities. (the "Group").

The directors present their report, together with the financial statements of the Group, being the company and its controlled entities, for the year ended 30 June 2023.

1. General information Information on directors

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

Frank Huang
Anne Huang (appointed 17 March 2022)
Michael Pixley (appointed 22 November 2021)
Alvin Tan (appointed 22 November 2021 and resigned 12 April 2023)

Principal activities

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

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

2. Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to \$846,868 (30 June 2022: loss \$3,721,230).

3. Review of Operations

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

4. Review of Financial Condition

Capital Structure

At 30 June 2023, the consolidated entity had 151,995,338 ordinary shares on issue.

Financial Position

The net assets of the consolidated entity have decreased by \$876,353 from \$3,098,878 at 30 June 2022 to \$2,222,525 at 30 June 2023.

5. Dividends paid or recommended

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

6. Significant changes in the State of Affairs

No matters or circumstances have arisen during the year which significantly affected the operations of the Group, the results of those operations, or the state of affairs of the Group.

7. Director's Interests

Interests in Shares and Options

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

Directors' Report

30 June 2023

Information on Directors

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

Director	Experience	Special responsibilities
Frank Huang B.Eng	<ul style="list-style-type: none"> - Bachelor of Aeronautical Engineering from China Civil Aviation University. - Managing Director of Chi Tel Global Holding Ltd; Managing Director of China Huge International Pty Ltd; General Manager of First Mobile Group Holding Ltd. - Frank has had over 25 years of executive management experience across a number of Australian and International companies and has been involved in a number of corporate leader roles within the technology sector. - Frank has extensive corporate leadership skills and strong financial and business planning capabilities. This provides him with the capacity to manage the complete cycle of commercial activity, from strategy development, corporate financing, operational implementation and ongoing growth via organic means and/or acquisition. 	Chairman and Executive Director
Anne Huang B.Com	<ul style="list-style-type: none"> - Bachelor of Commerce (Marketing & Accounting) from Macquarie University. - Sales executive at Bence Property Group, July 2016 -January 2017. - Business analyst in the Infant Nutrition division at Nestle Australia, January 2017 - May 2017. - Account executive for the National Pharmacy Sales division at Nestle Australia, May 2017 - December 2017. - Anne has been highly involved in various business development projects with Haodex and has helped to build the business of MonkeyKing. 	Executive Director
Michael Pixley	<ul style="list-style-type: none"> - Over 30 years of experience in investment banking. Involved in providing financial advisory and investment banking services to various companies throughout Asia. - Non-Executive Director, Story-I Ltd (ASX:SRY). - Non-Executive Director, Enerco Refresh Ltd (ASX:ERG). - Director, Credit Intelligence Ltd (ASX:CL1). 	Non- executive Director
Alvin Tan B.Com (Hon)	<ul style="list-style-type: none"> - Over 25 years' experience in Australia and Asia, including mergers, acquisitions, capital raising and listings on the ASX, AIM, Bursa Malaysia and Frankfurt Stock Exchange. - Previously worked for KPMG in Kuala Lumpur as a financial consultant in 1993-1995. - Previously worked with Australian based stock broking firm DJ Carmichael as an investment advisor, in 1996-1997. - Previously served as Non-Executive Director, Advanced Share Registry Ltd (ASX:ASW). - Bachelor of Commerce with second class honours, the University of Western Australia. - Non-Executive Director, Pyx Resources Ltd (NSX:PYX). - Non-Executive Director, BKM Management Limited. 	Non-executive Director
Miranda Yuan MFin, MCom	<ul style="list-style-type: none"> - Over 9 years in accounting services and auditing assistance to a number of public and listed companies. She has experience in Company secretarial work in a board range of ASX listed companies. - Extensive experience working as Finance Analyst to provide corporate advisory services for cross-border M&A, capital raising, IPOs/RTOs and to as a Finance perform due diligence reviews. - Honours graduate in Finance from Aberdeen University - Master of Commerce (Finance) from the University of UNSW - Master of Professional Accounting from Charles Sturt University 	Company Secretary

Directors' Report

30 June 2023

8. Directors' Benefits

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

9. Meeting of Directors

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

	Number of meetings held	Meetings attended
Frank Huang	2	2
Anne Huang	2	2
Michael Pixley	2	2
Alvin Tan	2	2

10. Non-Audit Services

No non-audit services were provided by Haodex's auditor, Rothsay Audit & Assurance Pty Ltd and Connect National Audit Pty Ltd during the financial year ended 30 June 2023 (2022: Nil).

