

ANNUAL REPORT 2019



OneAll

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CHAIRMAN'S ADDRESS

11 May 2020

Dear Fellow Shareholders,

We would like to take this opportunity to communicate and report to you the business operations of OneAll International Limited ("OneAll", "the Company") during year 2019.

Due to trade disputes, the Group had a drop in sales and profits in Year 2019

For the year ended 31 December 2019, the Group recorded sales revenue of \$48.26 million, 10.90% decrease compared to \$54.16 million for the year ended 31 December 2018, and the Group has also seen a drop in net profit, down from \$9.20 million for year 2018 to \$2.09 million for year 2019.

The decrease in revenue and profits is mainly due to the decrease in revenue in the China operations due to China-US trade dispute (Calendar Year 2019: CNY¥185.4 million vs Calendar Year 2018: CNY¥230.8 million).

In terms of cash flow, the net cash inflow provided by operating activities for the year ended 31 December 2019 is \$8.3 million, compared with that of \$6.6 million for the year 2018.

Decision on Delisting

The impact of Sino-US trade dispute started in year 2019 continues to exist. The COVID-19 outbreak around the world which started in early 2020 has brought danger to human's health and economic development that has never been seen before. Global economic recession is inevitable, e.g., the unemployment rate in the U.S. is already very high. Recently most countries' depreciation in currency is weakening the purchase power of the customers.

In consumers' market, outdoor furniture is not a daily necessity good, it is expected that in hard times when the economy is pessimistic and the income of people drops, it is very likely that people will cut off their expenditure on non-essential items like outdoor furniture.

Furthermore, the trading of the Company's stock has been inactive in the market. In such times when the stock market around world is in turbulence, continuing to spend financial, administrative and compliance efforts and costs on stock market will not bring any return for the Company.

Therefore, with the expectation that the global economy will slow down and the Company's sales revenue will drop significantly, and that even if the Company maintains its listing status will not achieve its financing initiatives, for being responsible for the shareholders' interests for shareholder's support to the Company in these years and to protect shareholders' interest in such worst scenario, the Company has applied for delisting and has obtained the in-principle approval from ASX.



Challenges ahead

COVID-19 has hit the whole world with an overwhelming adverse effect, enterprises have started to be closed down and people are becoming unemployed. Year 2020 will be full of uncertainties and challenges. The Company can now only focus on solving short-term issues, arranging production and delivery for the currently still valid but limited sales order. Survival is the top priority. Future development will be a topic after getting through year of 2020.

Finally, on behalf the Board, I would like to thank our shareholders for your ongoing support.

I look forward to reporting on our progress as 2020 unfolds.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Huatang (Douts) Li', written in a cursive style.

Huatang (Douts) Li
Chairman and Chief Executive Officer
OneAll International Limited

FINANCIAL REPORT

OneAll International Limited

ABN 75 606 740 701

For the Year Ended 31 December 2019

The Company's 2019 Corporate Governance Policies is available at
www.oneallinternational.com/investor/corporate-governance.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of OneAll International Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2019.

Directors

The following persons were directors of OneAll International Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Huatang Li	(Executive Chairman and Chief Executive Officer)
Mr Jianhui Cao	(Non-Executive Director)
Mr Weihua Quan	(Executive Director) (Appointed 24 May 2019)
Mr Jia Ying Chen	(Executive Director)
Mr Peter Neville Hogan	(Non-Executive Director)
Mr Fook Weng Au	(Non-Executive Director)

Principal activities

During the financial year the principal continuing activities of the Group consisted of the design, manufacture, sale and distribution of outdoor furniture.

The Group is a leading outdoor furniture Original Design Manufacturer ('ODM') with award-winning in house design, manufacturing facilities and high-margin distribution model.

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2018	2017
	\$	\$
Final dividend (un-franked) for the year ended 31 December 2018 of 1.5 cents (31 December 2017: 2.0 cents) per ordinary share paid on 30 April 2019	1,935,000	2,580,000
Interim dividend (un-franked) for the period ended 30 June 2019 of nil (30 June 2018: 3.5 cents) cents per ordinary share	-	4,515,000
	<u>1,935,000</u>	<u>7,095,000</u>

There were no dividends paid, recommended or declared during the current financial year.

Review of operations

The profit for the Group after providing for income tax amounted to \$2,090,162 for the year ended 31 December 2019 (2018: \$9,197,549).

The US/China trade dispute has had a negative impact on the Group which has resulted in reduced margins in some instances and the cancellation of orders from US customers. The Group re-assessed the carrying value of its inventory in light of the cancelled orders and resolved to write off stock of \$2,392,852 during the period which related to unfinished products designed for the US market which were not suitable for sale in other markets.

The Group held a strong cash position of \$11,390,543 as at 31 December 2019, an increase of \$7,515,663 from the cash position of 3,874,880 as at 31 December 2018.

Operating cash flow remained stable at \$8,307,500 (2018: \$6,597,337). The Group is well placed with a strong balance sheet alongside growing revenue streams from its expanding geographical presence and customer base. Total debt is currently \$11,755,645 (2018: \$10,819,928) the increase being mainly the loan taken out by Chinese entities. Earnings per share is at 1.61 cents per share (2018: 7.13 cents per share).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

The breakout of the coronavirus (COVID-19) in China and around the world in the beginning of year 2020 has added material uncertainty to the world's economy for the year 2020. Due to lock-down ordered by the Chinese government, the manufacturing facility in China was closed in mid-February 2020, after the normal Spring Festival break, but has since gradually resumed normal operations towards the end of February 2020 and into early of March 2020.

