

**Haodex Limited**  
**ACN 623 392 325**

**Fifth Supplementary Prospectus**

**Important Information**

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This supplementary prospectus is dated 5 July 2021 and was lodged with ASIC on 5 July 2021 (**Fifth Supplementary Prospectus**). It is the fifth supplementary prospectus issued by Haodex Limited ACN 623 392 325 (**Company**) in relation to its Offer of Shares.

This Supplementary Prospectus supplements and is intended to be read together with:

- (a) the original prospectus dated 25 November 2020 (**Original Prospectus**);
- (b) the replacement prospectus dated 9 December 2020 (**First Replacement Prospectus**);
- (c) the supplementary prospectus dated 19 December 2020 (**First Supplementary Prospectus**);
- (d) the replacement prospectus dated 31 December 2021 (**Prospectus**);
- (e) the supplementary prospectus dated 22 January 2021 (**Second Supplementary Prospectus**);
- (f) the supplementary prospectus dated 22 February 2021 (**Third Supplementary Prospectus**); and
- (g) the supplementary prospectus dated 21 May 2021 (**Fourth Supplementary Prospectus**).

Other than as set out below, all details in relation to the Prospectus remain unchanged. Unless otherwise indicated, terms used in this Fifth Supplementary Prospectus shall have the meaning ascribed to them in the Prospectus.

ASIC, NSX and their officers take no responsibility as to the contents of this Fifth Supplementary Prospectus.

**This document is important and should be read in its entirety in conjunction with the Prospectus. If you are in any doubt as to the contents of this document, you should consult your professional adviser.**

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**2. Purpose of this document**

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This Fifth Supplementary Prospectus has been prepared to:

- (a) advise that as at the date of this Fifth Supplementary Prospectus, no Shares offered under the Prospectus have been admitted to quotation on the NSX;
- (b) advise that as at the date of this Fifth Supplementary Prospectus, the Company has not issued any Shares pursuant to the Prospectus;
- (c) refresh the period for admission to quotation of Shares offered under the Prospectus pursuant to the ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (**Instrument**);
- (d) provide investors with a copy of the Company's audited half-year report for the half-year ended 31 December 2020;
- (e) update section 4 "Financial Information" of the Prospectus and other financial information in the Prospectus based on the Company's reviewed half-year financial report for the half-year ended 31 December 2020; and
- (f) include a supplementary investigating accountant's report prepared by Hall Chadwick (**Investigating Accountant's Report**) dated 5 July 2021 based on the Company's reviewed half-year financial report for the half-year ended 31 December 2020.

**3. Specific Disclosures required by the Instrument**

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**3.1 Minimum subscription condition**

The minimum amount which must be raised under the Offer is \$1,000,000 (**Minimum Subscription**) and this remains unchanged in the Prospectus.

The Company confirms that as at the date of this Fifth Supplementary Prospectus approximately \$1,200,000 has been raised under the Prospectus and the Minimum Subscription Condition has been met.

**3.2 Quotation Condition**

Paragraphs 7.7.1 and 7.4 of the Prospectus are updated to reflect that if permission for quotation of the Shares is not granted by NSX within 3 months after the date of issue of this Fifth Supplementary Prospectus, or such period as varied by ASIC, the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable (**Quotation Condition**). In those circumstances the Company will not proceed with the Offer.

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The Company makes the following statements regarding the Quotation Condition as required by the Instrument:

- (a) an application to NSX for admission to quotation of the Shares offered under the Prospectus was made within seven days after the date of the Original Prospectus;
- (b) the Shares offered under the Prospectus have not been admitted to quotation as at the date of this Fifth Supplementary Prospectus;
- (c) the NSX has not, as at the date of this Fifth Supplementary Prospectus, indicated that the Company's Securities will be admitted to quotation on a conditional basis or otherwise;
- (d) the Quotation Condition is being amended to extend the period for admission to quotation of Shares offered under the Prospectus from three months from the date of the Original Prospectus to three months from the date of this Fifth Supplementary Prospectus;
- (e) the Quotation Condition must be satisfied by 5 October 2021, being the date that is three months from the date of this Fifth Supplementary Prospectus; and
- (f) as at the date of this Fifth Supplementary Prospectus, 167 applications have been received for 6,048,850 Shares in the Company.

#### 4. Other Material Information

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The Board is not aware of any acts, matters or things (not already described in the Prospectus) which may be material to the making of an informed assessment of:

- (a) the effect of the Offer on the Company; or
- (b) the rights attaching to the Shares.

The Company confirms that as at the date of this Fifth Supplementary Prospectus no application money has been accepted by the Company.

#### 5. Withdrawal Rights

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In accordance with sections 724(2) and 724(3) of the Corporations Act, if you applied for Shares under the Prospectus before the date of this Fifth Supplementary Prospectus, you may withdraw your Application and be repaid your application money, provided you give the Company written notice of your wish to do so within one month of the date of this Fifth Supplementary Prospectus.

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Any repayments made by the Company pursuant to an Applicant exercising their right to withdraw their Application will be made in full without interest.

An Applicant who wishes to withdraw their Application and obtain a refund must submit a written request to the Company at the address set out below so that it is received within 1 month of the date of this Fifth Supplementary Prospectus (that is, by 5 August 2021):

Haodex Limited  
Suite 23 / Level 5, 88 Pitt Street  
Sydney NSW 2000  
Australia  
Email: [admin@haodex.com.au](mailto:admin@haodex.com.au)

The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that Applicant.

If you do not wish to withdraw your Application, you do not need to take any action.

**6. Changes to the Prospectus**

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- (a) The table titled "Important Dates" located on page 6 of the Prospectus is replaced with the following:

**IMPORTANT DATES**

Original Prospectus lodgement date	25 November 2020
First Replacement Prospectus lodgement date	9 December 2020
First Supplementary Prospectus lodgement date	19 December 2020
Prospectus lodgement date	31 December 2020
Offer opens	4 January 2021
Second Supplementary Prospectus lodgement date	22 January 2021
Offer closes	29 January 2021
Third Supplementary Prospectus lodgement date	22 February 2021
Fourth Supplementary Prospectus lodgement date	21 May 2021
Fifth Supplementary Prospectus lodgement date	5 July 2021
Expiry of withdrawal rights	5 August 2021
Allotment of Shares	12 August 2021
Expected date for dispatch of holding statements	12 August 2021

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Expected date for commencement of trading on NSX on a normal settlement basis 16 August 2021

All times above are Australian Eastern Daylight Time. These dates are indicative only and are subject to change. The Company reserves the right to vary any and all of the above dates without notice to you (subject to the Corporations Act and other applicable law). In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens

(b) The table titled “Key offer details” located on pages 6 to 7 of the Prospectus is replaced with the following:

**KEY OFFER DETAILS**

Company	Haodex Limited ACN 623 392 325	
Proposed NSX code for the Shares	HAO	
<b>Offer</b>	<b>Minimum subscription</b>	<b>Maximum subscription</b>
Securities offered	Fully paid ordinary shares	Fully paid ordinary shares
Offer Price per Share	\$0.20 per Share	\$0.20 per Share
Shares available under the Offer	5,000,000 Shares	8,500,000 Shares
Proceeds received under the Offer (before costs)	\$1,000,000	\$1,700,000
<b>General</b>		
Total number of Shares on issue at Completion of the Offers (undiluted)	150,946,488 Shares	154,446,488 Shares
Indicative market capitalisation on Completion of the Offers (undiluted) <sup>1</sup>	\$30.189 million	\$30.889 million
Pro forma cash at bank on listing <sup>2</sup>	\$1,221,401	\$1,877,801
Enterprise value at the Offer Price <sup>3</sup>	\$30.2 million	\$30.2 million
Total number of Advisor Shares on issue at Completion of the Offer	10,946,488 Shares	10,946,488 Shares
Total number of Performance Rights on issue at Completion of the Offers <sup>4</sup>	40,000,000	40,000,000
Total number of Shares on issue at Completion of the Offer (fully diluted, assuming all Performance Rights convert) <sup>5</sup>	190,946,488 Shares	194,446,488 Shares

1. The indicative market capitalisation is determined by multiplying the applicable number of Shares by the Offer Price per Share. The Shares may trade below the Offer Price after listing on the NSX in which case the market capitalisation may be lower. Undiluted refers to the number of Shares on issue prior to the exercise of any Options and prior to conversion of the Performance Rights.
2. This includes the deduction of estimated costs of the Offer. Refer to section 4.7.
3. Enterprise value is calculated as the Company's indicative market capitalisation (undiluted) less pro forma net cash at completion plus pro forma net debt at Completion.