11. Shares under option

There were no options issued during the year ended 30 June 2023 (2022: Nil)

12. Remuneration Report (Audited)

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

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

Member of the Remuneration Committee at 30 June 2023 are Michael Pixley (Non-executive director) and Alvin Tan (Non-executive director).

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

Non executive remuneration

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

Executive and senior management remuneration

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

Details of remuneration

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

Directors' Report

30 June 2023

2023	Short-Term Benefits			Post-Employment	Termination Benefits	Share-based payments		Total	% Remuneration as equity
	Salary & Fees	Cash Bonus	Other short-term benefits	Superannuation		Equity-settled (options)	Cash-settled		
	\$	\$	\$	\$	\$	\$	\$	\$	
Directors									
Frank Huang	81,266	-	8,036	17,116	-	-	-	106,417	-
Anne Huang	84,252	-	6,481	8,834	-	-	-	99,567	-
Michael Pixley	36,000	-	-	-	-	-	-	36,000	-
Alvin Tan*	27,000	-	-	-	-	-	-	27,000	-
Total	228,518	-	14,516	25,950	-	-	-	268,984	-

*Resigned on 12 April 23

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

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

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

Shareholdings

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

	Balance 1 July 2022	Issued as Remuneration	On Exercise of Options	Net Change Other	Balance 30 June 2023 ●
Directors					
Frank Huang	88,798,000	-	-	-	88,798,000
Anne Huang	6,250,000	-	-	-	6,250,000
Michael Pixley	-	-	-	-	-
Alvin Tan*	-	-	-	-	-
Total	95,048,000	-	-	-	95,048,000

*Resigned on 12 April 23

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

Haodex Ltd

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Directors' Report

30 June 2023

Options holdings

There were nil options held and share-based payments to KMP and other executives awarded and vested/unvested during the year ended 30 June 2023 and 30 June 2022.

Transactions with KMP and their related entities

Mr Frank Huang

- As at 30 June 2023 director fees totaling \$Nil (2022:\$Nil) remain outstanding to Mr Huang.
- As at 30 June 2023, the Company has provided a director loan to Mr Huang totaling \$144,316 from the subsidiary in China. This loan is interest free.

Ms Anne Huang

- As at 30 June 2023 director fees totaling \$Nil (2022:Nil) remain outstanding to Ms Huang.

Mr Michael Pixly

- As at 30 June 2023 director fees totaling \$Nil (2022:Nil) remain outstanding to Mr Pixley.

Mr Alvin Tan

- As at 30 June 2023 director fees totaling \$Nil (2022:Nil) remain outstanding to Mr Tan.

End of Remuneration Report

13. Corporate Governance

Refer to page 10 to 14 or this report for the Corporate Governance Statement.

14. Other items

Environmental matters

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

Indemnification and insurance of officers and auditors

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

15. Subsequent events to 30 June 2023

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

16. Risks Specific to Haodex Business and Operations

Sales and Marketing Risks

The Company is seek to increase its market share and expand into additional sections by focusing on sales and marketing. By its nature, there is no guarantee that Haodex's sales and marketing campaign will be successful. Even if Haodex does successfully commercialise its products, there is a risk that Haodex will not achieve a commercial return. Haodex may not be able to provide its services to customers at a rate which covers its operating and capital costs, or new technology may overtake the Haodex's technology.

