Smart Auto Australia Limited

ACN 644 257 465

Annual Report

For The Year Ended 31 March 2024

NSX Code: SAL

Corporate Data

Directors	Michael Pixley	(*Non-executive Chairman)*
	Alyce Wong	(*Executive director and Chief Executive Officer)*
	Mark Ng	*(Executive director)*
	Gregory Starr	*(Non-executive director)*
	Francis Man	*(Non-executive director)*
Company secretary	Gregory Starr	
Registered office and principal place of business	**C/- Tearum Advisors Pty Ltd** Level 12, 141 Walker Street North Sydney Sydney NSW 2060	
Legal and NSX nominated adviser	**Steinepreis Paganin** Level 4, The Read Buildings 16 Milligan Street Perth WA 6000	
Independent auditor	**Moore Australia Audit (WA)** Level 15 Exchange Tower 2 The Esplanade Perth WA 6000	
Share registry	**Automic Pty Ltd** Level 5, 126 Phillip Street Sydney NSW 2000	
Securities exchange	**National Securities Exchange (NSX)** 1 Bligh Street Sydney NSW 2000	
NSX code	**SAL**	

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Chairman’s Letter

Dear fellow Shareholders,

On behalf of the board of directors (the “Board”) of Smart Auto Australia Limited (SAL or the Company), I welcome you as a shareholder of SAL.

The economic downturn has adversely impacted the tourism sector in Hong Kong. Our revenue and profitability were affected in the financial year ended 31 March 2024 (“FY24”).

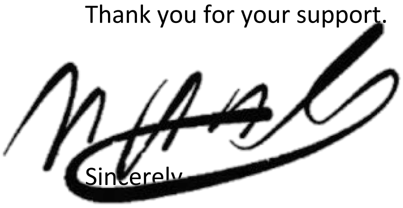
As disclosed in the half-year report for the period ended 30 September 2023 and the announcement on 13 May 2024, a creditor initiated a civil claim against the Company’s indirect wholly owned subsidiary, Grand Tour Business Services Limited (“GTB”). Subsequent to reviewing the submissions, the High Court of the Hong Kong Special Administrative Region has determined GTB is required to settle a total fee of approximately AUD1.25m to the creditor before a counterclaim can be filed.

After reviewing the sequence of events and potential business opportunities, the Board has decided to sell off the complete ownership stake in its wholly-owned subsidiary, Smart Auto Holding (HK) Limited ("SAH"), along with its wholly-owned subsidiary, GTB, to an independent third party on 17 May 2024. This party is interested in taking over all assets and liabilities. The Board considers the disposal a positive step forward, with no significant impact, as SAH had a consolidated negative net asset value as of 31 March 2024.

The Board is exploring new business opportunities by establishing a new subsidiary. The Company announced on 30 April 2024, through a prospectus for a non-renounceable pro-rata entitlement offer (the “Offer”), that an existing shareholder is interested in investing in the Company as an underwriter. The Offer has been completed as of the date of this report.

On behalf of SAL, I would like to express my heartfelt appreciation to our shareholders for their support in the past year. We are confident that SAL will create greater value for our shareholders and mitigate the negative impact of international uncertainties subsequent to the completion of the abovementioned transactions.

Thank you for your support.



Sincerely

Michael Pixley
Non-executive Chairman

Directors' Report

Directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Smart Auto Australia Limited (the "Company" or "SAL") and the entities it controlled at the end of, or during the year ended 31 March 2024 ("FY24").

Directors

The names and details of the Company's directors in office during FY24 and until the date of this report are as follows.

Where applicable, all current and former directorships held in listed public companies over the past three years have been detailed below.

Directors were in office for this entire period unless otherwise stated.

Michael Pixley - *Non-executive chairman*

Appointed on 28 October 2020, Mr Pixley has 37 years of merchant banking experience in Australia and Asian regions across a broad range of industries. Mr Pixley is a non-executive director of Refresh Group Ltd. (ASX: RGP), Credit Intelligence Limited (ASX: CI1), and is a founding director of Story-I Ltd (ASX: SRY). Mr. Pixley was a non-executive director of Advanced Share Registry Ltd. (ASX: ASW).

Mr Pixley has a Bachelor of Business Management from Curtin University, Perth, Western Australia.

Nga Lai Wong (Alyce Wong) - *Executive director and Chief Executive Officer (CEO)*

Appointed on 28 October 2020, Ms. Wong is one of the founders of the Group's current operating entity, Grand Tour Bus Services Limited ("GTB") in Hong Kong and has over 12 years of experience in the coach/bus rental, management, and trading industry.

Prior to founding the Group, Ms. Wong held management roles with Sunice International Limited and Fok-Hing Industrial Limited in Hong Kong. She has worked in highly regulated industries and has firsthand experience dealing with disruptive technologies.

As the current CEO of the Group, coupled with her deep industry knowledge and experience, Ms. Wong is responsible for formulating the corporate strategy, business development, financial management, cost management and compliance functions of the Group.

Ms. Wong graduated with a Diploma in Marketing from the Office Business Academy in Australia in 1996.

Mark Ng - *Executive director*

Appointed on 28 October 2020, Mr. Ng is a member of CPA (Aust.) and Hong Kong Institute of Certified Public Accountants. He is currently an executive director of Credit Intelligence Limited (ASX: CI1) and Sanvo Fine Chemicals Group Limited, a company listed on the main board of the Hong Kong Stock Exchange (HKex: 301).

Mr. Ng has over 20 years of experience in corporate governance, financial reporting, auditing, investor relationships, fundraising, internal control and risk assessment, M&A, tax, and listing rules compliance. He has been involved in a number of initial public offerings and mergers and acquisitions activities on major stock exchanges.

Mr. Ng was trained at international CPA firms BDO and Grant Thornton and has held various managerial positions in listed companies, including executive director, independent non-executive director, company secretary, CFO, and corporate adviser.

Greg Starr – Non-executive director and Company Secretary

Appointed on 28 October 2020, Mr. Starr, is a CPA and an experienced public company non-executive and executive director and Company Secretary. He has been involved in many IPOs, M&A and acquisitions and debt and company restructures over the past 26 years.

In the past three years Mr. Starr has held executive and non-executive board positions on ASX listed companies, Diatreme Resources Limited (ASX: DRX), Investor Centre Limited (ASX: ICU) and Candy Club Limited (ASX: CLB) and Admiralty Resources Limited (ASX: ADY).

Mr. Starr brings significant corporate governance and investor relations experience in ASX, TSX and NSX listed companies to the Company's board.

Interests in the shares of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares of the Company were:

	Ordinary Shares
Michael Pixley	-
Alyce Wong	18,000,000
Mark Ng	41,666,667
Greg Starr	-
Francis Man	-

Following the extraordinary general meeting of the Company on 26 April 2024, 10,000,000 ordinary shares and 31,666,667 ordinary shares were issued to Mark Ng (Executive Director and KMP) as shares in lieu of remuneration and payment for interest-free loans.

Principal Activities and Business Overview for FY24

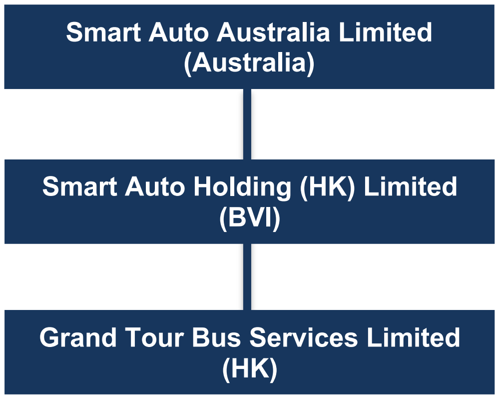
The Group has been operational in the bus fleet rental and management sector since its main operating subsidiary, GTB was incorporated in Hong Kong in June 2010. The Group is principally engaged in i) provision of bus rental and management services and ii) bus trading in Hong Kong via GTB. The Group is one of the leading bus leasing, management and trading service providers in Hong Kong.

As at 31 March 2024, there were 16 vehicles currently under the Group's management.

In addition to its core business offerings mentioned above, other Group revenues and profits are generated from the trading of associated bus and coach licenses; the distributorship of coaches, buses and e-CV products; vehicle inspections and maintenance (awarded as distributor in Hong Kong and Australia for one of the major suppliers in e-CV products industry).

Group Structure

As at 31 March 2024, the corporate structure of the Group is as follows:



As announced on 22 May 2024, the Company disposed of the entire equity interest in Smart Auto Holding (HK) Limited ("SAH") to an independent third party on 17 May 2024.

Dividends Paid or Recommended

There was no dividend paid or recommended.