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4. These Performance Rights have been issued pursuant to a Performance Rights and Escrow Deed and following conversion to Shares will be subject to a voluntary escrow period of 3 years
5. "Fully diluted" means the number of Shares that would be on issue assuming all of Performance Rights are converted in full to Shares.

(c) Section 7.2 "Purpose of the Offer and use of proceeds" on page 76 to page 78 of the Prospectus is replaced with the following:

The Purpose of the Offer is to raise a Minimum Subscription of \$1,000,000 and a Maximum Subscription of \$1,700,000 before costs to:

- fund the ongoing working capital needs of the Company;
- raise capital in order to strengthen the Company's balance sheet and provide financial flexibility to pursue its identified growth opportunities and objectives as set out in this Prospectus;
- provide a liquid market for the Shares and an opportunity for others to invest in the Company;
- provide the Company with the benefits of an increased profile that arises from being a listed public company; and
- provide the Company with access to capital markets to improve capital management flexibility for both organic and acquisitive growth.

The Company is seeking a minimum of \$1,000,000 and a maximum of \$1,700,000 under the Offer. The following table represents the Company's current intentions based upon its plans and the present business conditions in each of its markets. The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including any changes from the expected business environment.

Funds available as at 31 December 2020	Min Offer		Max Offer	
	A\$	%	A\$	%
Estimated existing cash reserves	394,251	28.3	394,251	18.8
Funds raised from the Offer	1,000,000	71.7	1,700,000	81.2
<b>Total</b>	<b>1,394,251</b>	<b>100</b>	<b>2,094,251</b>	<b>100</b>

**Use of Funds exclusive of the current estimated cash reserves of Haodex**

Uses	Min Offer		Max Offer	
	A\$	%	A\$	%
Marketing <sup>1</sup>	246,638	24.66	639,440	37.61
Software and New Product Vertical Development <sup>2</sup>	117,958	11.80	345,644	20.33
Product range expansion <sup>3</sup>	42,894	4.29	69,129	4.07

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Working capital and corporate administration costs <sup>4</sup>	419,660	41.97	429,337	25.26
Costs of the Offer, Legal and regulatory compliance <sup>5</sup>	172,850	17.29	216,450	12.73

<b>Total<sup>6</sup></b>	<b>1,000,000</b>	<b>100</b>	<b>1,700,000</b>	<b>100</b>
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1. Haodex intends to use various mainstream marketing channels for the MonkeyKing, BulkBuy and Franks Haus businesses, for example through the social media advertising platforms, including Facebook, Google and WeChat. Haodex will also incur costs through trade shows and demonstrations both in Australia and China.
2. Includes maintenance of existing software base and IP and costs associated with server and backend running costs of the platforms owned by Haodex.
3. Funds will be dedicated to the development, manufacturing and marketing of Company product ranges.
4. Includes wages, Director fees, contractors, rent, outgoings, insurance, accounting and audit and other items of a general administrative nature.
5. Includes adviser and legal fees, listing and registry fees, capital raising costs, investigating accountant costs and printing and distribution costs for the Prospectus. Refer to "Costs of the Offer" table below. These totals exclude the current estimated cash reserves of Haodex.

**Costs of the Offer**

Fees due	Min Offer A\$	Max Offer A\$
Legal fees	75,000	75,000
Investigating accountant's report	16,500	16,500
Listing and ASIC fees	5,100	5,650
Capital raising costs (6% of the total amount raised)	61,500	104,550
Lead Manager Fee	7,700	7,700
Printing, administration and registry services	7,050	7,050
<b>Total Costs of the Offer</b>	<b>172,850</b>	<b>216,450</b>

**Note:** Refer also to section 10.9 for disclosure around the interests of experts and advisers to the Offers.

The Board believes that the Company's current cash reserves plus the net proceeds of the Offer will be sufficient to fund the Company's key objectives as set out in the Prospectus. These key objectives comprise:

- fund marketing campaigns for customer acquisition so as to grow the Company's revenues and customer awareness
- fund product development of additional features and functionality of existing Franks Haus platform
- run the business as described
- provide additional working capital to grow customer support and sales teams
- fund the development of new product initiatives, including new product initiatives for different jurisdictions

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It is noted that the Company may use and expend its cash reserves more quickly than contemplated. The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, budgets are dependent on results and demand for the Company's products and intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

- (d) The table titled "Funds available" located in Section 1.1 "Investment Overview Introduction" on page 10 of the Prospectus is replaced with the table titled "Funds available as at 31 December 2020" provided in section 6(c) of this Fifth Supplementary Prospectus;
- (e) The table titled "Use of Funds inclusive of the current estimated cash reserves of Haodex" located in Section 1.1 "Investment Overview Introduction" on page 10 of the Prospectus is replaced with the table titled "Use of Funds exclusive of the current estimated cash reserves of Haodex" provided in section 6(c) of this Fifth Supplementary Prospectus;
- (f) The tables titled "Summary of audited historical financial performance for the financial years ending 30 June 2019 and 30 June 2020" and "Summary of audited and proforma consolidated balance sheets as at 30 June 2020" located in Section 1.1 "Investment Overview" on pages 12 to 13 of the Prospectus are replaced with the tables provided at sections 4.4.1 and 4.7 of the Replacement Financial Information in Annexure A of this Fifth Supplementary Prospectus, respectively;
- (g) The table in Section 2.3 "Business Model" on page 26 of the Prospectus is replaced with the table below:

<b>Name and sector</b>	<b>Description</b>	<b>\$ Revenue FY2020</b>	<b>% of Gross Revenue FY2020</b>	<b>\$ Revenue HY2021</b>	<b>% of Gross Revenue HY2021</b>
<b>MonkeyKing</b>	MonkeyKing Launched January 2019 - operational	\$126,972	94.3%	\$40,136	30.8%
<b>BulkBuy</b>	BulkBuy Launched June 2019 - operational	\$7,700	5.7%	\$90,000	69.2%
<b>Franks Haus</b>	Franks Haus To be launched	Nil	0 %	Nil	0%

- (h) The following statements made in Section 2 "Company Overview" of the Prospectus are deleted and replaced with their adjacent statements below:

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Page Location	Original Statement	Replacement Statement
24	Collectively, the Group generated EBITDA of \$1,050,736 in the financial year ending 30 June 2020.	Collectively, the Group generated EBITDA of \$122,526 in the half year ending 31 December 2020.
26	<p>As at October 2020, MonkeyKing has 8,129 Active Members (meaning, people that have registered and activated their MonkeyKing account) and has completed 15,143 transactions, which is an increase on the 9,666 transactions that had been completed at 30 June 2019.</p> <p>Currently MonkeyKing caters for between 700-1,000 daily active users. Approximately 48% of new members will make a transaction on the platform after creating an account. As at October 2020, MonkeyKing has retained approximately 70% of its Active Members.</p>	<p>As at June 2021, MonkeyKing has 893,886 Active Members (meaning, people that have registered and activated their MonkeyKing account) and has completed 22,366 transactions, which is an increase on the 15,143 transactions that had been completed at 30 June 2020.</p> <p>Currently MonkeyKing caters for between 800-2,000 daily active users, which is an increase of 100-1,000 daily active users from October 2020. The large increase of active members is a result of a promotion that has been run by the Company to stimulate member sign ups whereby each new member sign up is rewarded with 1 Chinese Yuan. As at the date of this Fifth Supplementary Prospectus, approximately 2.5% of new members will make a transaction on the platform after creating an account. As at June 2021, MonkeyKing has retained approximately 70% of its Active Members.</p>
27	As a result of the networked marketing model, MonkeyKing currently has a network of 8,124 retail distributors located across China.	As a result of the networked marketing model, MonkeyKing currently has a network of 10,134 retail distributors located across China.
29	There are currently 1,294 merchants on the BulkBuy marketplace.	There are currently 1,933 merchants on the BulkBuy marketplace.