As at the date of issuing this financial report, the major countries where the Group operates in and sell their products to are still in the mist of managing the COVID-19 pandemic, and based on management's assessment of the current situation, there may be an obvious drop in sales revenue in year 2020. Management will keep monitoring and reviewing the status for updates. Notwithstanding, the Group's financial position and cash status remain strong and will give the Group the necessary financial flexibility to trade through this period of significant volatility and therefore the Group is expected to continue as a going concern for the 12 months following the approval of this financial report.

Apart from above, as announced in early April 2020, the Company has applied to ASX for delisting and have obtained in-principle approval from ASX.

Likely developments and expected results of operations

The Group is experiencing stronger competition in Europe, as a result of some suppliers shifting their emphasis away from the United States and deploying product to Europe, often at greatly discounted rates. Regardless of this, the Group's products continue to be well received in core markets.

The Group confirms that the uncertainty created by the China-US trade dispute has impacted revenue and earnings as competitors deploy more of their inventory to Europe. Despite this, the Spanish operation performed well in year 2019 and has maintained all key customer relationships. There has been some limited impact to market share and some short term margin pressure.

Looking into year 2020, COVID-19 has already brought adverse impact to the global economy and volatility in stock exchange markets around the world and global trading has slowed down in pace, the Company is facing great challenges in sales revenue and profitability as have many other companies.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law nor in the People's Republic of China law.

Information on directors

Name:	Huatang (Douts) Li
Title:	Executive Chairman, Chief Executive Officer, Co-Founder
Qualifications:	Bachelor of Economics from Guangdong University of Foreign Studies
Experience and expertise:	Mr Li has 22 years of experience in international business, more than 13 years of which were spent in procurement in China. Mr Li has held a decision-making role in selecting Chinese suppliers for two European furniture and houseware chain retailers. He is highly familiar with the needs and trends of the western retail market and he manages the Group's operations based on his in-depth knowledge of the market. He maintains very close relationship with various industry leading companies. Mr Li has also provided consultation and training for companies with regard to production, business expansion and development. He has long-term collaborative relationships with senior executives of the European furniture retailers.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	49,765,045 ordinary shares

Name:	Jianhui (Roger) Cao
Title:	Non-Executive Director from 16 March 2018 (formally Managing Director and Joint Chief Executive Officer), Co-Founder
Qualifications:	Bachelor of Economics from Guangdong University of Foreign Studies, Professional Designer
Experience and expertise:	<p>Mr Cao has accumulated 22 years of experience in international business and has been working in the furniture sector since 1994. He has in-depth knowledge of the design, manufacturing and marketing process of metal furniture. From 1999 to 2000, he gained experience collaborating with European multinational corporations, with his main duties including administration, furniture procurement, product development and design. He had great exposure to European corporate management and operating methodologies, which inspired him and gave him in-depth understanding of the western market. Mr Cao also worked with European designers and developed new product designs. Some of Mr Cao's achievements in design include the following:</p> <ul style="list-style-type: none"> • in the year of GardenArt's establishment in 2001, he designed and developed the "GoldenEra" series, which achieved great success in the Spoga Exhibition in September of that year. This series of products became the best-seller in the following three years and the design was replicated by most of the domestic and foreign competitors throughout 2002-2006; • he has developed a number of other product series, including Jupiter, Soho, Boston, Lisbon, Sedona, Verona, with either an innovative design in the physical structure, a breakthrough in the functionality of the product or pioneer use of the advanced material mix. Each series has outshone competitors in the market and achieved high popularity and critically acclaimed results; and • in 2015, his design piece, "Mountain Picnic Table", won the Red Dot Award in Germany.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	49,765,045 ordinary shares
Name:	Jia Ying (Jimmy) Chen
Title:	Executive Director
Qualifications:	Bachelor of Business Management from Fuzhou University, Business Management and Finance from New York University Stern School of Business
Experience and expertise:	<p>Mr Chen established a food logistics operating company, CHINA WOK, in the United States, supplying products and providing management services to more than 1,000 Chinese restaurants. He returned to China in 2006 and joined GardenArt focusing on the execution and management of special projects. He also established Stone Monkey Company Limited and transitioned from marble mining to commercial trading.</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Nomination and Remuneration Committee
Interests in shares:	5,827,179 ordinary shares
Name:	Weihua (Viva) Quan (Appointed on 24 May 2019)
Title:	Executive Director
Qualifications:	Bachelor of Economics from Guangdong University of Foreign Studies
Experience and expertise:	<p>Mr Weihua (Viva) Quan graduated from the Guangdong University of Foreign Studies in 2008, with a major in English for International Trade. Upon his graduation, Mr Quan started his career with Gardenart as a sales assistant, before advancing to sales representative, then sales manager and now General Manager. Apart from sales, Mr Quan is also involved in new product development, procurement of materials for production and factory management. He has been</p>

instrumental in assisting the Chief Executive Officer in driving the company forward. The Board believes that his energy, vision and strategic planning skills which he developed for a period of over 11 years in the outdoor furniture sector will enable him to serve the company with distinction.

Other current directorships: None
 Former directorships (last 3 years): None
 Interests in shares: 62,000 ordinary shares

Name: Peter Neville Hogan
 Title: Independent, Non-Executive Director
 Qualifications: Bachelor of Business (Accounting), Associate Chartered Accountant ('ACA')
 Experience and expertise: Mr Hogan is a chartered accountant and is currently a strategy and development executive with Incitec Pivot Ltd (ASX: IPL). Mr Hogan commenced a 16 year career with the Australian Taxation Office ('ATO') in 1969, where he worked in the Assessing, Investigation and Appeals branches. He has also held senior management positions in the ATO for 4 years. He left the ATO in 1985 to join Coopers & Lybrand as a tax manager. In 1991, he was admitted as a tax partner of Coopers & Lybrand, which subsequently merged with Price Waterhouse in 1998 to form PricewaterhouseCoopers ('PwC'). After 23 years with PwC and 17 years as a corporate tax partner advising public and private companies and Australian subsidiary companies of multinational groups on corporate tax matters, the majority of which operated in the manufacturing sector, he retired from PwC on 31 March 2008.