Review of Operations

The Group disposed its wholly owned subsidiary, SAH (together with its wholly owned subsidiary GTB), on 17 May 2024 after GTB has been served with a court order in March 2024 to compensate the plaintiff in a civil legal proceeding against the subsidiary. The operations associated with the bus rental and management and bus trading segments are therefore classified and presented in the consolidated statement of profit or loss and other comprehensive income as loss from discontinuing operations. As a result, the Group recorded a loss for continuing operations and a loss for discontinuing operations of A$1.9m and A5.6m, respectively.

Risk Management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Group has established an Audit and Risk Committee which comprises only non-executive directors.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

(a) loss of key relationships, customers and contracts, including with key related party customers;
(b) governmental, regulatory and legislative changes;
(c) increased competition;
(d) contractual disputes;
(e) failure to obtain or renew licenses and regulatory approvals;
(f) inability to access capital to finance expansion and replenishment of the bus fleet; and
(g) COVID-19 and future force majeure events.

Significant Changes in the State of Affairs

Nil

Significant Events after the Reporting Date

Following the extraordinary general meeting of the Company on 26 April 2024, 10,000,000 ordinary shares and 31,666,667 ordinary shares were issued to Mark Ng (Executive Director and KMP) as shares in lieu of remuneration and payment for interest fee loans.

On 30 April 2024, the Company issued a prospectus for a non-renounceable pro-rata entitlement offer to eligible shareholders on the basis of one (1) new share for every one (1) existing share held on the record date at an issue price of $0.01 per new share, together with two (2) free fully paid bonus shares for every one (1) new share subscribed for and issued (the "Offer"). The Offer has been completed as of the date of this report, issuing a total of 659,721,417 new shares in accordance with the prospectus and raising a total of A$2,199,071.39 (before costs).

As announced on 22 May 2024, the Company disposed its entire equity interest in Smart Auto Holding (HK) Limited to an independent third party for AUD1.00 on 17 May 2024.

Likely Developments and Expected Results of Operations

The Company announced on 30 April 2024, through a prospectus for a non-renounceable pro-rata entitlement offer, that an existing shareholder is interested in investing in the Company as an underwriter. The new funding from the exercise will be used as general working capital for the Company and to establish new business opportunities.

Environmental Regulation and Performance

The Group's current business is not subject to any significant environmental regulation.

Remuneration Report (Audited)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles Used to Determine the Nature and Amount of Remuneration

Remuneration Governance and Policy

Taking into account the current size and operations of the Group, the Board has assumed the role of the Remuneration and Nomination Committee. The Corporate Governance Statement provides further information on the role of this committee. The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and equity securities. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share arrangements, where applicable.

Where required, the executive directors and executives receive a superannuation guarantee contribution required by the government, which is 10.0% from 1 April 2022 to 30 June 2022 and 10.5% from 1 July 2022 to 31 March 2023 for Australia and 5% or maximum contribution of HKD1,500 per month (circa A$290) for Hong Kong. Executive directors and executives do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Equity securities in the form of performance shares are valued using an appropriate binomial, trinomial or option pricing methodology depending on the terms of the equity securities granted, if any.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance based remuneration

The Group does not have a formal short-term incentive scheme for executives, directors or other key management personnel. However, the Board believes that a portion of the remuneration package for the directors should be linked to some form of financial indicators, such as share price, from time to time, as determined by the Board. In this regard, performance rights provide a performance-linked incentive component in the remuneration package, subject to shareholder approval.

There is no share option or performance shares issued to the Board or senior management.

Company performance, shareholder wealth and directors' and executives' remuneration

The Group aims to align director and executive remuneration to its strategic and business objectives and the creation of shareholder wealth. Key performance indicator includes revenue, net profit, share price and earnings per share as required by the *Corporations Act 2001*. The results below are not necessarily consistent with the measures used in determining the performance-based amounts of remuneration to be awarded to key management personnel (KMP). As a consequence, there may not always be a direct correlation between the statutory key performance measures and the performance-based remuneration awarded.

Use of remuneration consultants

The Group did not retain the services of any remuneration consultants during FY24 and FY23.

Details of Remuneration

Details of the remuneration of the directors of the Company are set out in the following table.

The Board considers KMP of the Group includes those directors of SAL appointed. All amounts included in the remuneration table below are included as expenses within the consolidated statements of profit or loss in the financial statements for FY24.

	Salary & Fees $	Short-Term Cash Bonus $	Non-Monetary $	Long-Term Leave Entitlements $	Post-Employment Super-annuation $	Share-based Payments Performance Shares $	Total $	Percentage Performance Related %
Directors								
Alyce Wong								
FY24	**60,000**	**-**	**-**	**-**	**-**	**-**	**60,000**	**-**
FY23	120,000	-	-	-	-	-	120,000	-
Mark Ng								
FY24	**60,000**	**-**	**-**	**-**	**-**	**-**	**60,000**	**-**
FY23	60,000	-	-	-	-	-	60,000	-
Michael Pixley								
FY24	**36,000**	**-**	**-**	**-**	**-**	**-**	**36,000**	**-**
FY23	36,000	-	-	-	-	-	36,000	-
Greg Starr								
FY24	**25,000**	**-**	**-**	**-**	**-**	**-**	**25,000**	**-**
FY23	25,000	-	-	-	-	-	25,000	-
Francis Man								
FY24	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FY23	15,000	-	-	-	-	-	15,000	-
Total key management personnel compensation								
FY24	**181,000**	**-**	**-**	**-**	**-**	**-**	**181,000**	**-**
FY23	256,000	-	-	-	-	-	256,000	-

Except Alyce Wong, all of the directors' remuneration is effective from the date of listing (8 June 2021). For each of the directors, the annual remuneration for the financial year following the Company being admitted to the official list is set out in the table below:

Note: Inclusive of statutory superannuation (as applicable) but exclusive of any short-term and long-term incentive plans.

Director	Annual Remuneration
Michael Pixley	A$36,000
Alyce Wong	A$60,000
Mark Ng	A$60,000
Gregory Starr	A$25,000

Service Agreements

The details of service agreements of the KMP of the Group are as follows:

Alyce Wong - Executive director and CEO

- Term of agreement – employment commencing from the date of admittance to the official list of NSX for 3 years or until employment is terminated.
- The agreement may be terminated by the Company/individual giving one/three months' notice in writing, or applicable shorter periods upon breach of contract by either party. There are no benefits payable on termination other than entitlements accrued to the date of termination.

Mark Ng, Executive director

- Term of agreement – employment commencing from the date of admittance to the official list of NSX for 3 years or until employment is terminated.
- The agreement may be terminated by the Company/individual giving one/three months' notice in writing, or applicable shorter periods upon breach of contract by either party. There are no benefits payable on termination other than entitlements accrued to the date of termination.

The non-executive directors have entered into engagement letters containing terms and conditions which are considered standard for the appointments and are in line with common industry practice.

Share-Based Compensation

Performance Shares/Rights

Performance Shares/Rights are issued to directors and executives as part of their remuneration. The Group does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages KMP from obtaining mortgages in securities held in the Company.

The Company did not issue any performance shares/rights to directors and/or executives.

Ordinary Share Holdings

The number of ordinary shares in the Company held during the financial year by each director of the Company is set out below. There were no ordinary shares granted during the reporting period as compensation.

FY24/23	**Balance at start of the year or date of appointment**	**Received during the year on the vesting of performance rights/exercise of options**	**Other changes during the year**	**Balance at end of the year(*)**
Directors				
Alyce Wong	116,000,000	-	(98,000,000)	18,000,000
Mark Ng	-	-	-	-
Michael Pixley	-	-	-	-
Greg Starr	-	-	-	-
Francis Man	-	-	-	-

*At year end there are no nominally held shares.

Loans from KMP and their Related Parties

The balance of loan from Alyce Wong (a director and KMP) as at 31 March 2024 was A$Nil (31 March 2023: A$333,158).

The balance of loan from Mark Ng (a director and KMP) as at 31 March 2024 was A$588,038 (31 March 2023: A$Nil). The loan is unsecured, interest free and repayable on demand. Following the extraordinary general meeting of the Company on 26 April 2024, 10,000,000 ordinary shares and 31,666,667 ordinary shares were issued to Mark Ng as shares in lieu of remuneration and payment for interest fee loans of A$500,000.

Other Transactions with KMP

There were no other transactions with Key Management Personnel during FY24 and the previous corresponding period.

End of Audited Remuneration Report

Directors' Meetings

During the year and up to the date of this report, the Company held 11 meetings of directors. The attendance of directors at meetings of the Board was:

	Directors Meetings		Committee Meetings Audit and Risk	
	A	**B**	**A**	**B**
Alyce Wong	11	11	N/A	N/A
Mark Ng	11	11	N/A	N/A
Michael Pixley	11	11	2	2
Greg Starr	11	11	2	2

A – Number of meetings attended.
B – Number of meetings held during the time the director held office during the year and up to the date of this report.