- (i) The information contained in Section 4 “Financial Information” of the Prospectus is deleted in its entirety and replaced with the Replacement Financial Information set out in Annexure A.
- (j) The following statements made in Section 7 “Details of the Offer” of the Prospectus are deleted and replaced with their adjacent statements below:

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<b>Page Location</b>	<b>Original Statement</b>	<b>Replacement Statement</b>
81	It is expected that initial holding statements will be mailed to successful Applicants by standard post on or about 2 February 2021.	It is expected that initial holding statements will be mailed to successful Applicants by standard post on or about 12 August 2021.

- (k) The summary of the Dig-Exchange Asset Sale Agreement provided at section 9.5 of the Prospectus is replaced with the below:

The Company previously entered into an asset sale agreement with Oilvest Pty Ltd (**Oilvest**) for the divestment of its cryptocurrency exchange business Dig-Exchange ([www.dig-exchange.com](http://www.dig-exchange.com)). The agreement was subsequently varied on 24 December 2020 by a deed of variation (**Deed of Variation**) and was confirmed by way of a deed of confirmation (**Deed of Confirmation**) signed by the parties on 18 January 2021.

As non-executive Director, Frank Huang, was the sole director and shareholder of Oilvest Pty Ltd at the time of the asset sale agreement, this agreement was a related party transaction.

Under the terms of the agreement:

- (a) Haodex agreed to sell to Oilvest, and Oilvest agreed to purchase from Haodex, the Dig-Exchange cryptocurrency exchange business and all associated assets including but not limited to:
- (1) the business name and records;
  - (2) all DIGC cryptocurrency generated and held by Haodex at the agreement execution date; and
  - (3) all intellectual property rights used in the Dig-Exchange business including trade marks, domain name and website;
- (b) In consideration for the transaction, Oilvest paid to Haodex the purchase price comprising:
- (1) \$1,000,000 in immediately available funds; and
  - (2) \$2,100,000 for services provided including, but not limited to, website and technical support, maintenance, use of intellectual property, and providing ongoing updates and security patches (**Services**).

Sale of Assets

The Deed of Confirmation confirms that the assets and business subject to the Asset Sale Agreement have been sold and the disposal of the Dig-Exchange has been completed. All title to, liabilities of, and risk in the Dig-Exchange and assets passed from Haodex to Oilvest on the operative date of the Asset Sale Agreement, being 1 July 2018. The Company confirms it has no liabilities in relation to Dig-Exchange and has no links or ongoing obligations to Dig-Exchange.

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Provision of Services

On 24 December 2020, the Company entered into the Deed of Variation subsequent to discussions with NSX. Under the terms of the asset sale agreement as varied by the Deed of Variation, Haodex may continue to provide Oilvest with the Services and licence to use any intellectual property necessary to operate the Dig-Exchange business with a final service fee of \$500,000. As at 30 June 2021, \$110,000 of the \$500,000 final service fee which remains outstanding has been paid, with the remainder of the final service fee to be paid on or before 30 September 2021.

- (l) The statement at Section 10.9 “Interests of Experts and Advisers” of the Prospectus is deleted and replaced with the below:

Hall Chadwick has acted as the Investigating Accountant and provided the Investigating Accountant’s Report in Section 8. The Company has paid or agreed to pay an amount of approximately \$16,500 (plus disbursements) in respect of these services. Further amounts may be paid to Hall Chadwick in accordance with time-based charges.

HopgoodGanim Lawyers has acted as the Australian legal adviser to the Company in relation to the Offer. The Company will pay an amount of approximately \$75,000 (plus disbursements and GST) in respect of these services. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time-based charges. In the 24 months prior to the lodgement of this Prospectus HopgoodGanim Lawyers has billed approximately \$167,282 to the Company for additional legal services (i.e. excluding the costs in relation to the Offer referred to above).

The Company will pay these amounts, and other expenses of the Offer, out of funds raised under the Offer or available cash.

**7. Supplementary Accountant’s Report and half year report**

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Please also find annexed to this Fifth Supplementary Prospectus:

- (a) a Supplementary investigating accountant report provided by Hall Chadwick (**Annexure B**); and
- (b) the Company’s half-year report for the half year ended 31 December 2020 (**Annexure C**).

**8. Consents**

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The Company confirms that as at the date of this Fifth Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

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**9. Directors' authorisation and consent**

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This Fifth Supplementary Prospectus has been signed by a Director of the Company with the authority of each of the Directors and is dated 5 July 2021. Each Director has consented to lodgement of this Fifth Supplementary Prospectus with ASIC.



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Frank Huang  
Chairman

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**Annexure A – Replacement Financial Information**

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**4. Financial Information**

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**4.1 Introduction**

This section contains the Historical Financial Information and Pro Forma Financial Information of the Company and its controlled entities (collectively, the Financial Information). The basis for preparation and presentation is detailed below.

The financial information set out in this Section 4 includes the following:

- Summary of audited consolidated historical statement of comprehensive income for the years ended 30 June 2019 (**FY2019**), 30 June 2020 (**FY2020**) and the half-year ended 31 December 2020 (**HY2021**) ("**Consolidated Historical Statement of Profit and Loss and Other Comprehensive Income**");
- Summary of historical consolidated statement of cash flows for FY2019, FY2020 and HY2021 ("**Consolidated Historical Statement of Cash Flows**"); and
- Summary of consolidated historical and pro forma statement of financial position as at 31 December 2020 ("**Consolidated Historical and Pro forma Consolidated Historical Statement of Financial Positions**"),

together the ("**Pro forma Historical Financial Information**").

**4.2 Basis for preparation**

The financial information in this section has been prepared in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards Board (including other authoritative pronouncements issued by the AASB) and International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Pro Forma Historical Financial Information has been prepared for inclusion in this Prospectus and has been derived from the audited historical consolidated financial statements of the Company for FY2019, FY2020 and the reviewed half year financial statements to 31 December 2020. The historical financial statements for FY2019 and FY2020 were audited by Rothsay Chartered Accountants who issued unmodified audit opinions for each period. The historical financial statements for HY2021 were reviewed by Rothsay Chartered Accountants who issued an unmodified audit opinion for the period.

The Company's significant accounting policies relevant to the historical financial information are set out in Appendix 1 to the Prospectus. The Company's accounting policies have been consistently applied throughout the periods presented.

The financial information is presented in an abbreviated form insofar as it does not include all of the disclosures, statements or comparative information as required by Australian Accounting Standards as applicable to annual financial reports prepared in accordance with the Corporations Act.

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The Management Discussion and Analysis included in Section 4.4 has been prepared based on the Audited Historical Results.

The Directors are responsible for the inclusion of all Audited and pro forma Historical Financial Information in this Prospectus. Investors should note that historical financial performance is not a guide for future financial performance.

The Pro Forma Historical Financial Information has been reviewed and reported on by Hall Chadwick as set out in the Investigating Accountant's Report in Annexure B of this Fifth Supplementary Prospectus. Investors should note the scope and limitations of that report.

The Historical and Pro forma Historical Financial Information should be read together with the other information contained in this Prospectus, including:

- management's discussion & analysis set out in this Section 4 of Annexure A annexed to this Fifth Supplementary Prospectus;
- the risk factors described in Section 5 of the Prospectus;
- the Use of Proceeds of the Offers described in Section 7.2 of the Prospectus;
- the indicative capital structure described in Section 7.2 of the Prospectus;
- the Investigating Accountant's Report on the Pro Forma Historical Financial Information set out in Annexure B annexed to this Fifth Supplementary Prospectus; and
- the other information contained in the Prospectus and the Fifth Supplementary Prospectus.

### **Non IFRS financial measures**

Investors should be aware that certain financial data included in this Section 4 is "non IFRS financial information" under *Regulatory Guide 230: "Disclosing non IFRS financial information"* published by ASIC. The Company believes that this non IFRS financial information provides useful information to users in measuring the financial performance and conditions of Haodex. As non IFRS measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning. Therefore, the way in which the Group calculates these measures may be different to the way other companies calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non IFRS financial information and ratios.

In particular, the following non IFRS financial data is included:

- EBITDA means earnings before interest, taxation depreciation and amortisation; and
- EBIT means earnings before interest and taxation.

All amounts disclosed in this section are presented in Australian Dollars, unless otherwise noted.

### **4.3 Historical statements of financial performance**

The table below presents the summarised historical consolidated statement of profit and loss and comprehensive income for FY2019, FY2020, and HY2021.