Directors' Report

30 June 2023

16. Risks Specific to Haodex Business and Operations (con'd)

Protection of Intellectual Property Rights

There may be circumstances where the Company's intellectual property cannot be protected or its subject to unauthorized disclosure, infringement or challenge by a third party. The Company may incur significant costs in asserting its rights in such circumstances. There can be no assurance that any trademarks the Group may own or control now and in the future, will provide the Company with a competitive advantage.

Competition and New Technology Risks

The industries in which Haodex is involved are subject to increasing domestic and global competition which is fast-paced and fast-changing. Haodex's future financial performance and overall success in the market will rest upon the successful implementation of strategies to compete with other businesses. There is no assurance that Haodex will succeed in developing its business. While Haodex will undertake all reasonable due diligence in its business decisions and operations, Haodex will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Haodex's projects and business. For instance, new technologies could overtake the advancements made by the Haodex's services. Alternatively, Haodex may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share, or if competitors have advantageous access to capital and resources. Such cases could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect Haodex's potential future business, operating results and financial position.

17. Auditor's Independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14.

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



Frank Huang
Chairman
Dated 28 September 2023

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

As lead auditor for the audit of Haodex Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Haodex Limited and its controlled entities.



George Georgiou FCA
Managing Director
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
Date: 28 September 2023

Corporate Governance Statement

30 June 2023

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

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

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

1. Board

Composition of the Board

The Company’s Constitution provides that the maximum number of Directors is 9 and the minimum number of Directors is 3. As at 30 June 2023, the Company has 3 Directors serving on the Board being Mr Frank Huang, Ms Anne Huang and Mr Michael Pixley.

Independence of the Board

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

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

Board Charter

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

Board’s role in risk oversight

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

2. Board Committees

2.1 Remuneration and Nomination Committees

Due to the size and scale of operations, the Company does not have separately established Remuneration or Nomination Committees. The full Board carries out the functions of Remuneration and Nomination Committees and where necessary will seek advice of external advisors in relation to this role. The Full Board oversees the appointment and induction process for directors, and the selection, appointment, evaluation and succession planning process of the Company’s directors and senior executives. When a vacancy exists or there is a need for a particular skill, the Board determines the selection criteria that will be applied. The Board then identifies suitable candidates, with assistance from an external consultant if required, and will interview and assess the selected candidates.

Corporate Governance Statement

30 June 2023

2. Board Committees (continued)

The Board also oversees the appointment and remuneration of directors and the company's executive officers. Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. The Board may seek independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages include a mix of fixed remuneration and equity-based remuneration. The Board shall, upon the consolidated entity reaching the requisite corporate and commercial maturity, form a remuneration and nomination committee to assist the Board in relation to the appointment and remuneration of Directors and senior management.

2.2 Audit Committee

The Board has established an Audit Committee, however this Committee is represented by the full Board. With only three members, the Board considers that the Board acting in its capacity as the Audit Committee is the appropriate forum to safeguard the integrity of the Group's financial reporting and oversee the independence of the external auditor. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations, such as the benchmarking of operational key performance indicators.

The Board's collective experience enables the identification of principal audit risks, and the Board reviews the financial reports. The Group's size enables specific focus to be given to large and/ or unusual items in the financial information.

The Board has received written assurances from the Executive Director and CFO that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The external auditors are required to attend the annual general meeting and are available to answer any questions from security holders relevant to the audit.

The Audit Committee Charter has been made publicly available on the Company's website.

3. Corporate governance policies

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

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

A. Policies and procedures adopted to ensure that the issuer acts according to law, including satisfying its reporting obligations under the Corporations Act and the Listing Rules.

Code of Conduct

The Company has adopted a Code of Conduct which outlines the standard of corporate and individual behaviour expected of the Company, the board, management and employees. The Code of Conduct also considers compliance and reporting of circumstances which may be a breach of law or the Company's internal governance policies.

Audit Committee Charter

The Company also has an Audit Committee which is governed by the Company's Audit Committee Charter. The role of the Audit Committee is to safeguard the integrity of the Company's financial reporting and oversee the independence of external auditors engaged by the Company.