Other current directorships: Carbon Energy Ltd (ASX: CNX), Villa Maria Catholic Homes Ltd
 Former directorships (last 3 years): Edmund Rice Foundation (Australia) Ltd (resigned 29 February 2016)
 Special responsibilities: Chairman of the Nomination and Remuneration Committee and member of the Audit and Risk Committee
 Interests in shares: 3,000 ordinary shares

Name: Fook Weng (Phillip) Au
 Title: Independent, Non-Executive Director
 Qualifications: Bachelor of Arts from Macquarie University majoring in accounting and economics, Certified Practising Accountant ('CPA'), Justice of the Peace ('JP')
 Experience and expertise: Mr Au is the principal consultant of Phillip Au & Associates, a firm that specialises in accounting, taxation, real estate and business management consulting services. He has more than 16 years of experience in business consultancy and has offices in Australia, Singapore, Malaysia, Jakarta and China. Mr Au was a non-executive director of Novarise Renewable Resources International Ltd, an Australian public listed company, from 2010 to 2011. Novarise is a leading producer of polypropylene filament yarn in China. Mr Au was a member of the New South Wales ('NSW') Asia Council, where he advised the government of NSW on effective strategies and actions to promote trade and investment opportunities in Asia. Mr Au also used his experience to discuss a wide range of current issues important to Asia's future, such as trade between Australia and Asia. Mr Au holds an official licence as a business agent and is also a NSW-registered property consultant. In 2002, Mr Au became the economic consultant to the government of the Republic of Nauru. He advised cabinet ministers of the Republic of Nauru on issues of infrastructure and the economic development of the nation. In addition, Mr Au had worked in the ATO for a number of years at a senior management level in the audit and fringe benefit tax section.

Other current directorships: None
 Former directorships (last 3 years): None
 Special responsibilities: Chairman of the Audit and Risk Committee and member of the Nomination and Remuneration Committee
 Interests in shares: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mr Bill Weiping Lee was appointed as Company Secretary effective 1 August 2019. This appointment follows the resignation of Mr Su-King Hii effective 31 July 2019. Mr Bill Lee is an experienced commercial and corporate lawyer, specialises in providing legal and business solutions for complex cross-border investments, mergers and acquisitions, Australian securities market listings, foreign investment into China, legal compliance, corporate law, trust funds, etc. With both in-house and private practice background in Australia and China for more than 19 year, he specialises in providing tailored and personalised services to satisfy clients' business and commercial needs.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the period ended 31 December 2019, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr Huatang Li	6	6	-	-	-	-
Mr Weihua Quan	4	4	-	-	-	-
Mr Jianhui Cao	6	6	1	1	1	1
Mr Jia Ying Chen	6	6	1	1	-	-
Mr Peter Neville Hogan	6	6	1	1	1	1
Mr Fook Weng Au	6	6	-	-	1	1

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The aim of the Nomination and Remuneration Committee is to structure a remuneration framework that is market competitive and complementary to the reward strategy and goals of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was a maximum annual aggregate remuneration of \$250,000 which was approved in the Company's 2018 Annual General Meeting held on 28 May 2019.

Non-executive directors issued invoices to the Group for salary, hence, no superannuation at the statutory rate. Non-executive directors may be paid such additional or special remuneration as the directors decide is appropriate where they perform extra work or services which are not in the capacity as a director of the Group. There are no retirement benefit scheme other than statutory superannuation contributions.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components. The chairman's fees are determined independently to the fees of other executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

The executive remuneration and reward framework has the following components:

- base pay and non-monetary benefits; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Group performance and link to remuneration

Remuneration is not directly linked to the performance of the Group.

Use of remuneration consultants

During the financial period ended 31 December 2019, the Group did not engage any remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve them.

Voting and comments made at the Company's 2018 Annual General Meeting ('AGM')

At the 28 May 2019 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

The key management personnel of the Group consisted of the following directors of OneAll International Limited:

- Mr Huatang Li (Executive Chairman and Chief Executive Officer)
- Mr Jianhui Cao (Non-Executive Director)
- Mr Weihua Quan (Executive Director) (Appointed 24 May 2019)
- Mr Jia Ying Chen (Executive Director)
- Mr Peter Neville Hogan (Non-Executive Director)
- Mr Fook Weng Au (Non-Executive Director)

Details of the remuneration of key management personnel of the Group are set out in the following tables.

2019	Short-term benefits			Post-employment benefits				Total
	Cash salary and fees	Cash bonus	Non-monetary	Social security contribution	Super-annuation	Equity settled	Other	
	\$	\$	\$	\$	\$	\$		
Non-Executive Directors:								
Peter Neville Hogan	72,000	-	-	-	-	-	-	72,000
Fook Weng Au	72,000	-	-	-	-	-	-	72,000
Jianhui Cao ¹	66,434	-	-	11,527	-	-	-	77,961
Executive Directors:								
Huatang Li ¹	103,101	-	-	11,527	-	-	4,963	119,591
Jia Ying Chen ¹	70,814	-	-	-	-	-	-	70,814
Weihua Quan ^{1, 2}	63,243	85,634	-	6,633	-	-	2,409	157,919
Other Key Management Personnel:								
Liqing Liang ^{1, 3}	15,371	-	-	669	-	-	250	16,290
	462,963	85,634	-	30,356	-	-	7,622	586,575

1 Remunerated in Chinese Renminbi and converted into Australian dollars using an average exchange rate (AUD:RMB) of 4.8018 during the year ended 31 December 2019.