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\$	Audited FY2019	Audited FY2020	Reviewed HY2021
Revenue	3,428,457	2,255,431	642,395
Government grant	-	62,615	106,222
Raw materials and consumables used	(158,260)	(54,906)	(20,696)
Employee Benefits Expense	(555,624)	(563,676)	(371,252)
Other Expenses	(1,027,276)	(649,441)	(234,143)
<b>EBITDA</b>	<b>1,687,297</b>	<b>1,050,023</b>	<b>122,526</b>
Depreciation and amortisation	(297,564)	(539,539)	(477,486)
<b>EBIT</b>	<b>1,389,733</b>	<b>510,484</b>	<b>(354,960)</b>
Interest income	2,281	713	398
Finance cost	(9,106)	(4,831)	(1,267)
<b>NPBT</b>	<b>1,382,908</b>	<b>506,366</b>	<b>(355,829)</b>
Income tax benefit	(368,740)	(219,237)	92,516
<b>NPAT</b>	<b>1,014,168</b>	<b>287,129</b>	<b>(263,313)</b>
<b>Other comprehensive income, net of income tax</b>			
Derecognition of digital currencies	(9,074,238)	-	-
<b>Other comprehensive income (loss) for the year, net of tax</b>	<b>(9,074,238)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the year</b>	<b>(8,060,070)</b>	<b>287,129</b>	<b>(263,313)</b>
<b>Profit attributed to:</b>			
Members of the parent entity	1,020,302	351,994	(255,265)
Non-controlling interest	(6,134)	(64,865)	(8,048)
	<b>1,014,168</b>	<b>287,129</b>	<b>(263,313)</b>
<b>Total comprehensive income attributed to:</b>			
Members of the parent entity	(8,053,936)	351,994	(255,265)
Non-controlling interest	(6,134)	<b>(64,865)</b>	<b>(8,048)</b>
	<b>(8,060,070)</b>	<b>287,129</b>	<b>(263,313)</b>

The above financial statements include the results of services provided to Oilvest in respect of the Dig-Exchange business. The Company has determined, subsequent to discussions with NSX, that prospective investors should be informed of the Company's financial position excluding those services which will cease going forward (refer Section 9.5 of the Prospectus). Included in the FY2020 Net Profit Before Tax of \$506,366 is profits totalling \$1,269,418 relating to the Oilvest business comprising revenue of \$2,100,000 and expenses of \$830,582.

# Haodex Limited

ACN 623 392 325

## Fifth Supplementary Prospectus

### 4.4 Management discussion and analysis of financial performance and key operating metrics

#### 4.4.1 Revenue

In January 2019, the Company invested into a retail omnichannel solutions business model, creating its own proprietary e-commerce platform and shifting the core business from software services. The retail marketplace business is comprised of three websites – MonkeyKing (launched November 2018), BulkBuy (launched public beta June 2019) and Franks Haus (launched April 2019).

The Company has generated revenue through MonkeyKing Australia's sales activity and its software services. At 30 June 2020, the Franks Haus and BulkBuy platforms have not contributed strongly to revenue due to their continued development. Franks Haus has not generated any revenue for FY2020, while BulkBuy has generated \$7,700 for FY2020. For the half year ended 31 December 2020, BulkBuy has generated \$90,000.

Revenue from sale of goods and provision of services for the financial years are set out below.

	FY2019		FY2020		HY2021	
	\$	%	\$	%	\$	%
<b>Revenue</b>						
MonkeyKing – Sale of Goods	297,252	100%	126,972	94.28%	40,136	30.8%
BulkBuy	nil	0%	7,700	5.72%	90,000	69.2%
Franks Haus	nil	0%	nil	0%	nil	Nil
<b>Total revenue</b>	<b>297,252</b>	<b>100%</b>	<b>134,672</b>	<b>100%</b>	<b>130,136</b>	<b>100%</b>

Since its launch in November 2018 to 31 December 2020, MonkeyKing has grown its total Active Members to 452,199 and completed 18,967 transactions. The key drivers are diversity of products, daily active users, cross sale of active users amongst the Group's different products, retention rates, and increased transactions from users.

Revenue from the Company's business is generated in Chinese Renminbi or Australian Dollars depending on the origin of the transaction (i.e. a customer in China buys a product, or a customer in Australia buys a product), Chinese Renminbi is transferred to Australian Dollars at month end.

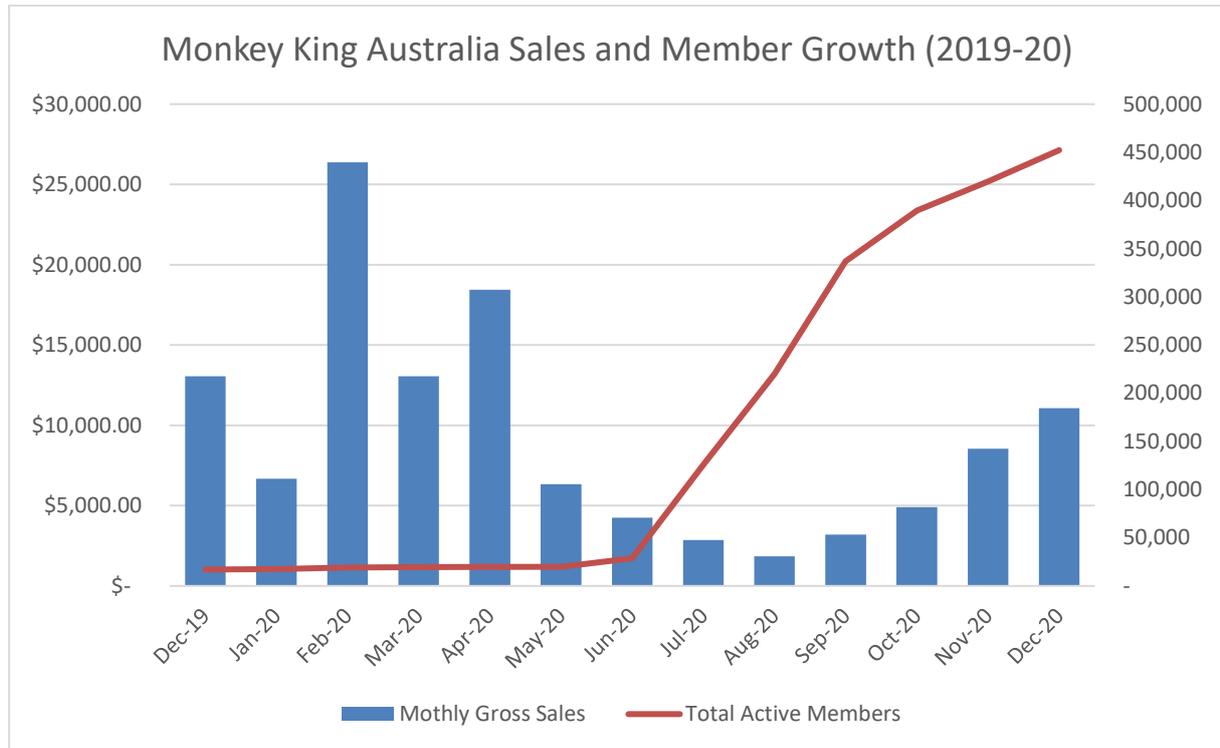
Revenue for HY2021 includes a \$500,000 service fee from Oilvest which has been recorded as a receivable as at 31 December 2020.

**Haodex Limited**  
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***MonkeyKing***

Set out below are details of the monthly gross sales (before discounts) generated by MonkeyKing together with cumulative number of registered users.



MonkeyKing monthly sales have decreased from \$13,055 in December 2019 to \$11,062 in December 2020. For the 12 months ending 31 December 2020, MonkeyKing returned a gross profit of \$19,440.

**4.4.2 Direct costs**

Direct costs are comprised of three components:

- costs associated with operating an internet based business;
- direct labour costs and contractor costs in relation to customer support services and staff; and
- payment gateway providers and institution fees on transactions.

Direct costs have increased substantially during the historical period due to the escalation in the scale of the business.

**4.4.3 Other Expenses**

Expenses have increased consistent with growth in the business and new business acquisitions, together with the Company's focus on the development and expansion of its omnichannel solutions business model, which will continue to be the focus for the Company as it seeks to develop this business.