Corporate Governance Statement

30 June 2023

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

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

- Corporate Governance Statement

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

Corporate Governance Statement

30 June 2023

- Diversity Policy

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

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

4. Corporate Governance Principles and Recommendations

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

Corporate Governance Statement

30 June 2023

<p>Principle 4</p>	<p>Safeguard integrity in financial reporting</p>	<p>The Company have disclosed the fact that the Company does not have an audit committee and the processes the Company employ that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> <p>The Board has disclosed the Audit Committee Charter, a copy of which is available on the Company's Website.</p>
<p>Principle 5</p>	<p>Make timely and balanced disclosure</p>	<p>The Company is committed to providing timely and balanced disclosure to the market in accordance with its Continuous Disclosure Policy, a copy of which is available on the Company's Website.</p>
<p>Principle 6</p>	<p>Respect the rights of security holders</p>	<p>The Company provides investors with comprehensive and timely access to information about itself and its governance on its Website.</p> <p>The Company seeks to recognise numerous modes of communication, including electronic communication, to ensure that its communication with Shareholders is frequent, clear and accessible.</p> <p>All Shareholders are invited to attend the Company's annual meeting, either in person or by representative. The Board regards the annual meeting as an excellent forum in which to discuss issues relevant to the Company and accordingly encourages full participation by Shareholders. Shareholders have an opportunity to submit questions to the Board and to the Company's auditor.</p>
<p>Principle 7</p>	<p>Recognise and manage risk</p>	<p>The Company has adopted a Code of Conduct, which is designed to assist the Company to identify, evaluate and mitigate conflicts of interest affecting the Company.</p> <p>Regular internal communication between the Company's management and Board supplements the Company's policies which are designed to address various forms of risks.</p>
<p>Principle 8</p>	<p>Remunerate fairly and responsibly</p>	<p>The Company has disclosed the fact that the Company does not have a remuneration committee and the processes to employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. A copy of which is available on the Company's Website.</p> <p>The Company will provide disclosure of its Directors' and executives' remuneration in its annual report.</p>

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	4	2,515,316	1,125,833
Finance income	4	9,242	973
Other income	4	13,277	39,396
Cost of sales		(95,294)	(53,833)
Employee benefits expense		(1,061,026)	(748,340)
Depreciation, amortisation and impairment expense		(90,275)	(148,289)
Corporate expenses		(179,137)	(3,437,077)
Other expenses		(1,580,816)	(1,173,479)
Profit (loss) before income tax		(468,713)	(4,394,816)
Income tax benefit	5	(378,155)	673,586
Profit (loss) for the year		(846,868)	(3,721,230)
Other comprehensive income, net of income tax			
Exchange difference on translation of foreign operations		(29,485)	6,529
Total comprehensive income (loss) for the year		(876,353)	(3,714,701)
Profit (loss) attributable to:			
Members of the parent entity		(1,118,752)	(3,662,144)
Non-controlling interest		271,884	(59,086)
		(846,868)	(3,721,230)
Total comprehensive income (loss) attributable to:			
Members of the parent entity		(1,118,752)	(3,655,615)
Non-controlling interest		242,399	(59,086)
		(876,353)	(3,714,701)
Earnings per share contributable to owners of Haodex Limited		Cents	Cents
Basic and Diluted Earnings/(loss) per Share		(0.55)	(2.41)