2 Appointed 24 May 2019.

3 Key management personnel from 18 November 2019.

2018	Short-term benefits			Post-employment benefits		Sharebased payments		Total
	Cash salary and fees	Cash bonus	Non-monetary	Social security contribution	Super-annuation	Equity settled	Other	
	\$	\$	\$	\$	\$	\$		
Non-Executive Directors:								
Peter Neville Hogan	72,000	-	-	-	-	-	-	72,000
Fook Weng Au	72,000	-	-	-	-	-	-	72,000
Jianhui Cao ¹	60,691	-	-	5,094	-	-	6,494	72,279
Executive Directors:								
Huatang Li ¹	60,691	-	-	5,094	-	-	6,494	72,279
Jia Ying Chen ¹	48,553	-	-	-	-	-	-	48,553
Other Key Management Personnel:								
Rui Yang ²	77,274	-	2,404	-	7,341	-	-	87,019
	391,209	-	2,404	10,188	7,341	-	12,988	424,130

1 Remunerated in Chinese Renminbi and converted into Australian dollars.

2 Resigned on 22 February 2019.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Huatang Li
Title:	Executive Chairman, Chief Executive Officer
Agreement commenced:	29 June 2015
Term of agreement:	Not fixed
Details:	For the 12 months period ended 31 December 2019, Mr Li received a salary of \$103,101. Pursuant to Mr Li's labour contract, Mr Li may resign from his position by giving 6 months' notice in writing. Mr Li's employment may be terminated by the Group by giving 6 months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting a dismissal, Mr Li's employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of Mr Li's labour contract (whether by resignation or termination), Mr Li will be subject to a restraint of trade period of up to 24 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Group.

Name:	Jianhui Cao
Title:	Non-executive Director
Agreement commenced:	29 June 2015
Term of agreement:	Not fixed
Details:	For the 12 months period ended 31 December 2019, Mr Cao received a salary of \$66,434. Pursuant to Mr Cao's labour contract, Mr Cao may resign from his position by giving 6 months' notice in writing. Mr Cao's employment may be terminated by the Group by giving 6 months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting a dismissal, Mr Cao's employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of Mr Cao's labour contract (whether by resignation or termination), Mr Cao will be subject to a restraint of trade period of up to 24 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Group.

Name:	Jia Ying Chen
Title:	Executive Director
Agreement commenced:	29 June 2015
Term of agreement:	Not fixed
Details:	For the 12 months period ended 31 December 2019, Mr Chen received a salary of \$70,814. Pursuant to Mr Chen's labour contract, Mr Chen may resign from his position by giving 6 months' notice in writing. Mr Chen's employment may be terminated by the Group by giving 6 months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting a dismissal, Mr Chen's employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of Mr Chen's labour contract (whether by resignation or termination), Mr Chen will be subject to a restraint of trade period of up to 24 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Group.

Name: Weihua Quan (Appointed on 24 May 2019)
 Title: Executive Director
 Agreement commenced: 24 May 2019
 Term of agreement: Not fixed
 Details: For the period ended 31 December 2019, Mr Quan received a salary of \$63,243. Pursuant to Mr Quan's labour contract, Mr Quan may resign from his position by giving 1 month's notice in writing. Mr Quan's employment may be terminated by the Group by giving 6 months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting a dismissal, Mr Quan's employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of Mr Quan's labour contract (whether by resignation or termination), Mr Quan will be subject to a restraint of trade period of up to 24 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Group.

Name: Liqing Liang
 Title: Chief Finance Officer
 Agreement commenced: 18 November 2019
 Term of agreement: Not fixed
 Details: For the period ended 31 December 2019, Ms Liang received a salary of \$15,371. Pursuant to Ms Liang's labour contract, Ms Liang may resign from her position by giving 2 months' notice in writing. Ms Liang's employment may be terminated by the Group by giving 2 months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting a dismissal, Ms Liang's employment contract may be terminated immediately by notice in writing and without payment in lieu of notice.

Name: Rui Yang
 Title: Chief Finance Officer
 Agreement commenced: 4 July 2016, resigned on 22 February 2019
 Term of agreement: Not fixed
 Details: For the period ended 31 December 2019, Mr Yang received nil salary. Pursuant to Mr Yang's labour contract, Mr Yang may resign from his position by giving 3 months' notice in writing. Mr Yang's employment may be terminated by the Group by giving 3 months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting a dismissal, Mr Yang's employment contract may be terminated immediately by notice in writing and without payment in lieu of notice.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2019.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 December 2019.

There were no options over ordinary shares granted to, or that vested to, directors and other key management personnel as part of compensation during the year ended 31 December 2019.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the period	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the period
<i>Ordinary shares</i>					
Huatang Li	49,334,800	-	430,245	-	49,765,045
Jianhui Cao	49,334,800	-	430,245	-	49,765,045
Jia Ying Chen	5,776,800	-	50,379	-	5,827,179
Weihua Quan ¹	62,000	-	-	-	62,000
Peter Neville Hogan	3,000	-	-	-	3,000
Rui Yang	4,000	-	-	(4,000)	-
	104,515,400	-	910,869	(4,000)	105,422,269

¹ Balance at the start of the year represents shares held at the date of appointment 24 May 2019.

Other transactions with key management personnel and their related parties

- (i) Receipt of payments for goods purchased by Remarkable Living Pty Ltd (director related entity of Jianhui Cao) of \$1,402,370 (2018: \$675,200).
- (ii) Receipt for goods from Qihe Trading Co., Ltd (director related entity of Jianhui Cao and Huatang Li) of \$318,789 (2018: Nil).
- (iii) Payments made to Huatang Li for office rental of \$128,129 (2018: \$160,235).
- (iv) Trade receivables due from Qihe Trading Co., Ltd (director related entity of Huatang Li and Jianhui Cao) of \$177,528 (2018: Nil).
- (v) Trade receivables due from Remarkable Living Pty Ltd (director related entity of Jianhui Cao) for goods purchased from the company (2018: Nil).
- (vi) Advances from Remarkable Living Pty Ltd (director related entity of Jianhui Cao) of \$53,150 (2018: Nil).
- (vii) Trade payable to Qihe Trading Co., Ltd (director related entity of Jianhui Cao and Huatang Li) of \$170,167 (2018: Nil).