Shares Under Option

There are no unissued ordinary shares of the Company under option at the date of this report.

Indemnification of Officers

The Company has insurance policy in place for its directors under a Directors and Officers Insurance policy.

No indemnification has been obtained for the auditors of the Company or the Group.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-Audit Services

The following non-audit services were provided by the Group's auditor, Moore Australia Audit (WA) ("Moore Australia") or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;

- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Moore Australia or associated entities and component auditors have received, or are due to receive, the following amounts for the provision of non-audit services to the Group:

		FY24	FY23
		A$	A$
–	Interim review		
	Moore Australia	**10,500**	10,500
	Moore Hong Kong	**25,316**	24,305
–	Taxation services		
	Moore Australia	**7,711**	1,980
	Moore Hong Kong	**974**	-
		44,501	36,785

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Signed in accordance with a resolution of the directors.

Mark Ng
Executive Director

25 June 2024

Moore Australia Audit (WA)

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF SMART AUTO AUSTRALIA LIMITED & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2024, there have been:

a) no contraventions of the auditor independence requirements as set out in 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.

WEN-SHIEN CHAI
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 25th day of June 2024.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 A$	2023 A$
Continuing operations			
Revenue	**3**	-	5,884,157
Cost of services rendered		-	(5,869,502)
Gross profit		-	14,655
Other income and gains	4	-	39,546
Administrative and operating expenses		**(331,207)**	(1,313,056)
Impairment loss allowance on trade receivables		-	(1,055,430)
Impairment loss allowance on intangible assets		-	(289,787)
Written off of amount due from a director		**(1,527,845)**	
Finance costs	5	-	(30,717)
Loss before income tax from continuing operations	6	**(1,859,052)**	(2,634,789)
Income tax credit	7	-	148,440
Loss for the year from continuing operations		**(1,859,052)**	(2,486,349)
Discontinuing operations			
Loss for the year from discontinuing operations	29	**(5,631,928)**	-
Loss for the year attributable to members of the parent entity		**(7,490,980)**	(2,486,349)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations, net of tax		**(199,939)**	212,789
Total other comprehensive income for the year, net of tax		**(199,939)**	212,789
Total comprehensive loss for the year attributable to members of the parent entity		**(7,690,919)**	(2,273,560)
Loss per share			
Basic and diluted (cents)	22		
From continuing and discounting operations		**(4.2)**	N/A
From continuing operations		**(1.0)**	(1.5)
From discontinuing operations		**(3.2)**	N/A

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	2024 A$	2023 A$
CURRENT ASSETS			
Cash and cash equivalents	10	**18,595**	34,855
Trade receivables	11	-	939,826
Prepayments, deposits paid and other receivables	12	-	1,693,612
Inventories	13	-	3,429,304
Assets held for sales	29	**4,987,052**	-
TOTAL CURRENT ASSETS		**5,005,647**	6,097,597
NON-CURRENT ASSETS			
Plant and equipment	8	-	1,687,295
Intangible assets	8a	-	2,223,489
Right-of-use assets	9	-	141,015
Trade receivables	11	-	578,514
Deposits paid	12	-	1,183,285
TOTAL NON-CURRENT ASSETS		-	5,813,598
TOTAL ASSETS		**5,005,647**	11,911,195
CURRENT LIABILITIES			
Trade payables	14	-	4,008,705
Accruals and other payables	14	**128,424**	602,443
Contract liabilities	14	-	85,519
Rental deposits received		-	569,175
Amount due to a director	15	**588,038**	333,158
Lease liabilities	16	-	397,564
Other borrowings	16a	-	179,190
Tax payables		-	154,803
Liabilities directly associated with assets held for sale	29	**9,215,063**	-
TOTAL CURRENT LIABILITIES		**9,931,525**	6,330,557
NON-CURRENT LIABILITIES			
Trade payables	14	-	264,646
Lease liabilities	16	-	969,574
Other borrowings	16a	-	1,581,377
TOTAL NON-CURRENT LIABILITIES		-	2,815,597
TOTAL LIABILITIES		**9,931,525**	9,146,154
NET (LIABILITIES)/ASSETS		**(4,925,878)**	2,765,041
EQUITY/(DEFICIENCY)			
Issued capital	18	**6,860,318**	6,860,318
Reserves	19	**(2,118,192)**	(1,918,253)
Accumulated losses		**(9,668,004)**	(2,177,024)
TOTAL EQUITY/(DEFICIENCY)		**(4,925,878)**	2,765,041

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Issued Capital	Retained Earnings/ (Accumulated Losses)	Merger Reserve	Translation Reserve	Total Equity /(Deficiency)
	A$	A$	A$	A$	A$
Balance at 1.4.2022	4,338,758	309,325	(1,831,858)	(299,184)	2,517,041
Comprehensive income:					
Loss for the year	-	(2,486,349)	-	-	(2,486,349)
Other comprehensive income for the year	-	-	-	212,789	212,789
Total comprehensive income for the year	-	(2,486,349)	-	212,789	(2,273,560)
Transactions with owners, in their capacity as owners, and other transfers					
Issuance of shares at A$0.11 each for acquisition of 5 coaches on 4 October 2022	2,521,560	-		-	2,521,560
Total transactions with owners and other transfers	2,521,560	-		-	2,521,560
Balance at 31.3.2023	6,860,318	(2,177,024)	(1,831,858)	(86,395)	2,765,041
Balance at 1.4.2023	6,860,318	(2,177,024)	(1,831,858)	(86,395)	2,765,041
Comprehensive income:					
Loss for the year	-	(7,490,980)	-	-	(7,490,980)
Other comprehensive income for the year	-	-	-	(199,939)	(199,939)
Total comprehensive income for the year	-	(7,490,980)	-	(199,939)	(7,690,919)
Transactions with owners, in their capacity as owners, and other transfers					
Total transactions with owners and other transfers	-	-		-	-
Balance at 31.3.2024	**6,860,318**	**(9,668,004)**	**(1,831,858)**	**(286,334)**	**(4,925,878)**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 A$	2023 A$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations		**(988,756)**	(855,791)
Income tax paid		**(26,440)**	(325,988)
Net cash used in operating activities	20	**(1,015,196)**	(1,181,779)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of intangible assets		**1,015,689**	-
Proceeds from disposal of plant and equipment		**504,920**	37,505
Accounts with a related company		**-**	(100,911)
Net cash generated from/(used in) investing activities		**1,520,609**	(63,406)
CASH FLOWS FROM FINANCING ACTIVITIES			
Accounts with to a director		**247,645**	314,044
Lease liabilities and other borrowings		**(576,441)**	842,873
Net cash (used in)/generated from financing activities		**(328,796)**	1,156,917
Net increase/(decrease) in cash and cash equivalents		**176,617**	(88,268)
Cash and cash equivalents at the beginning of the year		**34,855**	49,603
Effect of foreign currency translation		**(192,877)**	73,520
Cash and cash equivalents at the end of the year		**18,595**	34,855

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information

These financial statements and notes represent those of Smart Auto Australia Limited (the "Company") and its controlled entities (the "Group").

The separate financial statements of the parent entity have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on [-] June 2024 by the directors of the Company.

(a) Basis of preparation

Reorganisation

The Company was incorporated and domiciled in Australia, as the parent company and listing vehicle for the Group. On the date of incorporation, 28 October 2020, 100 nil-paid ordinary shares were issued to the controlling shareholder Alyce Wong, who is also a director of the Company. Pursuant to the reorganisation (the "Reorganisation"), the Company subsequently issued 115,999,900 shares to Alyce Wong, to acquire her entire equity interest in Smart Auto Holding (HK) Limited, a British Virgin Islands incorporated limited liability company ("SAH"), for consideration of A$1,831,879, equating to the net asset value of SAH.

Immediately prior to and after the Reorganisation, the business of the Group was conducted mainly through the existing operating subsidiary based in Hong Kong. The Company became the holding company of the companies comprising the Group on 28 October 2020. The Reorganisation is merely a reorganisation of the structure of the Group with no change in management and the ultimate owner of the business remains the same. The Group is regarded as operating the same business, prior to and after the Reorganisation, with no requirement to account for the Reorganisation as a business acquisition pursuant to AASB 3. Accordingly, the consolidated financial statements have been prepared using the principles of merger accounting (pooling of interest method) as if the Reorganisation had occurred as at the beginning of the earliest period presented and as though the current group structure had always been in existence. The consolidated statements of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years ended 31 March 2022 and 2021 include the results, changes in equity and cash flows of companies within the Group as if the current group structure had been in existence throughout the reporting periods, or since their date of establishment, incorporation or acquisition, where applicable. The consolidated statement of financial position of the Group as at 31 March 2023 and 2022 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates taking into account the respective date of establishment, incorporation or acquisition, where applicable.