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**4.5 Management discussion and analysis of the audited historical cash flows**

The table below presents the summarised audited consolidated historical statement of cash flows for FY2019, FY2020 and HY2021.

Year end	Audited FY2019 \$	Audited FY2020 \$	Reviewed HY2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	3,019,909	620,111	248,023
Payments to suppliers and employees	(2,555,050)	(1,257,370)	(384,613)
Interest received	2,281	713	398
Interest paid	(8,296)	(4,831)	(1,267)
Receipt from grants	-	62,615	94,268
<b>Net cash provided by/(used in) operating activities</b>	<b>458,844</b>	<b>(578,762)</b>	<b>(43,191)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Excess of cash acquired in acquisition of subsidiary	129,823	-	-
Purchase of intangible assets	(1,623,254)	-	-
<b>Net cash provided by/(used in) investing activities</b>	<b>(1,493,431)</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Shareholder application monies received in advance	-	-	444,080
Proceeds from issue of shares	1,444,684	-	-
Payment of lease liabilities	(105,922)	(83,902)	(24,418)
<b>Net cash provided by/(used in) financing activities</b>	<b>1,338,762</b>	<b>(83,902)</b>	<b>419,662</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>304,175</b>	<b>(662,664)</b>	<b>376,471</b>
Cash and cash equivalents at the beginning of the period	376,269	680,444	17,780
<b>Cash and cash equivalents at the end of the period</b>	<b>680,444</b>	<b>17,780</b>	<b>394,251</b>

*Note: The historical statements of cash flows have been extracted from the audited financial statements of HAODEX for FY2019 and FY2020, and the reviewed half year financial statements for HY2021.*

**4.5.1 Operating and cash flows**

Haodex's operating cash flow has declined as a result of a decrease in EBITDA from \$1,687,297 in FY2019 to \$1,050,023 in FY2020. It declined again for the half-year HY2021 to \$122,526.

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**4.5.2 Investing cash flows**

During FY2019 the Company invested \$1,623,254 in relation to the acquisition of intangible assets from BulkBuy, MonkeyKing and Franks Haus. No investing activities were undertaken for FY2020 or HY2021.

**4.6 Impact of foreign exchange rates and presentational currency**

A significant amount of Haodex's revenue, costs and expenses will be denominated in foreign currencies. Haodex's reporting currency for its financial reports is Australian dollars and is therefore impacted by movements in the underlying operating currencies and the Australian Dollar: Chinese Renminbi exchange rate. Accordingly, investors should note that the Company's financial results are exposed to fluctuation in foreign currencies.

**4.7 Consolidated historical and pro forma statement of financial position at 31 December 2020**

31 December 2020	Note	Reviewed HY2021 \$	\$1.0 million raised Pro forma \$	\$1.7 million raised Pro forma \$
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	4.7.2	394,251	1,221,401	1,877,801
Trade and other receivables	4.7.3	2,187,573	2,187,573	2,187,573
Inventories		56,985	56,985	56,985
Other assets	4.7.4	1,417,927	1,417,927	1,417,927
<b>TOTAL CURRENT ASSETS</b>		<b>4,056,736</b>	<b>4,883,886</b>	<b>5,540,286</b>
<b>NON CURRENT ASSETS</b>				
Plant and equipment		37,730	37,730	37,730
Deferred tax assets		94,784	94,784	94,784
Intangible assets	4.7.5	386,797	386,797	386,797
<b>TOTAL NON CURRENT ASSETS</b>		<b>519,311</b>	<b>519,311</b>	<b>519,311</b>
<b>TOTAL ASSETS</b>		<b>4,576,047</b>	<b>5,403,197</b>	<b>6,059,597</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables		137,885	137,885	137,885
Current tax liabilities		563,628	563,628	563,628
Lease liabilities		37,730	37,730	37,730
Employee entitlement		8,150	8,150	8,150
Other liabilities		473,254	473,254	473,254
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,220,647</b>	<b>1,220,647</b>	<b>1,220,647</b>
<b>TOTAL LIABILITIES</b>		<b>1,220,647</b>	<b>1,220,647</b>	<b>1,220,647</b>
<b>NET ASSETS</b>		<b>3,355,400</b>	<b>4,182,550</b>	<b>4,838,950</b>

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<b>EQUITY</b>				
Issued capital	4.7.6	2,217,862	5,345,660	6,002,610
Reserves	4.7.7	202,935	202,935	202,935
Retained earnings/(Losses)	4.7.8	843,169	(1,437,479)	(1,438,029)
Non-controlling interest		91,434	91,434	91,434
<b>TOTAL SHAREHOLDERS EQUITY</b>		<b>3,355,400</b>	<b>4,182,550</b>	<b>4,838,950</b>

*Note: The pro forma historical Statement of financial position has been prepared based on the reviewed historical statement of financial position as at 31 December 2020.*

**4.7.1. Pro forma adjustments**

The following transactions and events contemplated in this Prospectus which are to take place on or before the completion of the Offer, referred to as the Pro forma Adjustments, are presented as if they, together with the Offer, had occurred on or before 31 December 2020 and are set out below.

With the exception of the pro forma transactions noted below, no material transactions have occurred between 31 December 2020 and the date of this Prospectus which the Directors consider require disclosure.

1. The issue of 5,000,000 Shares at \$0.20 each amounting to \$1,000,000 in relation to the minimum Offer, together with the provisions for oversubscriptions of a further 3,500,000 Shares to raise a total of up to \$1,700,000;
2. Cash costs in relation to the Offer estimated to be between \$172,850 and \$216,450. Cash costs of the Minimum / Maximum Offer have been allocated as \$61,500 / \$104,550 to contributed equity relating to the issue of new Shares and \$111,350 / \$111,900 to retained earnings;
3. The issue of 10,946,488 Advisor Shares valued at \$2,189,298 which has been recorded against retained earnings;
4. Mr Frank Huang and Ms Annie Huang will also be issued with 20,000,000 Performance Rights each, which convert on a 1 for 1 basis to ordinary Shares when the Company achieves \$30,000,000 annualised revenue in any 12 month period prior to expiry. These Performance Rights expire on the date that is three years after the Company is listed on the NSX. The Performance Rights will be expensed over their vesting period if and when they vest and therefore no cost has been recorded in the pro-forma balance sheet as at completion of the Offer. Based on the Offer price of \$0.20, the fair value of the 40,000,000 Performance Rights, before taking into account any discounting for the achievement of performance or vesting conditions, is \$8,000,000.

**4.7.2. Pro forma cash and cash equivalents**

\$	Pro forma notes	Pro forma	
		Min	Max
<b>Audited cash and cash equivalents at 31 December 2020</b>		<b>394,251</b>	<b>394,251</b>
<i>Pro forma transactions:</i>			
Proceeds from Shares issued under the Offer	4.7.1 (1)	1,000,000	1,700,000

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Cash costs in relation to the Offer	4.7.1 (2)	(172,850)	(216,450)
<b>Subtotal</b>		<b>827,150</b>	<b>1,483,550</b>
<b>Pro forma cash and cash equivalents</b>		<b>1,221,401</b>	<b>1,877,801</b>

**4.7.3. Trade and other receivables**

	Pro forma notes	Pro forma	
\$		Min	Max
Services fee	4.7.3 (1)	1,120,958	1,120,958
Lump sum service fee	4.7.3 (2)	500,000	500,000
Sale of intangible assets relating to Dig Exchange	4.7.3 (3)	566,615	566,615
<b>Total</b>		<b>2,187,573</b>	<b>2,187,573</b>

4.7.3 (1) Under the terms of the asset sale agreement with Oilvest Pty Ltd (a related party) for the divestment of the Company's cryptocurrency exchange business Dig-Exchange (refer section 9.5 of the Prospectus), the Company provides Oilvest with certain services (such as technical support) and a licence fee to use any intellectual property necessary to operate the Dig-Exchange business. The consideration for the provision of such services is a fee of \$2,100,000 per year payable by Oilvest (**Service Fee**), a bonus payment being 80% of Oilvest's net profit after expenses based on the previous years' profitability, and a final service fee of \$500,000 payable by Oilvest by 30 September 2021 (**Final Service Fee**). At 30 June 2020, this Service Fee totalling \$2,100,000 had not been received and is recorded as an other receivable. Since 30 June 2020, the Company has received approximately \$540,000 of fees owing under the Service Fee. As at December 2020, a payment of \$1,069,284 was offset against the amount due from Oilvest to the amount payable to the shareholder. The Company advises that though it has the ability to enforce the payment of funds from Oilvest under the Asset Sale Agreement, there is no formal agreement between Oilvest and the Company that the remaining funds will be received. As with all commercial agreements, there is a risk that parties will not comply with their obligations. If the remaining funds are not received as required under the Asset Sale Agreement, the Company will at that point consider the most appropriate way to enforce payment of funds.