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of OneAll International Limited under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of OneAll International Limited issued on the exercise of options during the year ended 31 December 2019 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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.

Officers of the Company who are former partners of BDO East Coast Partnership and BDO Audit Pty Ltd

There are no officers of the Company who are former partners or directors of BDO East Coast Partnership and BDO Audit Pty Ltd respectively.

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 immediately after this directors' report.

Auditor

Effective 13 January 2020 the previous auditor, BDO East Coast Partnership resigned as auditor and BDO Audit Pty Ltd was appointed as the Company's new auditor. The appointment of BDO Audit Pty Ltd will be ratified at the next AGM.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Huatang Li
Executive Chairman

1 May 2020
Guangzhou, China

DECLARATION OF INDEPENDENCE BY WAI AW TO THE DIRECTORS OF ONEALL INTERNATIONAL LIMITED

As lead auditor of OneAll International Limited for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of OneAll International Limited and the entities it controlled during the period.



Wai Aw
Director

BDO Audit Pty Ltd

Melbourne, 1 May 2020

OneAll International Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2019



	Note	Consolidated 2019 \$	2018 \$
Sales revenue	5	48,256,078	54,162,025
Cost of sales		(29,955,148)	(32,686,057)
Gross profit		18,300,930	21,475,968
Other revenue	5	129,602	734,683
Other income	6	153,562	1,176,671
Sales expenses		(3,543,772)	(4,041,129)
Administration expenses		(7,219,020)	(7,495,855)
Research and development expenses		(29,722)	(44,664)
Finance costs		(558,098)	(218,579)
Other expenses	7	(2,790,136)	(248,817)
Net changes in fair value of investments at fair value through profit or loss	15	(567,000)	-
Profit before income tax expense		3,876,346	11,338,278
Income tax expense	8	(1,786,184)	(2,140,729)
Profit after income tax expense for the year attributable to the owners of OneAll International Limited		2,090,162	9,197,549
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(112,755)	1,344,504
Other comprehensive income for the year, net of tax		(112,755)	1,344,504
Total comprehensive income for the year attributable to the owners of OneAll International Limited		1,977,407	10,542,053
		Cents	Cents
Basic earnings per share	31	1.61	7.13
Diluted earnings per share	31	1.61	7.13

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

OneAll International Limited
Statement of financial position
As at 31 December 2019



	Note	Consolidated 2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	9	11,390,543	3,874,880
Trade and other receivables	10	3,281,362	3,056,911
Inventories	11	19,469,344	21,899,687
Other assets	12	1,478,892	1,964,668
Total current assets		35,620,141	30,796,146
Non-current assets			
Property, plant and equipment	13	10,143,403	9,876,343
Intangibles	14	21,360	32,378
Right-of-use assets	28	1,632,642	-
Prepaid lease assets	28	-	689,992
Financial asset	15	-	567,000
Deferred tax	8	159,037	754,898
Total non-current assets		11,956,442	11,920,611
Total assets		47,576,583	42,716,757
Liabilities			
Current liabilities			
Trade and other payables	16	4,605,803	4,280,548
Borrowings	17	5,740,423	7,360,236
Lease liability – short term	28	350,186	-
Other liability	18	3,663,129	2,541,635
Income tax	8	982,339	391,877
Total current liabilities		15,341,880	14,574,296
Non-current liabilities			
Borrowings	19	6,015,222	3,459,692
Lease liability – long term	28	789,871	-
Total non-current liabilities		6,805,093	3,459,692
Total liabilities		22,146,973	18,033,988
Net assets		25,429,610	24,682,769
Equity			
Contributed capital	20	13,578,189	12,704,493
Foreign currency translation reserve		5,396,257	5,509,012
Retained profits		6,455,164	6,469,264
Total equity		25,429,610	24,682,769

The above statement of financial position should be read in conjunction with the accompanying notes

OneAll International Limited
Statement of changes in equity
For the period ended 31 December 2019



Consolidated	Contributed capital \$	Foreign currency translation reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2018	12,704,493	4,164,508	4,366,715	21,235,716
Profit after income tax expense for the year	-	-	9,197,549	9,197,549
Other comprehensive income for the year, net of tax	-	1,344,504	-	1,344,504
Total comprehensive income for the year	-	1,344,504	9,197,549	10,542,053
<i>Transactions with owners in their capacity as owners:</i>				
Dividends paid (note 21)	-	-	(7,095,000)	(7,095,000)
Balance at 31 December 2018	<u>12,704,493</u>	<u>5,509,012</u>	<u>6,469,264</u>	<u>24,682,769</u>

Consolidated	Contributed capital \$	Foreign currency translation reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2019	12,704,493	5,509,012	6,469,264	24,682,769
Impact of change in accounting policy – AASB16 (Note 28)	-	-	(169,262)	(169,262)
Restated balance at 1 January 2019	12,704,493	5,509,012	6,300,002	24,513,507
Profit after income tax expense for the year	-	-	2,090,162	2,090,162
Other comprehensive income for the year, net of tax	-	(112,755)	-	(112,755)
Total comprehensive income for the year	-	(112,755)	2,090,162	1,977,407
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during the year	873,696	-	-	873,696
Dividends paid (note 21)	-	-	(1,935,000)	(1,935,000)
Balance at 31 December 2019	<u>13,578,189</u>	<u>5,396,257</u>	<u>6,455,164</u>	<u>25,429,610</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