The assets and liabilities of the companies comprising the Group are consolidated using their existing book values. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the Reorganisation. All intra-group transactions, balances and unrealised gains on transactions have been eliminated on consolidation. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred, if any.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

(a) Basis of preparation

Reporting entity

These general purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accrual 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.

Going concern

The Group incurred a net loss of A$7,490,980 for the year ended 31 March 2024 (comprising a loss for continuing operations of A$1,859,052 and a loss for discontinuing operations of A$5,631,928) and, as of that date, the Group had net current liabilities and net liabilities of A$4,925,878. These conditions indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. The Group would sell part of its assets in order to improve its financial position, liquidity and cash flows.

Notwithstanding the above factors, the financial statements have been prepared on a going concern basis because a number of measures have been put in place by management to improve the financial position and alleviate the liquidity pressure in order to ensure the Group operate as a going concern.

i) Working capital

On 30 April 2024, the Company issued a prospectus for a non-renounceable pro-rata entitlement offer to eligible shareholders on the basis of one (1) new share for every one (1) existing share held on the record date at an issue price of $0.01 per new share, together with two (2) free fully paid bonus shares for every one (1) new share subscribed for and issued (the "Offer"). The Offer has been completed as of the date of these financial statements were authorised for issue, with approximately A$2.19m new funding generated.

ii) Disposal of loss-making operations

As announced on 22 May 2024, the Company disposed its entire equity interest in Smart Auto Holding (HK) Limited (together with its wholly owned subsidiary, GTB) to an independent third party for AUD1.00 on 17 May 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

(a) Basis of preparation

Should the Group be unable to continue as going concern, adjustments would have to be made to the financial statements to write down the carrying amounts of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the financial statements.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 31 March 2024 and the results of its controlled entities for the year then ended. The Company and its controlled entities together are referred to in these financial statements as the consolidated entity.

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 rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting except for those disclosed in note 1(a) pursuant to the Reorganisation. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

(b) Foreign currency translation

Functional and presentation currency

The functional currency of the Group is Hong Kong dollars (HK$), which is the currency of the primary economic environment in which the Group operates, while presentation currency of the Group is Australian dollars (A$).

Transactions and balances

Foreign currency transactions are translated into the functional currency using 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 end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

(c) Revenue recognition

Revenue generated by the Group is categorised into the following reportable segments of i) gross rental income, ii) trading income and iii) other commission services income.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

Details of the Group's revenue and other income recognition policies are as follows:

Commission income from trading of coaches

Commission income from trading of coaches is recognised as the relevant services have been rendered, which is generally the time when the control have been transferred to the buyer and the buyer accepted the current conditions of the coach, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the coach sold.

Coach rental income

Coach rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease contract.

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

(e) Plant and equipment and depreciation

Plant and equipment are stated at cost, less provisions for depreciation and impairment losses, if any.

The cost of an item of plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to profit or loss in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of the item, the expenditure is capitalised as an additional cost of the item. When an item of plant and equipment is sold, its cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of plant and equipment to its estimated residual value over its estimated useful life.

The principal annual rates used for i) motor vehicles and ii) furniture, fixtures and office equipment are 15% per annum and 20% per annum respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

Impairment of non-financial assets

Where an indication of impairment exists, the recoverable amounts of plant and equipment and intangible assets are estimated. An asset's recoverable amount is the higher of the asset's or cash- generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to statement of comprehensive income in the period in which it arises.

(f) Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under AASB 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to rental coaches that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

1 Material accounting policy information (continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
-any lease payments made at or before the commencement date, less any lease incentives received;
-any initial direct costs incurred by the Group; and
-an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the statement of financial position.

Refundable rental deposits paid

Based on the definition of lease payments under AASB 16, refundable rental deposits paid are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits paid may be adjusted to amortised cost.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right- of-use assets) whenever:

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes expected payment under a guaranteed residual value in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate. The Group presents lease liabilities as a separate line item on the statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the standalone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

The Group as a lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period of which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis.

The Group as a lessor

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

(g) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating and recognising interest income and interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but not considering the expected credit losses.

Interest income which are derived from the Group's ordinary course of business are presented as other income.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

Financial assets

Classification and measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI on initial recognition/as at date of initial application of AASB 9 if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which AASB 3 Business Combinations applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a financial guarantee contract of designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

Amortised cost and interest income

Financial assets are recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting periods following the determination that the asset is no longer credit impaired.

Accounting policy of impairment of financial assets measured at amortised cost is stated in note 1(i).

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group 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 or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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 that the Group could be required to repay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

1 Material accounting policy information (continued)

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised costs. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, deposits received, accruals and other payables, amount due to a director, tax payables and lease liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in "Finance costs" in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial assets

Classification and measurement of financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The Group determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade receivables, deposits paid and other receivables and cash and cash equivalents in the statement of financial position.

Regular way purchases and sales of financial assets are recognised on the trade-date, that is, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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 the consideration that the Group could be required to repay.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Financial liabilities

The accounting policy of classification and measurement of financial liabilities has no change under the application of AASB 139 and AASB 9. Please refer to above accounting policy in regarding to financial liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

(h) Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company for their decisions about resources allocation to the group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the chief operating decision makers ("CODM") are determined following the Group's major operations. The measurement policies the group uses for reporting segment results under AASB 8 Operating Segments are the same as those used in its financial statements prepared under AASB.

(i) Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under AASB 9 (including trade receivables, deposits paid and other receivables and cash bank balance). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

1 Material accounting policy information (continued)

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

1 Material accounting policy information (continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped based on:

Nature of financial instruments (i.e. the Group's trade receivables, deposits paid and other receivables and cash and cash equivalents are each assessed as a separate group);

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them 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. The amount of any impairment loss identified 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 yet been incurred). The present value of the estimated future cash flows is 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 through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to "impairment loss allowance on trade receivables" in statement of comprehensive income.

(j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

1 Material accounting policy information (continued)

(k) Income tax

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:-

- when the deferred tax liability arises from the initial recognition of goodwill or 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; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when 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 tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences 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; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and 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 tax assets is reviewed at the end of each reporting period 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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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 each reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1 Material accounting policy information (continued)

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(l) Provision and contingent liabilities

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the time value of money is material, provisions are stated at the present value at the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Discontinuing operations

Discontinuing operations is referred to the group's business or product line that have been divested, shut down or disposed whose activities are reported separately from continuing operations. The sum of the post-tax profit or loss of the discounting operation is presented as a single amount on the consolidated statement of profit or loss.

(n) Share 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 proceeds.

(o) Assets held for sale

Assets associated with the group's business or product line that have been divested, shut down or disposed are classified as held for sale. Assets held for sale and the liabilities directly associated with the assets held for sale are presented separately in the consolidated statement of financial position.

2 Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 1, the Board of directors of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Estimated provision of ECL for trade receivables

The Group has considered all the possible default events over the expected life of the trade receivables and assessed individually for debtors with significant balances and/or collectively using a provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is reasonable and supportable available without undue costs or effort.

In addition, trade receivables that are credit impaired are assessed for ECL individually. The loss allowance amount of the credit impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

The provision of ECL is sensitive to changes in estimates. The information about the Group's assessment of ECL and the details of the Group's trade receivables are disclosed in notes 1(i) and 11, respectively.

(b) Principal versus agent consideration

The Group engages in the business of trading of coaches and passenger service licences.

For transactions with the performance obligation which is to arrange for the provision of trading of coaches by such as the Group is primarily responsible for lining up with the suppliers to transfer the coaches to customers to complete the transactions, the Group concluded that it acts as the agent for such transactions. The trading of coaches is initiated by the customers and the Group identifies the suitable suppliers to meet the requirements from the customers. The Group does not control the specified coaches before those coaches are transferred to customers.

2 Critical accounting estimates and judgements (continued)

(c) Principal versus agent consideration (continued)

On the other hand, the Group purchases the coaches and passenger service licences from the suppliers with the intension to sales. For the transactions of selling these coaches and passenger service licences of which the Group has the control, the Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the coaches and passenger service licences. The Group has inventory risk. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

(d) Depreciation and impairment assessment of plant and equipment, intangible assets and right-of-use assets

Plant and equipment and right-of-use assets with finite useful lives are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value, if any. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

Plant and equipment and right-of-use assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of the assets have been determined based on the higher of fair value less costs of disposal and value-in-use calculations. Such estimation was based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. Further details of plant and equipment, intangible assets and right-of-use assets are included in notes 8, 8a and 9 to the consolidated financial statements.