Statement of Financial Position

As At 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,601,511	1,530,845
Trade and other receivables	7	1,806,905	1,411,356
Inventories		19,839	30,660
Other assets	10	15,702	562,701
TOTAL CURRENT ASSETS		3,443,957	3,535,562
NON-CURRENT ASSETS			
Trade and other receivables	7	124,316	-
Plant and equipment	8	1,359	587
Deferred tax assets	12	-	400,003
Intangible assets	9	71,992	156,525
Right of Use assets		44,023	-
TOTAL NON-CURRENT ASSETS		241,690	557,115
TOTAL ASSETS		3,685,647	4,092,677
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	101,036	127,640
Current tax liabilities	12	-	22,048
Employee entitlements	13	84,422	33,758
Leased liabilities		42,609	
Other financial liabilities (unearned income)		1,233,211	805,701
TOTAL CURRENT LIABILITIES		1,461,278	989,147
NON-CURRENT LIABILITIES			
Trade and other payables	11	1,844	4,652
TOTAL NON-CURRENT LIABILITIES		1,844	4,652
TOTAL LIABILITIES		1,463,122	993,799
NET ASSETS		2,222,525	3,098,878
EQUITY			
Issued capital	14	3,383,600	3,383,600
Reserves	15	2,392,233	2,398,762
Retained earnings		(3,987,498)	(2,702,741)
Non-controlling interest		457,146	19,257
TOTAL EQUITY		2,222,525	3,098,878

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2023
2023

	Issued Capital \$	Retained Earnings \$	Share Based Payment Reserve \$	Translation Reserve \$	Non-controlling Interests \$	Total \$
Balance at 1 July 2022	3,383,600	(2,702,741)	2,392,233	6,529	19,257	3,098,878
Reclassification	-	(166,005)	-	-	166,005	-
Loss attributable to members of the parent entity	-	(1,118,752)	-	-	-	(1,118,752)
Loss attributable to non-controlling interests	-	-	-	-	271,884	271,884
Movements in foreign currency translation reserve	-	-	-	(29,485)	-	(29,485)
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Balance at 30 June 2023	3,383,600	(3,987,498)	2,392,233	(22,956)	457,146	2,222,525
2022						
	Issued Capital \$	Retained Earnings \$	Share Based Payment Reserve \$	Translation Reserve \$	Non-controlling Interests \$	Total \$
Balance at 1 July 2021	2,217,862	959,403	202,935	-	78,343	3,458,543
Other comprehensive income	-	-	-	6,529	-	6,529
Loss attributable to members of the parent entity	-	(3,622,144)	-	-	-	(3,622,144)
Loss attributable to non-controlling interests	-	-	-	-	(59,086)	(59,086)
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Issue of Capital	1,165,738	-	-	-	-	1,165,738
Share based payments	-	-	2,189,298	-	-	2,189,298
Balance at 30 June 2022	3,383,600	(2,702,741)	2,392,233	6,529	19,257	3,098,878

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		2,119,767	3,599,673
Payments to suppliers and employees		(2,983,759)	(3,377,866)
Interest received		9,243	973
Interest paid		13,277	-
Other payments		914,646	-
Net cash provided by/(used in) operating activities	16	<u>73,174</u>	<u>222,780</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant & equipment		(2,508)	(6,643)
Net cash provided by/(used in) investing activities		<u>(2,508)</u>	<u>(6,643)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Shareholder application monies received in advance		-	-
Payment of lease liabilities		-	-
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held		70,666	216,137
Cash and cash equivalents at beginning of year		1,530,845	1,314,708
Cash and cash equivalents at end of financial year	6	<u>1,601,511</u>	<u>1,530,845</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

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

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

The financial report was authorised for issue by the Directors on 30 September 2023.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

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

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

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

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

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

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

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(b) Business combinations

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(b) Business combinations (continued)

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

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

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

(c) Revenue and other income

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

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

Revenue from contracts with customers

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(c) Revenue and other income (continued)

Platform sign-up fees

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

Interest revenue

Interest is recognised using the effective interest method.