4.7.3(2) Post 30 June 2020 Haodex has agreed to cease services provided to Oilvest, with a Final Service Fee of \$500,000 payable on or before 30 September 2021. As at 30 June 2021, \$110,000 of the Final Service Fee has been received.

4.7.3 (3) With services ceasing to Oilvest in respect of the Dig-Exchange business, Haodex has sold the intangible assets associated with the provision of these services, resulting in a receivable for the sales proceeds of \$566,615.

**4.7.4. Other assets**

Other assets are comprised of prepayments that relate to the prepayment of expenditure for two years for the continued development and maintenance of the Frank Haus platform.

**4.7.5. Intangible assets**

Intangibles relate to capitalised expenditure on the acquisition of separate proprietary technologies which perform the following functions:

- to operate a digital currency exchange; and

**Haodex Limited**  
ACN 623 392 325

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- to operate a short term accommodation business.

Intangible assets are being amortised on a straight line basis over five years.

**4.7.6. Pro forma share capital**

\$	Pro forma notes	Pro forma	
		Min	Max
<b>Issued capital at 31 December 2020</b>		<b>2,217,862</b>	<b>2,217,862</b>
<i>Pro forma transactions:</i>			
Proceeds from Shares issued under the Offer	4.7.1 (1)	1,000,000	1,700,000
Issue of Advisory Shares	4.7.1 (3)	2,189,298	2,189,298
Costs in relation to the Offer	4.7.1 (2)	(61,500)	(104,550)
<b>Subtotal</b>		<b>3,127,798</b>	<b>3,784,748</b>
<b>Pro forma share capital</b>		<b>5,345,660</b>	<b>6,002,610</b>

#	Pro forma notes	Pro forma	
		No. of Shares	No. of Shares
<b>Number of shares issued at 31 December 2020</b>		<b>135,000,000</b>	<b>135,000,000</b>
<i>Pro forma transactions:</i>			
Shares issued under the Offer	4.7.1 (1)	5,000,000	8,500,000
Issue of Advisory Shares	4.7.1 (3)	10,946,488	10,946,488
<b>Subtotal</b>		<b>15,946,488</b>	<b>19,446,488</b>
<b>Pro forma share capital</b>		<b>150,946,488</b>	<b>154,446,488</b>

**4.7.7. Pro forma Equity Reserves**

\$	Pro forma notes	Pro forma	
		Min	Max
<b>Audited share based payments reserve at 31 December 2020</b>		<b>202,935</b>	<b>202,935</b>
<i>Pro forma transactions:</i>			
<b>Pro forma share based payments reserve</b>		<b>202,935</b>	<b>202,935</b>

Mr Frank Huang and Ms Annie Huang have also been issued with 20,000,000 Performance Rights each which convert on a 1 for 1 basis to ordinary Shares when the Company achieves \$30,000,000 annualised revenue in any 12 month period prior to expiry. These Performance Rights expire on the date that is three years after the Company is listed on the NSX.

The Performance Rights will be expensed over their vesting period and therefore no cost has been recorded in the pro-forma balance sheet as at completion of the Offer. Based on the Offer price of \$0.20, the fair value of the Performance Rights, before taking into account any discounting for the achievement of performance and vesting conditions, is \$8,000,000.

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**4.7.8. Accumulated Earnings**

<b>\$</b>		<b>Pro forma</b>	<b>Pro forma</b>	
<b>Accumulated Earning(Losses)</b>		<b>adjustments</b>	<b>Min</b>	<b>Max</b>
<b>Audited accumulated earnings at 31 December 2020</b>			<b>843,169</b>	<b>843,169</b>
<i>Pro forma transactions:</i>				
Issue of Advisory Shares			(2,189,298)	(2,189,298)
Costs in relation to the Offer	4.7.1 (2)		(111,350)	(111,900)
<b>Pro forma accumulated losses</b>			<b><u>(1,457,479)</u></b>	<b><u>(1,458,029)</u></b>

**Haodex Limited**

**ACN 623 392 325**

**Fifth Supplementary Prospectus**

**Annexure B – Investigating Accountant’s Report**

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5 July 2021

The Directors  
Haodex Limited  
Level 5, 56 Pitt Street  
SYDNEY NSW 2000

Dear Sirs,

**Re: Investigating Accountant's Report on Historical and Pro forma Consolidated Historical Financial Information**

We have prepared this Independent Limited Assurance Report (report) at the request of the Directors of Haodex Limited (the "Company"), for inclusion in a Supplementary Prospectus relating to the offering of 5,000,000 Shares in Haodex Limited at an Offer Price of \$0.20 per Share to raise a minimum of \$1,000,000 with provision for oversubscriptions of a further 3,500,000 Shares to raise up to a total of \$1,700,000 ("Offer").

Expressions and capitalised terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License (No. 227902) under the *Corporations Act 2001*. Hall Chadwick Corporate (NSW) Limited holds the appropriate Australian Financial Services License under the *Corporations Act 2001*.

**Background**

The Company was incorporated on 13 December 2017 and previously operated a digital currency exchange and platform, which has since been divested from the Company's activities.

The Company now operates the e-commerce businesses MonkeyKing Australia ([www.monkeykingaustralia.com](http://www.monkeykingaustralia.com)) ("MonkeyKing") and Bulk Buy World ([www.bulkbuyworld.com](http://www.bulkbuyworld.com)) ("BulkBuy") and the accommodation listing business Franks Haus ([www.frankshaus.com](http://www.frankshaus.com)) ("Franks Haus"). The Company also provides white labelling software services.

**Scope**

*Historical Financial Information*

You have requested Hall Chadwick Corporate (NSW) Limited to review the following historical financial information of the Company:

- a) the historical statements of profit or loss for the financial years ended 30 June 2019 ("FY2019") and 30 June 2020 ("FY2020") and the half-year ended 31 December 2020 ("HY2021");
- b) the historical statements of cash flows for FY2019, FY2020 and HY2021;
- c) the consolidated statement of financial position of the Company as at 31 December 2020.

HALL CHADWICK CORPORATE  
(NSW) LIMITED

ACN 080 462 488

SYDNEY

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[www.hallchadwick.com.au](http://www.hallchadwick.com.au)

*Pro forma Consolidated Historical Financial Information*

You have requested Hall Chadwick Corporate (NSW) Limited to review the pro forma consolidated statement of financial position of the Company as at 31 December 2020 assuming completion of the Offer.

The financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles detailed in Australian Accounting Standards and the adopted accounting policies of the Company.

The historical financial information of the Company has been subject to audit for FY2019 and FY2020, and a review for HY2021 by Rothsay Chartered Accountants who issued unmodified audit opinions for each period.

The financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The stated basis of preparation is the recognition and measurement accounting principles applied to the financial information and the transactions to which the pro forma adjustments relate, as described in the Prospectus, as if those transactions had occurred as at the date, or prior to the date, of the financial information. Due to its nature, the pro forma consolidated historical financial information does not represent the company's actual or prospective financial position.

**Directors' responsibility**

The directors of the Company are responsible for the preparation of the historical and pro forma consolidated historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of pro forma consolidated historical financial information that is free from material misstatement whether due to fraud or error.

**Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we have become aware of all significant

matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusions***Historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in the Prospectus.

*Pro forma consolidated historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma consolidated historical financial information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in the Prospectus.

**Restriction on Use**

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial information to which it relates, for any purpose other than that for which it was prepared.

**Consent**

Hall Chadwick Corporate (NSW) Limited has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

**Disclosure of Interest**

Hall Chadwick Corporate (NSW) Limited does not have any interest in the outcome of the Prospectus other than the issue of this report for which normal professional fees will be received. Hall Chadwick Corporate (NSW) Limited does not hold nor have any interest in the ordinary shares of the Company. Hall Chadwick Corporate (NSW) Limited was not involved in the preparation of any part of the Prospectus and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in the Prospectus.