(e) Significant judgement in determining the lease term of contracts with renewal options

The Group has certain lease contracts in relation to rental coaches that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(f) Written off of amount due from a director

The Group has considered all the possible default events over the expected life of the amount due from a director and assessed the repayment history, financial position and repayment ability of respective amount due from a director.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

	2024 A$	2023 A$
3 Revenue		
Gross rental income (note (i))	-	1,161,309
Trading income (note (ii))	-	4,471,325
Other commission services income (note (ii))	-	251,523
	-	5,884,157

Notes:

(i) Gross rental income was recognised over time

(ii) All trading related income were recognised at a point in time

The Group applied the practical expedient in paragraph 121 of AASB 15 to its commission services contracts regarding the performance obligations that have an original expected duration of one year or less, the Group does not make disclosure in accordance with paragraph 120 of AASB 15 in relation to the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at end of the reporting periods and an explanation of when the Group expects to be recognised as revenue.

4 Other income and gains

	2024 A$	2023 A$
Bank interest income	-	161
Gain on disposal of motor vehicles	-	4,645
Others	-	34,740
	-	39,546

5 Finance costs

	2024 A$	2023 A$
Interest on lease liabilities	-	18,773
Imputed interest on trade payables	-	11,944
	-	30,717

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

	2024	2023
	A$	A$

6 Loss before income tax

Auditor's remuneration	**64,843**	63,131
Cost of inventories recognised as an expense	-*	4,404,031
Depreciation of plant and equipment (included in cost of services rendered)	-*	388,979
Depreciation of right-of-use assets (included in administrative and operating expenses)	-*	102,014
Expenses relating to short-term leases	-*	736,904
Impairment loss on inventories (included in cost of services rendered)	-*	434,681
Written off of amount due from a director	**1,527,845**	-

*Included in the line items of loss for the year from discontinuing operations.

7 Income tax expense

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the British Virgin Islands (BVI), the Group is not subject to any income tax under the jurisdiction. Hong Kong Profits Tax is calculated at 8.25% of the first HK$ 2 million (Circa A$392,000) estimated assessable profits and 16.5% above HK$ 2 million estimated assessable profits derived from Hong Kong.

Current tax – under provision for prior years	-	41,063
Deferred tax (note 17)	-	(189,503)
Income tax (credit)	-	(148,440)

The prima facie tax expense on profit from ordinary activities before income tax from continuing operations is reconciled to the income tax as follows:

Tax at 30%	**(557,716)**	(833,849)
Differential in corporate tax rate	-	375,232
Tax effect on non-taxable income	-	(26)
Tax effect on non-deductible expenses	**557,716**	18,406
Tax effect on tax losses not recognised	-	205,072
Tax effect on temporary difference not recognised	-	45,662
Under provision for prior years	-	41,063
	-	(148,440)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

8 Plant and equipment

	Furniture, fixtures and office equipment A$	Motor vehicles A$	Total A$
Cost			
At 1 April 2022	32,826	1,717,930	1,750,756
Additions (included transfer from inventory and right-of-use assets)	-	1,030,169	1,030,169
Disposals	(18,428)	(76,017)	(94,445)
At 31 March 2023 and 1 April 2023	14,398	2,672,082	2,686,480
Disposals of subsidiaries (note 29)	(14,398)	(2,672,082)	(2,686,480)
At 31 March 2024	-	-	-
Accumulated depreciation			
At 1 April 2022	18,053	751,196	769,249
Charge for the year (note 6)	864	388,114	388,978
Elimination on disposals	(2,672)	(48,089)	(50,761)
Exchange alignments	(1,847)	(106,434)	(108,281)
At 31 March 2023 and 1 April 2023	14,398	984,787	999,185
Disposals of subsidiaries (note 29)	(14,398)	(984,787)	(999,185)
At 31 March 2024	-	-	-
Net carrying amount			
At 31 March 2024	-	-	-
At 31 March 2023	-	1,687,295	1,687,295

The Group did not hold the vehicle licenses for certain motor vehicles with an aggregate net carrying amount of approximately A$1,585,813 (HK$8,344,548) as at 31 March 2023. The respective vehicle licenses were held in trust by independent third parties. According to the legal opinion, the Group had proper ownership and entitlement of these licenses.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

8a Intangible assets

	Passenger service licences A$
Cost	
At 1 April 2022	740,753
Additions (included transfer from inventory)	1,691,372
At 31 March 2023 and 1 April 2023	2,432,125
Disposals of subsidiaries (note 29)	(2,432,125)
At 31 March 2024	-
Accumulated depreciation	
At 1 April 2022	-
Impairment	289,787
Exchange alignments	(81,151)
At 31 March 2023 and 1 April 2023	208,636
Disposals of subsidiaries (note 29)	(208,636)
At 31 March 2024	-
Net carrying amount	
At 31 March 2024	-
At 31 March 2023	2,223,489

Passenger service licences (PSL) were regarded to have indefinite useful lives as they were renewable on a periodic basis with the appropriate authority, there is no foreseeable limit to the number of renewals and the PSL were renewable at minimal cost. Accordingly, it is not amortised.

The Group did not hold PSL with an aggregate net carrying amount of approximately A$2,223,489 (HK$11,700,000) as at 31 March 2023. The respective PSL are held in trust by independent third parties. According to the legal opinion, the Group had proper ownership and entitlement of these PSL.

PSL with indefinite useful lives were tested for impairment annually. The impairment assessment was performed by individual asset. The estimates of recoverable amount of each PSL were based on its fair value less costs of disposal. The fair value was determined using market comparison approach by reference to recent market prices. The fair value on which the recoverable amount adopted was categorised as a level 3 measurement. As a result, intangible assets was impaired by A$289,787 (HK$1,550,000), which was charged to profit or loss presented as impairment loss on intangible assets during the year ended 31 March 2023.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

9 Right-of use- assets

	Leased property A$	Rental coaches A$	Total A$
Cost			
At 1 April 2022	98,334	563,737	662,071
Additions	104,507	-	104,507
Elimination on transfer	-	(229,218)	(229,218)
At 31 March 2023 and 1 April 2023	202,841	334,519	537,360
Disposals of subsidiaries (note 29)	(202,841)	(334,519)	(537,360)
At 31 March 2024	-	-	-
Accumulated depreciation			
At 1 April 2022	91,474	396,307	487,781
Charge for the year (note 6)	49,392	52,622	102,014
Elimination on transfer	-	(172,068)	(172,068)
Exchange alignment	-	(21,382)	(21,382)
At 31 March 2023 and 1 April 2023	140,866	255,479	396,345
Disposals of subsidiaries (note 29)	(140,866)	(255,479)	(396,345)
At 31 March 2024	-	-	-
Net carrying amount			
At 31 March 2024	-	-	-
At 31 March 2023	61,975	79,040	141,015

During the year ended 31 March 2023, the Group leased offices and coaches for its operations. Lease contracts were entered into for a fixed term ranged from 2 years to 7.5 years. Lease terms were negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements did not impose any covenants other than the security interests in the leased assets that were held by the lessor. Other than the finance lease assets, leased assets may not be used as security for borrowing purposes.

During the year ended 31 March 2023, the Group entered into hire purchase agreements for coaches with repayment term of 4 to 7.5 years. The ownership of these coaches with net carrying amount of A$66,000 (HK$352,500) will be transferred to the Group by the end of the lease terms at nil consideration. As at 31 March 2023, the Group's lease liabilities of A$389,000 (HK$2,047,961) were secured by the lessor's title to the coaches for these leases and also guaranteed by Alyce Wong, the sole director of GTB who is also an executive director and CEO of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

	31 March 2024 A$	31 March 2023 A$

10 Cash and cash equivalents

Cash and cash equivalents represent cash at banks and on hand. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with authorised banks with no recent default history.

11 Trade receivables

	31 March 2024 A$	31 March 2023 A$
Trade receivables	-	2,904,250
Less: allowance for credit losses	-	(1,385,910)
	-*	1,518,340

The Group granted 0 to 270 days credit period to customers. The ageing analysis of these receivables, net of ECL allowance, based on past due date, is as follows:

Not past due	-	1,141,555
1 – 90 days past due	-	152,240
91 – 180 days past due	-	224,545
181 – 365 days past due	-	-
More than 365 days past due	-	-
	-	1,518,340

The Group applies the simplified approach to provide for ECLs prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group has assessed the allowance for ECLs on trade receivables on a collective basis, based on ageing, past due status and repayment history of these balances by using the provision matrix derived from a rolling rates model. During the year ended 31 March 2023, allowance for ECLs on trade receivables of approximately A$1,055,430 was therefore recognised.

Details of impairment assessment of trade receivables are set out in note 1(i) to the consolidated financial statements.