OneAll International Limited
Statement of cash flows
For the year ended 31 December 2019



	Note	Consolidated	
		2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		55,703,418	63,229,163
Payments to suppliers and employees (inclusive of GST)		(46,149,297)	(55,502,060)
		<u>9,554,121</u>	<u>7,727,103</u>
Interest received		31,682	25,615
Interest and other finance costs paid		(535,129)	(170,150)
Government grant		-	125,300
Income taxes paid		<u>(743,174)</u>	<u>(1,110,531)</u>
Net cash generated from operating activities	30	<u>8,307,500</u>	<u>6,597,337</u>
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(742,341)	(5,927,003)
Proceeds from disposal of property, plant and equipment		75,670	662,898
Receipts from term deposit/(payment for bank guarantee)		7,763	(150)
Payment for purchase of investment		<u>-</u>	<u>(567,000)</u>
Net cash used in investing activities		<u>(658,908)</u>	<u>(5,831,255)</u>
Cash flows from financing activities			
Proceeds from borrowings		3,347,524	8,351,406
Repayment of borrowings		(2,286,605)	-
Dividends paid		<u>(1,061,304)</u>	<u>(7,095,000)</u>
Net cash (used in)/generated from financing activities		<u>(385)</u>	<u>1,256,406</u>
Net increase in cash and cash equivalents		7,648,207	2,022,488
Cash and cash equivalents at the beginning of the financial year		3,874,880	1,489,099
Effects of exchange rate changes on cash and cash equivalents		<u>(132,544)</u>	<u>363,293</u>
Cash and cash equivalents at the end of the financial year	9	<u>11,390,543</u>	<u>3,874,880</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. General information

The financial statements cover OneAll International Limited as a Group consisting of OneAll International Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (collectively referred to as the 'Group'). The financial statements are presented in Australian dollars, which is OneAll International Limited's functional and presentation currency.

OneAll International Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of businesses are:

Registered office

c/o Baker McKenzie
Tower One – International Towers Sydney
Level 46, 100 Barangaroo Avenue
Sydney, NSW 2000
Australia

Principal place of business

Australia:
Suite 54, Level 8, 591 George Street, Sydney, NSW 2000
China:
Unit 704, No. 123 Ti Yu Xi Road, Guangzhou, 510620
Spain:
Riu Fluvia, 8-32 Polígono Ind. Polígono Ind. Pont del Príncep,
17469

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 May 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

AASB 16 Leases

The Group has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

The impact on the financial performance and position of the Group from the adoption of AASB 16 is detailed in note 28.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Note 2. Significant accounting policies (continued)

Historical cost convention

The financial statements have been prepared under the historical cost convention. Except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Going concern basis

For the year ended 31 December 2019, the Group had profit after income tax of \$2,090,162 (2018: \$9,197,549) from continuing operations representing a decline of 77.3% in comparison to the prior year. The significant decline in operating results for the 2019 financial year was mainly due to the on-going US and China trade dispute.

In addition to the above management believe that the current COVID-19 pandemic may have a significant impact on the Group's sales revenue in financial year 2020. As announced to the ASX on 23 April 2020, the Group has received over USD8.5 million (equivalent to over \$13 million) of sales orders to produce and to deliver. However due to the break-out of COVID-19 around the world, for nearly 50% of the sales orders customers have requested the Group to postpone delivery, around 40% of the sales orders has not been confirmed by customers for shipment date with the potential for cancellation, and 10% of the sales orders has been officially cancelled. The full impact of the outbreak on the economies of the regions in which the Group has customers is not yet known due to the evolving nature of the virus and the respective local government restrictions. As such the Directors of the Group are not able to reliably estimate the effects of the outbreak on its results of operations, financial condition, or liquidity for the 2020 financial year. The existence of these conditions gives rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the above conditions the Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realization of assets and settlement of liabilities in the ordinary course of business. The Directors believe this to be appropriate for the following reasons:

- The Group has a significant and strong working capital surplus of \$20,278,261 at balance date;
- The Group has a strong cash reserve of \$11,390,543 at balance date;
- The Group has taken all necessary measures to manage the COVID-19 pandemic by mitigating its expenses to safeguard any reduction in revenue in the short run;
- The Directors have prepared cash flow forecasts incorporating the potential impact from the COVID-19 pandemic, which indicate the Group has sufficient funds available to meet its commitments for at least twelve months from the date of signing this report; and
- The Group is a leader with a strong reputation in the contemporary designed outdoor furniture industry.

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might be necessarily incurred should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Note 2. Significant accounting policies (continued)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 32.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OneAll International Limited as at 31 December 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

The acquisition of common control subsidiaries is accounted for using the pooling of interest method. The acquisition of other subsidiaries is accounted for using the acquisition method of accounting. 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.

Operating segments

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

Foreign currency translation

The financial statements are presented in Australian dollars, which is OneAll International Limited and its Australian subsidiary, Garden Retail Solution Pty Ltd's functional and presentation currency. The functional currency of the subsidiaries, GardenArt Furniture Co. Limited, Guangzhou GardenArt Furniture Co., Ltd and Zhaoqing Vcare Industrial Co., Ltd are Chinese Renminbi. The functional currency of the subsidiaries, Iniciativa Exterior 3I S.A and Cía. Gral. Indo-Ampurdanesa de Maderas Nobles SL are Euro.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the year. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue from Contracts with Customers

Sale of goods

Revenue for these activities are recognized when the customers obtain control of these assets at the point in time when the customer has obtained control of the goods which is considered to be fulfilment of the performance obligation. Revenue is measured with consideration to any trade discounts and volume rebates.

Note 2. Significant accounting policies (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the year is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 2. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Trade receivables and contract assets have shared credit risk characteristics and, as such, the expected loss rates for trade receivables are a reasonable approximation of loss rates for contract assets. Losses incurred in the last 3 years represent less than 0.1% of receivables and are immaterial. Therefore, no impairment has been recorded.