Yours faithfully

**Drew Townsend**

HALL CHADWICK CORPORATE (NSW) LIMITED

**FINANCIAL SERVICES GUIDE**

Dated 5 July 2021

**What is a Financial Services Guide (FSG)?**

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Hall Chadwick Corporate (NSW) Limited ABN 28 080 462 488, Australian Financial Services Licence Number 227902 (“HCC”).

This FSG includes information about:

- HCC and how they can be contacted;
- the services HCC is authorised to provide;
- how HCC are paid;
- any relevant associations or relationships of HCC;
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that HCC has in place.

This FSG forms part of an Investigating Accountant’s Report (“Report”) which has been prepared for inclusion in a disclosure document. The purpose of the disclosure document is to help you make an informed decision in relation to a financial product. The contents of the disclosure document, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

**Financial services that HCC is authorised to provide**

HCC holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of finance products.

**HCC’s responsibility to you**

HCC has been engaged by the Directors of Haodex Limited to prepare this Report for inclusion in a Prospectus in relation to the offering of shares in Haodex Limited on the ASX (“Offer”).

You have not engaged HCC directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. HCC nor the employees of HCC are acting for any person other than Haodex Limited. HCC is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

**General advice**

As HCC has been engaged by Haodex Limited, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

**Fees HCC may receive**

HCC charges fees for preparing reports. These fees will usually be agreed with, and paid by, Haodex Limited. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Haodex Limited has agreed to pay HCC \$15,000 (excluding GST and out of pocket expenses) for preparing the Report on Pro forma Consolidated Historical Financial Information to be included in the Prospectus. HCC and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

HCC officers and representatives receive remuneration from Hall Chadwick Sydney professional advisory and accounting practice (the Hall Chadwick Sydney Partnership). Remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report. Further details may be provided on request.

**Referrals**

HCC does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

**Associations and relationships**

Through a variety of corporate and trust structures HCC is controlled by and operates as part of the Hall Chadwick Sydney Partnership. HCC's directors may be partners in the Hall Chadwick Sydney Partnership. Mr Drew Townsend, director of HCC and partner in the Hall Chadwick Sydney Partnership, has prepared this Report. The financial product advice in the Report is provided by HCC and not by the Hall Chadwick Sydney Partnership.

From time to time HCC, the Hall Chadwick Sydney Partnership and related entities ("HC Entities") may provide professional services, including audit, taxation and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses. HC Entities have previously provided advisory services to the Company for which professional fees have been received.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of Haodex Limited or has other material financial interests in the Offer.

**Complaints resolution**

If you have a complaint, please let HCC know. Formal complaints should be sent in writing to:

The Complaints Officer  
Hall Chadwick Corporate (NSW) Limited  
GPO Box 3555  
Sydney NSW 2001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on (02) 9263 2600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

**External complaints resolution process**

If HCC cannot resolve the complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website [www.fos.org.au](http://www.fos.org.au) or by contacting them directly at:

Financial Ombudsman Service Limited  
GPO Box 3, Melbourne Victoria 3001  
Telephone: 1300 78 08 06  
Facsimile (03) 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

**Compensation arrangements**

HCC has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

**Contact details**

You may contact HCC at:

Hall Chadwick Corporate (NSW) Limited

GPO Box 3555

Sydney NSW 2001

Telephone: (02) 9263 2600

Facsimile: (02) 9263 2800

**Haodex Limited**

**ACN 623 392 325**

**Fifth Supplementary Prospectus**

**Annexure C – Half-year report**

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# **Haodex Ltd and Controlled Entities**

ACN 623 392 325

## **Financial Statements**

For the Half-Year Ended 31 December 2020

# Haodex Ltd and Controlled Entities

ACN 623 392 325

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For the Half-Year Ended 31 December 2020

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# Haodex Ltd and Controlled Entities

ACN 623 392 325

## Directors' Report 31 December 2020

The directors present their report, together with the financial statements of the Group, being the company and its controlled entity, for the half-year ended 31 December 2020.

### 1. General information

Information on directors

The names of each person who has been a director during the half-year and to the date of this report are:

Frank Huang

Bin Chen

Anne Huang

Directors have been in office since the start of the half-year to the date of this report.

#### Principal activities

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

During the half-year the Group ceased to offer selling its software for trading platforms.

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

### 2. Operating results and review of operations for the half-year

#### Operating results

The consolidated loss of the Group amounted to \$263,313 (2019: profit \$468,615).

### 3. Other items

#### Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the half-year.

#### Matters or circumstances arising after the end of the half-year

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

#### Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Directors' Report

31 December 2020

#### 3. Other items

##### Environmental matters

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

##### Indemnification and insurance of officers and auditors

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

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

Director .....  
 Frank Huang

Dated 7 May 2021

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Statement of Profit or Loss and Other Comprehensive Income For the Half-Year Ended 31 December 2020

		31 December 2020	31 December 2019
	Note	\$	\$
Revenue	2	642,395	1,140,864
Finance income	2	398	676
Other income	2	106,222	-
Cost of sales		(20,696)	(39,855)
Employee benefits expense		(371,252)	(167,453)
Depreciation, amortisation and impairment expense		(477,486)	(41,074)
Finance expenses		(1,267)	(2,807)
Other expenses		(234,143)	(243,985)
<b>Profit (loss) before income tax</b>		<b>(355,829)</b>	646,366
Income tax expense (benefit)	3	92,516	(177,751)
<b>Profit (loss) for the half-year</b>		<b>(263,313)</b>	468,615
<b>Other comprehensive income, net of income tax</b>		-	-
<b>Total comprehensive income (loss) for the half-year</b>		<b>(263,313)</b>	468,615
Profit (loss) attributable to:			
Members of the parent entity		(255,265)	486,360
Non-controlling interest		(8,048)	(17,745)
		<b>(263,313)</b>	468,615
Total comprehensive income (loss) attributable to:			
Members of the parent entity		(255,265)	486,360
Non-controlling interest		(8,048)	(17,745)
		<b>(263,313)</b>	468,615

The accompanying notes form part of these financial statements.

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Statement of Financial Position

As At 31 December 2020

		31 December 2020	30 June 2020
	Note	\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	394,251	17,780
Trade and other receivables	5	2,187,573	2,100,242
Inventories		56,985	51,984
Other assets	8	1,417,927	1,682,036
TOTAL CURRENT ASSETS		<u>4,056,736</u>	<u>3,852,042</u>
NON-CURRENT ASSETS			
Plant and equipment	6	37,730	81,816
Deferred tax assets	10	94,784	2,268
Intangible assets	7	386,797	1,386,812
TOTAL NON-CURRENT ASSETS		<u>519,311</u>	<u>1,470,896</u>
TOTAL ASSETS		<u>4,576,047</u>	<u>5,322,938</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	137,885	161,723
Current tax liabilities	10	563,628	563,628
Lease liabilities		37,730	74,102
Other liabilities	11	473,254	-
Employee benefits	12	8,150	8,150
TOTAL CURRENT LIABILITIES		<u>1,220,647</u>	<u>807,603</u>
NON-CURRENT LIABILITIES			
Trade and other payables	9	-	896,622
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>896,622</u>
TOTAL LIABILITIES		<u>1,220,647</u>	<u>1,704,225</u>
NET ASSETS		<u>3,355,400</u>	<u>3,618,713</u>
<b>EQUITY</b>			
Issued capital	13	2,217,862	2,217,862
Reserves	14	202,935	202,935
Retained earnings		843,169	1,098,434
Non-controlling interest		91,434	99,482
TOTAL EQUITY		<u>3,355,400</u>	<u>3,618,713</u>

The accompanying notes form part of these financial statements.

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Statement of Changes in Equity

For the Half-Year Ended 31 December 2020

	Issued Capital	Retained Earnings	Share Based Payment Reserve	Non-controlling Interests	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>2,217,862</b>	<b>1,098,434</b>	<b>202,935</b>	<b>99,482</b>	<b>3,618,713</b>
Loss for the half-year	-	(255,265)	-	(8,048)	(263,313)
Transactions with owners in their capacity as owners	-	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>2,217,862</b>	<b>843,169</b>	<b>202,935</b>	<b>91,434</b>	<b>3,355,400</b>

	Issued Capital	Retained Earnings	Share Based Payment Reserve	Non-controlling Interests	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>2,217,862</b>	<b>746,440</b>	<b>202,935</b>	<b>164,347</b>	<b>3,331,584</b>
Profit (loss) for the half-year	-	486,360	-	(17,745)	468,615
Transactions with owners in their capacity as owners	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>2,217,862</b>	<b>1,232,800</b>	<b>202,935</b>	<b>146,602</b>	<b>3,800,199</b>

The accompanying notes form part of these financial statements.