The movements in the allowance for ECLs on trade receivables are as follows:

At the beginning of the year	-	280,537
Allowance for ECLs recognised	-	1,055,430
Exchange alignment	-	49,943
At the end of the year	-	1,385,910

* All balances have been reclassified as assets held for sale as at 31 March 2024 (note 29).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

	31 March 2024 A$	31 March 2023 A$
12 Prepayments, deposits paid and other receivables		
Current		
Prepayments (note (i))	-	149,557
Deposits paid (note (ii))	-	1,543,944
Other receivables	-	111
	-	1,693,612
Non-current		
Deposits paid (note (iii))	-	1,183,285
	-	
	-*	2,876,897

(i) Prepayments included prepaid rental of approximately A$145,819 which will be settled as rental expenses in subsequent financial year as at 31 March 2024.

(ii) Current deposits included deposits paid for acquisition of certain coaches and PSL of approximately A$1,353,370 as at 31 March 2023.

(iii) Non-current deposits are refundable at the end of the lease terms from coach lessors.

13 Inventories

Coaches	-	1,417,711
PSL	-	2,011,593
Total	-*	3,429,304

Inventories were held for sale in the ordinary course of business and are stated at the lower of cost and net realisable value. Inventories were held in trust by independent third parties. According to the legal opinion, the Group had proper ownership and entitlement of the inventories.

14 Trade payables, accruals and other payables, contract liabilities

Credit periods granted by the suppliers to the Group are generally 0 to 240 days. Accruals and other payables comprise accrued administrative and operating expenses during the years. Contract liabilities represent customers' deposits for the purchase of coaches in which the obligation to deliver the service has not yet been completed.

15 Amount due to a director

The amount due represents fund advances to the Group and accrued remuneration of a director. It is unsecured, interest-free, and part of the amount of A$500,000 has been settled by issuing new shares to the director subsequent to the reporting date.

* All balances have been reclassified as assets held for sale as at 31 March 2024 (note 29).

16 Lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	A$	A$	**A$**	A$
Within one year	**-**	490,477	-	397,564
In the second and fifth years, inclusive	**-**	979,433	-	969,574
After five years	**-**	-	-	-
Total minimum lease payments	**-**	1,469,910	**-***	1,367,138
Less: Future interest expenses	**-**	(102,772)		
Present value of lease liabilities	**-**	**1,367,138**		
Less: Portion classified as current liabilities	**-**	**(397,564)**		
Non-current portion	**-***	**969,574**		

16a Other borrowings*

Other borrowings were payable to a financial institution and are unsecured in substance with repayment terms of 10 years. The annual interest rate of 4.63% was borne by a former related company. Other borrowings were guaranteed by the CEO and executive director of the Company, Alyce Wong, who is also a director of GTB.

17 Deferred tax liabilities

	Impairment of inventories/ ECL on trade receivables A$	Depreciation allowances in excess of the related depreciation A$	Total A$
At 1 April 2022	(64,766)	237,371	172,605
(Credited)/charged to profit or loss for the year (note 7)	71,105	(260,608)	(189,503)
Exchange differences	(6,339)	23,237	16,898
At 31 March 2023 and 2024	**-**	**-**	**-***

* All balances have been reclassified as liabilities directly associated with assets held for sale as at 31 March 2024 (note 29).

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

18 Issued capital

The Company was incorporated on 28 October 2020 with 100 nil-paid ordinary shares. Pursuant to the Reorganisation, the Company subsequently issued 115,999,900 shares to Alyce Wong to acquire her entire equity interest in SAH, at the consideration of A$1,831,879 (net assets value of SAH (note 1(a)).

On 2 October 2022, GTB entered into an agreement with an independent third party, Global Car Rental Company Limited ("Vendor") to acquire 5 coaches and associated licences at a consideration of A$2,521,560 (HK$13,050,000). The transaction was subsequently completed on 4 October 2022 and the consideration was settled by way of issuance of 22,923,272 fully paid ordinary shares at A$0.11 each in the capital of the Company.

The current period reflects the movements in the Company, as the legal parent's capital structure.

Ordinary - issued and paid up share capital	**2024 No.**	2023 No.	**2024 A$**	2023 A$
At the beginning of the reporting year	**178,240,472**	155,317,200	**6,860,318**	**4,338,758**
Issuance of shares at A$0.11 each for acquisition of 5 coaches on 4 October 2022	**-**	22,923,272	**-**	**2,521,560**
At the end of the reporting period	**178,240,472**	178,240,472	**6,860,318**	**6,860,318**

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

At the date of this report, there were no options and/or convertibles on issue by the Company.

Following the Company's extraordinary general meeting on 26 April 2024, 10,000,000 ordinary shares and 31,666,667 ordinary shares were issued to Mark Ng (Executive Director and KMP) as shares in lieu of remuneration and payment for interest fee loans.

On 30 April 2024, the Company issued a prospectus for a non-renounceable pro-rata entitlement offer to eligible shareholders on the basis of one (1) new share for every one (1) existing share held on the record date at an issue price of $0.01 per new share, together with two (2) free fully paid bonus shares for every one (1) new share subscribed for and issued.

19 Reserves

Details of the movements on the Group's reserves are set out in the consolidated statement of changes in equity.

Merger reserve represents i) the nominal value of share capital of SAH and GTB and ii) deemed costs of consideration for the shares issued by the Company to acquire SAH.

Translation reserve represents exchange differences arising on translation of the foreign controlled subsidiaries with functional currency reported other than A$.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

20 Cash flow information

	2024 A$	2023 A$
Reconciliation of cash flow from operations with operating profit from ordinary activities after income tax:		
Loss from continuing operations after income tax	**(1,859,052)**	(2,486,349)
Loss from discontinuing operations after income tax	**(5,631,928)**	-
Loss after tax	**(7,490,980)**	(2,486,349)
Non-cash flows in profit from ordinary activities:		
Allowance for ECL	**492,146**	1,055,430
Depreciation of plant and equipment	**398,914**	388,979
Depreciation on right-of-use assets	**271,839**	102,014
Gain on disposal of plant and equipment	**713,622**	(4,645)
Impairment on inventories	**325,414**	434,681
Impairment on intangible assets	**1,256,086**	289,787
Finance costs	**89,326**	18,773
Effect of foreign currency translation	**4,262**	292,592
Movements in working capital		
Trade receivables	**371,724**	(1,051,513)
Deposits paid, prepayment and other receivables	**268,327**	(1,515,468)
Inventories	**1,565,398**	(1,043,151)
Trade payables	**(1,102,326)**	2,903,646
Contract liabilities	**552,483**	(731,864)
Deposits received, accruals and other payables	**1,269,872**	577,596
Tax payables	**(1,303)**	(412,287)
Cash flow used in operations	**(1,015,196)**	(1,181,779)

Major non-cash transactions

As announced on 22 May 2024, the Company disposed its entire equity interest in Smart Auto Holding (HK) Limited (SAH) to an independent third party for AUD1.00 on 17 May 2024. According to the agreement entered into between the Company, SAH, GTB, and the acquirer (the "Parties"), the Parties have agreed to waive all intercompany accounts balance (including amounts due from/to directors of the Parties). Consequently, the amount due from Alyce Wong (executive director and CEO of the Company and a GTB director) amounted to A$1,527,845 was written off during the year ending 31 March 2024.

On 2 October 2022, GTB entered into an agreement with the Vendor to acquire 5 coaches and associated licences at a consideration of A$2,521,560 (HK$13,050,000). The transaction was subsequently completed on 4 October 2022 and the consideration was settled by way of issuance of 22,923,272 fully paid ordinary shares at A$0.11 each in the capital of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

	2024	2023
	A$	A$

21 Interests in other entities

The legal corporate structure of the Group is set out below.

Name of Entity	**Country of Incorporation**	**Principal Place of Business**	**Ownership Interest 2024 %**	**Ownership Interest 2023 %**
Smart Auto Holding (HK) Limited	British Virgin Islands	Hong Kong	100*	100*
Grand Tour Bus Services Limited	Hong Kong	Hong Kong	100*	100*

Percentage of voting power is in proportion to ownership

The business of the Group is conducted mainly through the existing operating subsidiary (GTB). The Company has become the holding company of the companies now comprising the Group on 28 October 2020. The Reorganisation is merely a reorganisation of the business of the Group with no change in management and the ultimate owner of the business remain the same (note 1(a)).