Grant revenue

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

Other income

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

(d) Leases

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

(e) Foreign currency transactions and balances

Transaction and balances

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

At the end of the reporting period:

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(f) Income Tax

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

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

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

Deferred tax is not provided for the following:

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

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

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

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

(g) Cash and cash equivalents

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

(h) Financial instruments

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

Financial assets

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

Classification

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

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

Impairment of financial assets

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

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

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

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

Trade receivables and contract assets

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

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

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

Other financial assets measured at amortised cost

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

Financial liabilities

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(i) Intangibles

Software

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

Amortisation

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

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

(j) Impairment of non-financial assets

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

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

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

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

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

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

(k) Employee entitlements

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

(l) Equity-settled compensation

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(m) Adoption of new and revised accounting standards

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

(n) New Accounting Standards and Interpretations

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

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment

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

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

4 Revenue and Other Income

	2023	2022
	\$	\$
- Sale of goods – recognised as a point in time	9,828	17,961
- Provision of services – recognised over time and at a point in time	2,505,488	1,107,872
	2,515,316	1,125,833
- Interest received	9,242	973
- Other income	13,277	39,396
	22,518	40,369

Platform sign-up fees

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2023	2022
	\$	\$
Profit (loss)	(468,713)	(4,394,816)
Tax	25%	25.00%
	(117,178)	(1,098,704)
Add:		
Tax effect of:		
- other non-allowable items/nondeductible expenses	378,155	552,325
- tax losses not recognised	117,178	(127,207)
Income tax expense (benefit)	378,155	(673,586)

6 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	1,601,511	1,530,845
	1,601,511	1,530,845

7 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Receivable from Shareholder and director	20,000	368,851
Receivable from related party Oilvest Pty Ltd	-	213,719
Receivable from external parties	1,666,887	683,955
Other receivables	120,018	144,831
	1,806,905	1,411,356
NON CURRENT		
Receivable from Shareholder and director	124,316	-
	124,316	-

Notes to the Financial Statements

For the Year Ended 30 June 2023

8 Plant and equipment

	2023 \$	2022 \$
Right-of-Use - Plant and Equipment		
At cost	48,025	-
Accumulated depreciation	(4,002)	-
	44,023	-
Plant and Equipment		
At cost	9,151	6,643
Accumulated depreciation	(7,792)	(6,056)
	1,359	587

9 Intangible Assets

	2023 \$	2022 \$
Computer software		
At cost	1,306,003	1,306,003
Accumulated amortisation and impairment	(1,234,011)	(1,149,478)
	71,992	156,525

Movements in carrying amounts of intangible assets

	Computer software \$	Total \$
Year ended 30 June 2022		
Balance at the beginning of the year	156,525	156,525
Disposals	-	-
Amortisation	(84,533)	(84,533)
Closing value at 30 June 2023	71,992	71,992

10 Other Assets

	2023 \$	2022 \$
CURRENT		
Prepayments	15,702	562,701
	15,702	562,701

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Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	89,466	103,749
Other payables	11,570	23,891
	<u>101,036</u>	<u>127,640</u>

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

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

NON-CURRENT

Other payable	1,845	4,652
	<u>1,845</u>	<u>4,652</u>

12 Tax assets and liabilities

	2023	2022
	\$	\$
Income tax payable	-	22,048
	<u>-</u>	<u>22,048</u>

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
Deferred tax assets			
Accruals and employee entitlements	5,943	394,069	400,003
Balance at 30 June 2022	5,934	394,069	400,003
Accruals and employee entitlements	400,003	(400,003)	-
Balance at 30 June 2023	400,003	(400,003)	-

13 Employee Entitlements

	2023	2022
	\$	\$
CURRENT		
Annual leave	84,422	33,758
	<u>84,422</u>	<u>33,758</u>

Notes to the Financial Statements

For the Year Ended 30 June 2023

14 Issued Capital

	2023 \$	2022 \$
151,995,338 authorised and fully paid ordinary shares (30 June 2022: 151,995,338)		
Opening balance	3,383,600	2,217,862
Movement	-	1,165,738
Closing balance	3,383,600	3,383,600

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

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

15 Reserves

	2023 \$	2022 \$
Share Based Payment Reserve		
Opening balance	2,392,233	202,935
Movement	-	2,189,298
Closing balance	2,392,233	2,392,233
Translation Reserve		
Opening balance	6,529	-
Movement	(29,485)	6,529
Closing balance	(22,956)	6,529