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Statement of Cash Flows For the Half-Year Ended 31 December 2020

	31 December 2020	30 June 2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	248,023	620,111
Payments to suppliers and employees	(384,613)	(1,257,370)
Interest received	398	713
Interest paid	(1,267)	(4,831)
Receipt from grants	94,268	62,615
Net cash provided by/(used in) operating activities	<u>(43,191)</u>	<u>(578,762)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Share buy-back payment	444,080	-
Payment of lease liabilities	(24,418)	(83,902)
Net cash provided by/(used in) financing activities	<u>419,662</u>	<u>(83,902)</u>
Net increase/(decrease) in cash and cash equivalents held	376,471	(662,664)
Cash and cash equivalents at beginning of half-year	17,780	680,444
Cash and cash equivalents at end of financial half-year	4 <u><u>394,251</u></u>	<u><u>17,780</u></u>

The accompanying notes form part of these financial statements.

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Notes to the Financial Statements For the Half-Year Ended 31 December 2020

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

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

The financial report was authorised for issue by the Directors on 29 April 2021.

Comparatives are consistent with prior periods, unless otherwise stated.

#### 1 Basis of Preparation

This condensed interim financial report for the half-year ended 31 December 2020 has been prepared in accordance with the requirements of the Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The half-year financial report is intended to provide users with an update on the latest annual financial statements of Haodex Ltd. As such it does not contain information that represents relatively insignificant changes occurring during the half-year within Haodex Ltd. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of Haodex Ltd for the year ended 30 June 2020.

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

#### 2 Revenue and Other Income

	31 December 2020	31 December 2019
	\$	\$
- sale of goods	40,136	69,133
- provision of services	602,259	1,071,731
	<u>642,395</u>	<u>1,140,864</u>
- interest received	398	676
- government grant	106,222	-
	<u>106,620</u>	<u>676</u>

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Notes to the Financial Statements For the Half-Year Ended 31 December 2020

#### 3 Income Tax Expense

Reconciliation of income tax to accounting profit:

	31 December 2020	31 December 2019
	\$	\$
Profit (loss)	(355,829)	646,366
Tax	26.00%	27.50%
Income tax expense (benefit)	<u>(92,516)</u>	<u>177,751</u>

#### 4 Cash and Cash Equivalents

	31 December 2020	30 June 2020
	\$	\$
Cash at bank and in hand	394,251	17,780
	<u>394,251</u>	<u>17,780</u>

#### 5 Trade and Other Receivables

	31 December 2020	30 June 2020
	\$	\$
CURRENT		
Amount due from related party - Oilvest Pty Ltd	2,097,331	2,100,000
Other receivables	90,242	242
	<u>2,187,573</u>	<u>2,100,242</u>

#### 6 Plant and equipment

	31 December 2020	30 June 2020
	\$	\$
Right-of-Use - Plant and Equipment		
At cost	263,926	263,926
Accumulated depreciation	(226,196)	(182,110)
	<u>37,730</u>	<u>81,816</u>

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Notes to the Financial Statements For the Half-Year Ended 31 December 2020

#### 7 Intangible Assets

	31 December 2020	30 June 2020
	\$	\$
Computer software		
Computer software	1,306,003	2,080,158
Accumulated amortisation and impairment	(919,206)	(693,346)
	<u>386,797</u>	<u>1,386,812</u>

#### 8 Other Assets

	31 December 2020	30 June 2020
	\$	\$
CURRENT		
Prepayments	1,417,927	1,682,036
	<u>1,417,927</u>	<u>1,682,036</u>

#### 9 Trade and Other Payables

	31 December 2020	30 June 2020
	\$	\$
CURRENT		
Trade payables	19,941	18,954
Other payables	117,944	142,769
	<u>137,885</u>	<u>161,723</u>

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

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

	31 December 2020	30 June 2020
	\$	\$
NON-CURRENT		
Payable to shareholders	-	896,622
	<u>-</u>	<u>896,622</u>

During half-year the amount payable to the shareholder was offset against the amount due from related party Oilvest Pty Ltd.

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Notes to the Financial Statements For the Half-Year Ended 31 December 2020

#### 10 Tax assets and liabilities

	31 December 2020	30 June 2020
Income tax payable	\$ 563,628	\$ 563,628
	<u>563,628</u>	<u>563,628</u>

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
<b>Deferred tax assets</b>			
Employee entitlements	15,362	(13,094)	2,268
<b>Balance at 30 June 2020</b>	<u>15,362</u>	<u>(13,094)</u>	<u>2,268</u>
Employee entitlements	2,268	-	2,268
Tax losses	-	92,516	92,516
<b>Balance at 31 December 2020</b>	<u>2,268</u>	<u>92,516</u>	<u>94,784</u>

#### 11 Other Liabilities

	31 December 2020	30 June 2020
	\$	\$
<b>CURRENT</b>		
Shareholder funds received in advance of share issue	473,254	-
	<u>473,254</u>	<u>-</u>

#### 12 Employee Entitlements

	31 December 2020	30 June 2020
	\$	\$
<b>CURRENT</b>		
Employee entitlements	8,150	8,150
	<u>8,150</u>	<u>8,150</u>

#### 13 Issued Capital

	31 December 2020	30 June 2020
	\$	\$
135,000,000 (2020: 135,000,000) Ordinary shares	2,217,862	2,217,862
	<u>2,217,862</u>	<u>2,217,862</u>

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Notes to the Financial Statements For the Half-Year Ended 31 December 2020

#### 14 Reserves

	31 December 2020 \$	30 June 2020 \$
<b>Share Based Payment Reserve</b>		
Opening balance	202,935	202,935
	<u>202,935</u>	<u>202,935</u>

#### Share based payment reserve

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

#### 15 Contingencies

In the opinion of the Directors, the company did not have any contingencies at 31 December 2020 (30 June 2020: None).

#### 16 Related Party Transactions

During the half-year there were the following transactions with related parties:

- The Company ceased providing services to related party, Oilvest Pty Ltd, with a lump-sum fee of \$500,000 due to the Company before 30 June 2021;
- On cessation of services to Oilvest Pty Ltd, the Company sold its related intangible assets to Oilvest Pty Ltd for \$566,615. Immediately prior to this date the value of these intangible assets was amortised to its recoverable amount.
- As disclosed in Note 9, during half-year the amount payable to the shareholder was offset against the amount due from related party Oilvest Pty Ltd.

#### 17 Events Occurring After the Reporting Date

The financial report was authorised for issue on 7 May 2021 by the board of directors.

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

#### 18 Statutory Information

The registered office principal place of business of the Company is:

Suite 23  
Level 5  
88 Pitt Street  
Sydney NSW 2000

## Haodex Ltd and Controlled Entities

ACN 623 392 325

### Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes for the half-year ended 31 December 2020 are in accordance with the *Corporations Act 2001* and:
  - a. complies with Australian Accounting Standard AASB 134 Interim Financial Reporting; and
  - b. gives a true and fair view of the financial position and performance of the consolidated group;
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director .....  
  
Frank Huang

Dated 7 May 2021

## HAODEX LTD

### INDEPENDENT AUDITOR'S REPORT

To the members of Haodex Ltd:

#### Opinion

We have audited the financial report of Haodex Ltd (the "Company") and its controlled entities ("the Group"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of the Group:

- (a) presents fairly the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complies with Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Basis for Opinion

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

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

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's half-year financial report for the half-year ended 31 December 2020, 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.



HAODEX LTD

## INDEPENDENT AUDITOR'S REPORT (continued)

### Responsibility of Directors for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial statements and for such internal control as the management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



HAODEX LTD

**INDEPENDENT AUDITOR'S REPORT (continued)**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Rothsay Audit & Assurance Pty Ltd**

**Daniel Dalla**  
Director

Sydney, 7 May 2021