*Disposed on 17 May 2024 (note 30(iii))

22 Loss per share

	2024	2023
Basic and diluted loss per share (cents)		
Continuing and discontinuing operations	**(4.2)**	N/A
Continuing operations	**(1.0)**	(1.5)
Discontinuing operations	**(3.2)**	N/A
Weighted average number of shares	**178,240,472**	166,559,000

The calculation of basic loss per share is based on the loss for the year from continuing operations of A$1,859,052, loss for the year from discontinuing operations of A$5,631,928 and loss for the year attributable to the owners of the Company of A$7,490,980 (FY23: Loss of A$2,486,349) and the weighted average of 178,240,472 (FY23: 166,559,000) shares in issue during the year. No dilutive potential ordinary shares were in existence during FY24 and FY23.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

23 Commitments and contingent liabilities

Lease commitment – as a lessor

During the year ended 31 March 2023, the Group leased its rental coaches and PSL under lease arrangements, with leases negotiated for original terms at one year without option to renew the lease term at expiry date. None of the lease included contingent rentals. At the end of the report period, the Group had total future minimum payments expected to be received under non-cancellable leases with its customers falling due as follows:

	2024 A$	2023 A$
Within one year	**-**	239,000

Other commitment

As at 31 March 2023, the Group had contractual arrangements with a e-CV supplier to acquire 16 e-CV for trading purpose amounted to approximately A$4,100,000.

Contingent liabilities

There is no contingent liability at the end of the reporting period (31.3.2023: Nil).

24 Segment information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Group's CODM for their decisions about resources allocation to the Group's business components and for their review of these components' performance. The Group only operates in a single operating segment, which is the coach rental and trading. All the revenue is received from external customers.

For the year ended 31 March 2023, revenue from two customers which had contributed more than 10% each to the Group's revenue amounted to approximately A$3.53m.

For the year ended 31 March 2024 and 2023, the Group's external customers, operations and the management team are domiciled and located in the Hong Kong. Segment revenue by geographical region is based on the location of the customers. For the year ended 31 March 2024 and 2023, the assets and liabilities of the Group are in Hong Kong which are used to support its external customers in Hong Kong.

Consequently, no separate analysis of reportable segment revenue, assets and liabilities by operation/geographical region is presented.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

	2024	2023
	A$	A$

25 Related party transactions

The Group has the following transactions with its related parties in the normal course of its business, entered into on an arms-length basis, and mutually agreed between both parties:

	2024 A$	2023 A$
a) Recurring transactions	**140,214**	224,351

Management fees represented day-to-day human resources outsource services provided to the Group, including accounting, administration and operation-related areas.

	2024 A$	2023 A$
b) Non-recurring transactions		
Acquisition of coaches and passenger services licenses	**131,450**	369,245
Trade settlement received by Alyce Wong on behalf of the Group	**1,527,845**	-
Sale of passenger services licenses	**204,479**	-
Related expenses paid on behalf of the Group	**-**	5,670

Alyce Wong, CEO and executive director of the Company and a director of GTB is the beneficial owner and/or controlling shareholder and/or a director of the related companies.

Key management personnel remuneration

Director's remuneration	**2024 A$**	2023 A$
Alyce Wong	**60,000**	120,000
Mark Ng	**60,000**	60,000
Michael Pixley	**36,000**	36,000
Greg Starr	**25,000**	25,000
Francis Man	**-**	15,000

During the year, A$36,000 (FY22: A$36,000) was paid/payable to a non-executive director, Greg Starr, for company secretary service provided.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

	2024	2023
	A$	A$

26 Parent information

The following information relates to the legal parent, Smart Auto Australia Limited (the Company) only. It has been extracted from the books and records of the legal parent entity set out below and has been prepared in accordance with Australian Accounting Standards.

	2024 A$	2023 A$
Statement of Financial Position		
ASSETS		
Current assets	**6,222,071**	1,499,759
Non-current assets	**-**	4,353,439
TOTAL ASSETS	**6,222,071**	5,853,198
LIABILITIES		
Current liabilities	**716,462**	137,636
TOTAL LIABILITIES	**716,462**	137,636
EQUITY		
Issued capital	**7,357,119**	7,357,119
(Accumulated losses)	**(1,851,510)**	(1,641,557)
TOTAL EQUITY	**5,505,609**	5,715,562
Statement of Profit or Loss and Other Comprehensive Income		
Loss and total comprehensive for the year	**(209,953)**	(194,923)

27 Auditor's remuneration

The following information relates to the remuneration of the auditor for both the Company and the legal subsidiaries of the Company.

	2024 A$	2023 A$
Auditors of the Group - Moore and its network firm		
Audit of financial statements		
Group	**22,000**	22,000
Controlled entities	**42,843**	41,131
Total audit services	**64,843**	63,131
Non-audit services		
Interim review	**35,816**	34,805
Taxation services	**8,685**	1,980
Total non-audit services	**44,501**	36,785
Total services provided by Moore and its network firm	**109,344**	99,916

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

28 Financial risk management

(a) Financial instruments by categories

	2024 A$	2023 A$
Financial assets		
Receivables measured at amortised cost:		
- Trade receivables	-	1,518,340
- Deposits and other receivables	-	1,183,396
- Cash and cash equivalents	**18,595**	34,855
	18,595	2,736,591
Financial liabilities		
Financial liabilities measured at amortised cost:		
- Trade payables	**128,424**	4,273,351
- Accruals and other payables and contract liabilities	-	687,962
- Rental deposits received	-	569,175
- Amount due to a director	**588,038**	333,158
- Lease liabilities and other borrowings	-	3,127,705
- Tax payables	-	154,803
	716,462	9,146,154

(b) Financial risk management and policies

The Group has exposure to the credit risk and liquidity risk arising from financial instruments. The policies on how to mitigate these risks are set out below. The management monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to trade receivables, deposits and other receivables. To minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on regular and ongoing basis. Credit evaluations of its debtors' financial position and condition are performed on each major debtor on a timely manner. These evaluations focus on the debtor's past history of making payments when due and current ability to pay and take into account information specific to the debtor as well as pertaining to the economic environment in which the debtor operates. Debtors with overdue balances, which will be reviewed on a case-by-case basis, are normally requested to settle all outstanding balances before any further credit is granted.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. The default risk of the industry in which debtors operate also has an influence on credit risk.

The credit risk on balances of cash and cash equivalents is low as these balances are placed with authorised financial institutions with no recent default history.

The Group's policy is to regularly monitor current and expected liquidity requirements. The Group relies on its liquid funds provided by the controlling shareholder as well as funds received from its external customers.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

28 Financial risk management (continued)

(b) Financial risk management and policies (continued)

Credit risk (continued)

The following table reflects an undiscounted contractual maturity analysis for financial assets and financial liabilities.

	Within 1 Year		1 to 5 Year		Over 5 Year		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	A$	A$	**A$**	A$	**A$**	A$	**A$**	A$
Financial liabilities due for payment								
Trade payables, accruals and other payables and contract liabilities	**128,424**	4,696,667	**-**	264,646	**-**	-	**128,424**	4,961,313
Rental deposits received	**-**	569,175	**-**	-	**-**	-	**-**	569,175
Amount due to a director	**588,038**	333,158	**-**	-	**-**	-	**588,038**	333,158
Lease liabilities and other borrowings	**-**	576,754	**-**	2,187,167	**-**	363,784	**-**	3,127,705
Tax payables	**-**	154,803	**-**	-	**-**	-	**-**	154,803
Total expected outflows	**716,462**	6,330,557	**-**	2,451,813	**-**	363,784	**716,462**	9,146,154
Financial assets – cash flows realisable								
Trade receivables	**-**	939,826	**-**	578,514	**-**	-	**-**	1,518,340
Deposits and other receivables	**-**	111	**-**	1,183,285	**-**	-	**-**	1,183,396
Cash and cash equivalents	**18,595**	34,855	**-**	-	**-**	-	**18,595**	34,855
Total anticipated inflows	**18,595**	974,792	**-**	1,761,799	**-**	-	**18,595**	2,736,591
Net (outflow)/ inflow on financial instruments	**(697,867)**	(5,355,765)	**-**	(690,014)	**-**	(363,784)	**(697,867)**	(6,409,563)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

28 Financial risk management (continued)

(b) Financial risk management and policies (continued)

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has exposures arising from transactions that are denominated in HK$. The Group holds cash and bank balances denominated in HK$ for working capital purposes. Consequently, the Group is exposed to movements in foreign currency exchange rates. The Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

All the financial assets and liabilities of the Group's operations as disclosed in note 28(a) are denominated in HK$.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in the exchange rate. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the exchange rate that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group	
	Loss after Tax	**Equity**
Year ended 31 March 2024	**$**	**$**
+/–5% in $A/$HK	**+/- 374,549**	**+/- 246,294**
Year ended 31 March 2023		
+/–5% in $A/$HK	+/- 124,317	+/- 138,252

(c) Capital management

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the owners through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate.

The Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debts divided by total capital. Net debts are calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statements of financial position plus net debt, if any.