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

16 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

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

	2023	2022
	\$	\$
Profit (loss) for the year	(846,868)	(3,721,230)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation	90,275	148,289
- share based payment	-	2,189,298
- provision for annual leave	50,664	25,608
- foreign exchange movement	(29,485)	6,529
Changes in assets and liabilities:		
-(increase)/ decrease in trade and other receivables	(519,866)	1,062,720
- (increase)/decrease in other assets	562,701	593,857
- (increase)/decrease in inventories	10,822	26,088
- increase/(decrease) in trade and other payables	596,871	568,079
- increase/(decrease) in income taxes	158,060	(676,458)
Cashflows from operations	73,174	222,780

17 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2023	Percentage Owned (%)* 2022
Subsidiaries:			
Monkey King Australia Pty Ltd	Australia	78	78
Chendu Bulkbuyworld E-Commerce Co.,Ltd	China	78	78

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

18 Financial Risk Management

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

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

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

Specific risks

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

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

Objectives, policies and processes

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

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

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

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

Mitigation strategies for specific risks faced are described below:

Liquidity risk

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

18 Financial Risk Management (continued)

Credit risk

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

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

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

Trade receivables and contract assets

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

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

Market risk

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

(i) Foreign exchange risk

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

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

2023	CNY
Nominal amounts	\$
Financial assets	<u>4,339,698</u>

Notes to the Financial Statements

For the Year Ended 30 June 2023

19 Key Management Personnel Remuneration

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

	2023	2022
	\$	\$
Short-term employee benefits	243,034	154,169
Post employment benefits	25,950	9,816
	268,984	163,985

20 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor Rothsay Audit & Assurance Pty Ltd, for:		
- reviewing and auditing the financial statements	18,156	19,960
	18,156	19,960

21 Related Parties

Transactions from related parties

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

- Amounts provided to director and shareholder amount to \$144,316 from the subsidiary in China

22 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2023 (30 June 2022: None).

23 Parent entity

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

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

Investments in subsidiaries, associates and joint ventures

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

23 Parent entity (continued)

	2023	2022
	\$	\$
Statement of Financial Position		
Assets		
Current assets	714,556	1,442,440
Non-current assets	148,539	369,273
Total Assets	863,095	1,811,713
Liabilities		
Current liabilities	1,311,276	160,673
Non-current liabilities	-	1,609
Total Liabilities	1,311,276	162,282
Equity		
Issued capital	3,383,600	3,383,600
Retained earnings	(6,224,014)	(4,126,402)
Share based payments	2,392,233	2,392,233
Total Equity	(448,181)	1,649,431
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	(2,097,612)	(5,406,824)
Total comprehensive income	(2,097,612)	(5,406,824)

24 Operating Segments

(a) Identification of reportable segments

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

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

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

(b) Accounting policies adopted

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

24 Operating Segment (continued)

(c) Segment assets

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

	Assets		Liabilities		Net Asset	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Australia	938,697	2,014,024	190,344	159,325	748,353	1,854,699
Mainland China	2,746,950	2,078,653	1,272,778	834,474	1,474,172	1,244,179
Total	3,685,647	4,092,677	1,463,122	993,799	2,222,525	3,098,878

(d) Geographical information

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

	2023 \$	2022 \$
Revenue		
Australia	13,874	540,701
Mainland China	2,501,442	585,132
Total	2,515,316	1,125,833
Profit		
Australia	(2,154,325)	(5,145,370)
China	1,307,457	1,424,140
Total	(846,868)	(3,721,230)

25 Events Occurring After the Reporting Date

The financial report was authorised for issue on 30 September 2023 by the board of directors.