Other receivables are recognized at amortised cost, less any provision for impairment.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Buildings	30 years
Leasehold improvements	3-5 years
Plant and machinery	5-10 years
Furniture, fittings and equipment	3-10 years
Motor vehicles	5-10 years

Depreciation commences when it is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets

Software

Software programmes that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight line basis over the estimated life of the software, which is 5 years.

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the year in which they are incurred.

Employee benefits

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the year in which they are incurred.

Note 2. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Contributed 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.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of OneAll International Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

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

Goods and Services Tax ('GST'), Value Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST/VAT, unless the GST/VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST/VAT receivable or payable. The net amount of GST/VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST/VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 2. Significant accounting policies (continued)

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the tax authority.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the year in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the year in which such determination is made.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Note 4. Operating segments

Description of segment

The Group's segment information is presented using a 'management approach', that is, segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker (the Board of Directors that makes strategic decisions).

The Group has only one operating segment, which is the manufacturing and sales of outdoor furniture.

Major customers

During the year ended 31 December 2019 approximately 18.63% or \$9,322,781 (2018: 19.65% or \$11,205,546) of the Group's external revenue was derived from sales to the Group's single biggest customer. There were no other customers that contributed more than 10% or \$4,907,738 of revenue to the Group (2018: 10% or \$5,701,792).

Geographical information

	Sales to external customers		Geographical non-current assets	
	2019 \$	2018 \$	2019 \$	2018 \$
Europe	35,103,741	37,955,135	5,488,326	4,339,929
North America	9,320,133	10,843,840	-	-
Asia	2,174,427	1,666,545	6,461,576	6,249,324
Others	1,657,777	3,696,505	7,667	9,460
	<u>48,256,078</u>	<u>54,162,025</u>	<u>11,955,220</u>	<u>10,598,713</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 5. Revenue

	Geographical non-current assets	
	2019 \$	2018 \$
<i>Sales revenue</i>		
Sales of goods	48,256,078	54,162,025
Interest income	18,565	8,569
Other	111,037	726,114
Other revenue	129,602	734,683

Refer to Note 4 for disaggregation of sales revenue.

	Consolidated	
	2019 \$	2018 \$
Net foreign exchange gain	153,562	1,176,671

Note 6. Other income

Note 7. Profit for the year

	Consolidated	
	2019 \$	2018 \$
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	336,046	306,141
Leasehold improvements	-	946
Plant and machinery	30,574	52,641
Furniture, fittings and equipment	90,500	99,050
Motor vehicles	27,091	31,374
Total depreciation	484,211	490,152
<i>Amortisation</i>		
Rights to use land	-	3,367
Software	10,652	10,915
Right-of-use assets	331,661	-
Total amortisation	342,313	14,282
Total depreciation and amortisation	826,524	504,434
<i>Finance costs</i>		
Bank fees	34,277	48,429
Interest expense on loans	491,049	170,150
Interest expense on lease liabilities	32,772	-
Finance costs expensed	558,098	218,579
<i>Rental expense relating to operating leases</i>		
Lease expenses	-	502,140
<i>Superannuation expense</i>		
Defined contribution superannuation expense	792,818	660,946

Note 7. Profit for the year (continued)

	Consolidated	
	2019	2018
	\$	\$
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	6,227,168	7,714,303
Inventory write off	2,343,954	-

The recoverability of inventory is assessed and reviewed by management on a regular basis. Any amounts in excess of net recoverable value are assessed for impairment when identified. As at 31 December 2019, stocks written off due to customer cancellation amounted to \$2,343,954. These US orders were cancelled as a consequence of the US/China trade dispute, being products that were specifically designed for the US market and which are not suitable for sale in other markets.

Note 8. Income tax

	Consolidated	
	2019	2018
	\$	\$
<i>Income tax expense</i>		
Current tax	1,169,254	2,158,907
Deferred tax – origination and reversal of temporary differences	595,861	34,308
Adjustment recognised for prior periods	21,033	(52,486)
Aggregate income tax expense	1,786,148	2,140,729
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	595,861	34,308
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	3,876,346	11,338,278
Tax at the statutory tax rate of 30%	1,162,904	3,401,483
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Overseas tax rate differential	(859,382)	(1,178,753)
Non-deductible – other expenses	42,273	24,405
Non-deductible – inventory impairment	717,856	-
Non-deductible – change in fair value of investment	170,100	-
Non-assessable income	(23,806)	(53,920)
	1,209,945	2,193,215
Write off deferred tax assets belongs to Australian entities	555,170	-
Adjustment recognised for prior periods	21,033	(52,486)
Income tax expense	1,786,148	2,140,729

Note 8. Income tax (continued)

	Consolidated	
	2019	2018
	\$	\$
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Tax losses	558,260	599,541
Accrued expenses	18,494	17,672
Transaction costs on share issue	137,453	137,685
Write off deferred tax assets belongs to Australian entities	(555,170)	-
	<u>159,037</u>	<u>754,898</u>
Deferred tax asset		
Movements:		
Opening balance	754,898	789,206
Charged to profit or loss	(595,861)	(34,308)
	<u>159,037</u>	<u>754,898</u>
Closing balance		
	<u>159,037</u>	<u>754,898</u>
	Consolidated	
	2019	2018
	\$	\$
<i>Provision for income tax</i>		
Provision for income tax	<u>982,339</u>	<u>391,877</u>

Note 9. Current assets – cash and cash equivalents

	Consolidated	
	2019	2018
	\$	\$
Cash on hand	77,304	109,811
Cash at bank	10,030,307	3,765,069
Restricted cash	1,282,932	-
	<u>11,390,543</u>	<u>3,874,880</u>

Note 10. Current assets – trade and other receivables

	Consolidated	
	2019	2018
	\$	\$
Trade receivables	2,644,809	2,278,058
Other receivables	517,751	527,764
Guarantee deposit	73,142	81,654
GST receivable	45,660	169,435
	<u>3,281,362</u>	<u>3,056,911</u>

Allowance for expected credit losses

The Group has recognised a loss of \$Nil (2018: \$Nil) in profit or loss in respect of impairment of receivables for the 12 month period ended 31 December 2019. These receivables are not past due nor impaired.