(d) Fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 31 March 2024 and 2023.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

29 Discontinuing operations

As announced on 22 May 2024, the Company disposed its entire equity interest in SAH to an independent third party for AUD1.00 on 17 May 2024 after its wholly owned subsidiary GTB has been served with a court order in March 2024 to compensate the plaintiff in a civil legal proceeding against the subsidiary. As a result, All of the assets and liabilities associated with SAH and GTB are classified as assets held for sale and liabilities directly associated with assets held for sale, and its related business is classified as discontinuing operations.

	2024	2023
	A$	A$
Revenue	**3,963,291**	5,884,157
Cost of services rendered	**(5,175,359)**	(5,869,502)
Gross (loss)/profit	**(1,212,068)**	14,655
Other income and gains	**114,684**	30,467
Administrative and operating expenses	**(2,566,025)**	(798,597)
Impairment loss allowance on trade receivables	**(492,146)**	(1,055,430)
Impairment loss allowance on intangible assets	**(116,186)**	(289,787)
Impairment loss allowance on other receivables	**(1,250,371)**	(415,170)
Finance costs	**(89,326)**	(30,717)
Loss before income tax from discontinuing operations	**(5,611,438)**	(2,544,579)
Income tax credit	**(20,490)**	148,440
Loss for the year from discontinuing operations	**(5,631,928)**	(2,396,139)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

29 Discontinuing operations (continued)

Assets held for sale and liabilities directly associated with assets held for sale as at 31 March 2024

	A$
Assets	
Property, plant and equipment	115,194
Rights of use assets	33,790
Trade receivables	648,123
Deposits, prepayment and other receivables	2,645,106
Inventories	1,538,492
Cash and cash equivalents	6,347
Total assets held for sale	**4,987,052**
Liabilities	
Trade payables	3,276,343
Deposits, accruals and other payables	2,251,966
Other borrowings	1,768,606
Tax payables	153,580
Contract liabilities	638,002
Lease liabilities	1,126,566
Total assets held for sale	4,987,052
Total liabilities directly associated with assets held for sale	**9,215,063**
Net negative assets held for sale	**(4,228,011)**

30 Events occurring after the reporting date

(i) Following the Company's extraordinary general meeting on 26 April 2024, 10,000,000 ordinary shares and 31,666,667 ordinary shares were issued to Mark Ng (Executive Director and KMP) as shares in lieu of remuneration and payment for interest fee loans.

(ii) On 30 April 2024, the Company issued a prospectus for a non-renounceable pro-rata entitlement offer to eligible shareholders on the basis of one (1) new share for every one (1) existing share held on the record date at an issue price of $0.01 per new share, together with two (2) free fully paid bonus shares for every one (1) new share subscribed for and issued.

(iii) As announced on 22 May 2024, the Company disposed its entire equity interest in Smart Auto Holding (HK) Limited (SAH) to an independent third party for AUD1.00 on 17 May 2024. According to the agreement entered into between the Company, SAH, GTB, and the acquirer (the "Parties"), The Parties have agreed to waive all intercompany accounts balance (including amounts due from/to directors of the Parties).

End of the notes

Directors' Declaration

In the directors' opinion:

(a) the financial statements comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and accompanying notes set out on pages 14 to 57 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
(ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2024 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

(c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 31 March 2024, comply with Section 300A of the *Corporations Act 2001*; and

(d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Mark Ng
Executive Director

25 June 2024

Moore Australia Audit (WA)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMART AUTO AUSTRALIA LIMITED

Report on the Audit of the Financial Report

Disclaimer of Opinion

We were engaged to audit the financial report of Smart Auto Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information, and the directors' declaration.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for Disclaimer of Opinion

During the year ended 31 March 2024, the Group decided to dispose of its wholly-owned subsidiaries, (Smart Auto Holding (HK) Limited ("SAH") and Grand Tour Bus Services Limited ("GTB")) after considering the implication of the court order made on 14 March 2024 against GTB including the practicability of counterclaim and impact on its operating status.

Consequently, the Group has recognised the assets, liabilities and operating results pertaining to SAH and GTB as assets (and liabilities) held for sale of $4,987,051 and ($9,215,064) respectively, and loss for the year from discontinuing operation amounting to $5,631,928 in its the consolidated statement of financial position as at 31 March 2024 and, the consolidated statement of profit or loss and other comprehensive income for the year then ended together with the required disclosure.

The legal proceedings brought against GTB and the inability of the GTB's management to provide information have cast significant doubt as to the completeness, right (or obligation) and valuation (recoverability) of GTB's property, plant & equipment, intangible assets, inventories, right-of-use assets, trade and other receivables including deposits paid, trade and other payables including deposits received, contract liabilities, lease liabilities and borrowings as disclosed in Note 29 to the financial statements. We were unable to obtain sufficient appropriate audit evidence or satisfactory management explanation pertaining to:

i. the ownership, impairment assessment and any gain or loss of disposal of GTB's property, plant & equipment;

ii. the impairment assessment of GTB's intangible assets relating to property, plant & equipment;

iii. the ownership and impairment assessment of GTB's inventories;

iv. the impairment assessment of right-of-use assets;

v. the existence and recoverability of, trade and other receivables including deposits paid;

vi. the completeness and accuracy of trade and other payables including deposits received, contract liabilities, lease liabilities and borrowings; and

vii. the completeness and occurrence of GTB's rental income.

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SMART AUTO AUSTRALIA LIMITED (CONTINUED)

Basis for Disclaimer of Opinion (Continued)

There were no alternative audit procedures that we could perform to satisfy ourselves whether the balances and the amounts of related transactions as at the end of reporting period were properly recorded and fairly stated.

Therefore, we were unable to determine whether any adjustments might be necessary in respect of the balances and transactions above making up the assets held for sale, liabilities associated with assets held for sale, the results of discontinuing operation, related cash flow and other disclosures contained in the financial report.

As a consequence of the standalone materiality of the items set out above and the possible impact upon other balances within the financial statements, we considered the potential impact to be material and pervasive to the overall financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

Directors' Responsibilities for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial 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 & 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.

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SMART AUTO AUSTRALIA LIMITED (CONTINUED)

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 March 2024.

In our opinion, the Remuneration Report of Smart Auto Australia Limited for the year ended 31 March 2024 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.

WEN-SHIEN CHAI
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 25th day of June 2024.

Corporate Governance Statement

Smart Auto Australia Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Smart Auto Australia Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4^{th} edition) published by the ASX Corporate Governance Council. The Corporate Governance Statement was approved by the Board on 25 June 2024 and is current as at 25 June 2024.

Additional Information

Additional information required by NSX and not shown elsewhere in this report is as follows. The information is current as at 24 June 2024.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding

TOP SPREAD REPORT

SPREADS OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 - 1,000	1	1,000	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	62	1,363,000	0.16%
100,001 - 999,999,999,999	27	878,264,556	99.84%
TOTAL	**90**	**879,628,556**	**100%**

UNMARKETABLE PARCELS

There were 61 shareholders holding 1,264,000 shares, which is less than a marketable parcel of shares in the Company at $0.012 per share.

(b) Twenty largest shareholders

The name of the twenty largest holders of quoted ordinary shares are:

Top Listing - Grouped

Rank	Name	Units	% of Units
1	VIKRAM JITENDRA RANA	618,421,417	70.30%
2	SIU KI MA	43,020,000	4.89%
3	CHEUK LUN NG	41,666,667	4.74%
4	SHU YAN TSE	32,020,000	3.64%
5	RINGO WING KUN HUI	32,000,000	3.64%
6	CHUN YUE DAVID YEUNG	32,000,000	3.64%
7	NGA LAI WONG	18,000,000	2.05%
8	JUNJIE YANG	11,035,772	1.25%
9	KA HO BEN SIU	7,687,500	0.87%
10	WA HUNG YEUNG	5,366,667	0.61%
11	MS SUET YU YAN	5,000,000	0.57%
12	CHOI KAM TSANG	4,200,000	0.48%
13	SUI LAN SIOW	4,000,000	0.45%
14	MR VICTOR JA WEI HENG	3,975,000	0.45%
15	MR SIU CHUNG HO	3,093,400	0.35%
16	PRIMAX CAPITAL PARTNERS PTY LTD	3,093,400	0.35%
17	MR LUNG CHIU KUNG	2,666,670	0.30%
18	MS OI LAM CHAU	2,460,000	0.28%
19	MR LI XU	2,000,000	0.23%
20	MR YAU SHING WONG	1,546,700	0.18%
	Totals: Top 20 holders of SAL ORDINARY FULLY PAID	**876,631,893**	**99.66%**
	Total Remaining Holders Balance	**2,996,663**	**0.34%**
	Total Holders Balance	**879,628,556**	**100.00%**

Note: Nominee holders hold shares on behalf of a number of beneficial holders

Additional Information (continued)

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(d) Substantial shareholders

Name	Units	% of Units
VIKRAM JITENDRA RANA	618,421,417	70.30%