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

26 Earnings Per Share

	2023 \$	2022 \$
Basic earnings per share (cents)	(0.55)	(2.41)
The calculation of the basic earnings per share is based on the following data:		
Earnings		
Earnings for the purpose of basic earnings per share being net loss attributable to owners of the Company	(1,118,752)	(3,662,144)
Numbers of shares		
Weighted average number of shares used in calculating basic earnings per share	151,995,338	151,995,338

Notes to the Financial Statements

For the Year Ended 30 June 2023

27 Statutory Information


The registered office of the company is:
Haodex Ltd
3/44 Edward Street
Summer Hill NSW 2130

Directors' Declaration

The directors of the Group declare that:

1. the financial statements and notes for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. The Directors have been given the declarations by the Chairman required by section 295A of the *Corporations Act 2001*.

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

Director 

Frank Huang

Dated 28 September 2023

**Independent Auditor’s Report
To the Members of Haodex Limited
Report on the Audit of the Financial Report**

Opinion

We have audited the accompanying financial report of Haodex Limited and its controlled entities (the “Group”), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors’ declaration of the company as set out on page 38.

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

- (a) giving a true and fair view of the Group’s financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Account Receivable	
<p>The valuation and recoverability of platform commission receivables is considered a key audit matter because the determination of the valuation of platform commission receivables includes significant judgments and estimates that may have a material impact on the Group’s consolidated financial statements.</p>	<p>The audit procedures which we performed, among other matters based on our judgement, included the following:</p> <ul style="list-style-type: none"> ● Tested the Group’s procedures for controlling platform commission receivables.

<p>Management makes significant judgements, estimates and assumptions to measure and record the provision of services excluding platform sign up fees.</p> <p>As indicated in the balance sheet, the total balance of platform commission receivables as of 30 June 2023 amounted to \$705,454.40.</p>	<ul style="list-style-type: none"> ● Tested samples of platform commission receivable balances being provided for during the year to determine the appropriateness of judgements, estimates and assumptions set by the Management. ● Tested the subsequent receipts post year end for the purpose of assessing the recoverability of platform commission receivables.
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Other Matter

The financial report of the Group for the year ended 30 June 2022 was audited by another auditor who expressed an unmodified opinion on the financial report.

Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In the basis of preparation, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 7 of the directors' report for the financial year ended 30 June 2023.

In our opinion the Remuneration Report of Haodex Limited for the financial year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Connect National Audit

CONNECT NATIONAL AUDIT PTY LTD

Authorised Audit Company No. 521888



GEORGE GEORGIU FCA RCA
MANAGING DIRECTOR
28 September 2023

Additional information required by the NSX Listing Rules clause 6.9 and not disclosed elsewhere in this report is as follows. The information is current as at 25 September 2023.

1. Historical Summary Table

Item	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
Profit/(loss)	(1,118,752)	(3,662,144)	(139,031)	351,994	1,020,302
Assets	3,685,647	4,092,677	5,312,339	5,322,938	5,046,977
Liabilities	1,461,278	989,147	1,853,796	1,704,225	1,715,393

2. Ten Largest Shareholders

		Number of shares	% of total shares
1	FRANK HUANG	88,798,000	58.42
2	ENOCH INVESTMENT HOLDINGS PTY LTD	39,168,768	25.77
3	MINIMUM RISK PTY LTD <THE CDM FAMILY A/C>	7,425,000	4.86
4	ANNE HUANG	6,250,000	4.11
5	BIN CHEN	2,500,000	1.64
6	NG KOK	2,500,000	1.64
7	SOLIS HOLDINGS PTY LTD	1,650,000	1.09
8	MRS LISA VAN KOLCK + MR JOHNSON RUHAI HAN VAN KOLCK	537,695	0.35
9	ENOCH GLOBAL INVESTMENTS PTY LTD	497,900	0.33
10	MS HONG YU ZHU	485,850	0.32

3. Shareholder Distribution Table

	Ordinary shares		
	Number of holders	Number of shares	% of Total Issued Capital
1 – 1,000	1	250	0.00%
1,001 – 5,000	40	195,000	0.13%
5,001 – 10,000	43	346,000	0.23%
10,001 – 100,000	15	447,200	0.29%
100,001 and over	16	151,006,888	99.35%
Total	115	151,995,338	100%