Note 11. Current assets – inventories

	Consolidated	
	2019	2018
	\$	\$
Raw materials – at cost	3,595,723	5,233,642
Work in progress – at cost	8,194,600	9,206,038
Finished goods – at cost	7,679,021	7,460,007
	<u>19,469,344</u>	<u>21,899,687</u>

Note 12. Current assets – other assets

	Consolidated	
	2019	2018
	\$	\$
Prepayments	<u>1,478,892</u>	<u>1,964,668</u>

Note 13. Non-current assets – property, plant and equipment

	Consolidated	
	2019	2018
	\$	\$
Buildings – at cost	10,094,897	9,988,975
Less: Accumulated depreciation	<u>(2,912,901)</u>	<u>(2,594,280)</u>
	<u>7,181,996</u>	<u>7,394,695</u>
Leasehold improvements – at cost	9,091	9,091
Less: Accumulated depreciation	<u>(9,091)</u>	<u>(9,091)</u>
	<u>-</u>	<u>-</u>
Plant and machinery – at cost	1,065,598	1,055,194
Less: Accumulated depreciation	<u>(828,652)</u>	<u>(804,192)</u>
	<u>236,946</u>	<u>251,002</u>
Furniture, fittings and equipment – at cost	1,885,002	1,708,791
Less: Accumulated depreciation	<u>(1,256,741)</u>	<u>(1,346,546)</u>
	<u>628,261</u>	<u>362,245</u>
Motor vehicles – at cost	435,284	494,022
Less: Accumulated depreciation	<u>(385,333)</u>	<u>(379,463)</u>
	<u>49,951</u>	<u>114,559</u>
Capital works in progress – at cost	<u>2,046,249</u>	<u>1,753,842</u>
	<u>10,143,403</u>	<u>9,876,343</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Buildings	Leasehold improvements	Plant and machinery	Furniture, fittings and equipment	Motor vehicles	Capital works in progress	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2018	3,503,395	946	257,626	369,432	89,119	12,626	4,233,144
Additions	4,031,898	-	36,058	144,943	56,102	1,753,842	6,022,843
Disposals	-	-	-	(75,931)	(3,199)	(13,346)	(92,476)
Exchange differences	165,543	-	9,959	22,851	3,911	720	202,984
Depreciation expense	(306,141)	(946)	(52,641)	(99,050)	(31,374)	-	(490,152)
Balance at 31 December 2018	7,394,695	-	251,002	362,245	114,559	1,753,842	9,876,343
Additions	194,534	-	17,882	360,061	1,100	380,263	953,840
Disposals	-	-	-	-	-	(75,670)	(75,670)
Reclassifications	-	-	-	-	(17,114)	-	(17,114)
Exchange differences	(71,187)	-	(1,364)	(3,545)	(21,503)	(12,186)	(109,785)
Depreciation expense	(336,046)	-	(30,574)	(90,500)	(27,091)	-	(484,211)
Balance at 31 December 2019	<u>7,181,996</u>	<u>-</u>	<u>236,946</u>	<u>628,261</u>	<u>49,951</u>	<u>2,046,249</u>	<u>10,143,403</u>

Assets pledged for obtaining loans during the year including factory plant in China with a net book value of \$3,138,473 and warehouse in Spain with a net book value of \$4,043,523.

Note 14. Non-current assets – intangibles

	Consolidated	
	2019	2018
	\$	\$
Software – at cost	54,210	54,576
Less: Accumulated amortisation	(38,850)	(28,198)
Net carrying amount	<u>15,360</u>	<u>26,378</u>
Trademark and licenses	6,000	6,000
Less: Accumulated amortization	-	-
Net carrying amount	<u>6,000</u>	<u>6,000</u>
Total intangible assets	<u>21,360</u>	<u>32,378</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Software	Trademark and Licenses
	\$	\$
Balance at 1 January 2018	35,611	6,000
Exchange differences	2,463	-
Amortisation expense	(11,696)	-
Balance at 31 December 2018	<u>26,378</u>	<u>6,000</u>
Exchange differences	(366)	-
Amortisation expense	(10,652)	-
Balance at 31 December 2019	<u>15,360</u>	<u>6,000</u>

Note 15. Non-current assets – financial assets

The group classifies the following financial assets at fair value through profit or loss (FVPL):

	Consolidated	
	2019	2018
	\$	\$
Non-current assets		
Unlisted preference shares in Brosa Design Pty Ltd (“Brosa”)	-	567,000
<i>Amounts recognised in profit or loss</i>		
During the year the following loss was recognised in profit or loss:	567,000	567,000
Fair value loss on investment in Brosa at FVPL recognised	(567,000)	-
A further explanation refer to Note 23.	-	567,000

Note 16. Current liabilities – trade and other payables

	Consolidated	
	2019	2018
	\$	\$
Trade payables	3,603,508	3,327,251
Other payables	1,002,295	953,297
	4,605,803	4,280,548

Refer to note 22 for further information on financial instruments.

Note 17. Current liabilities – borrowings

	Consolidated	
	2019	2018
	\$	\$
Bank loans	5,740,423	7,360,236

Note 18. Current liabilities – other

	Consolidated	
	2019	2018
	\$	\$
Advance payments from customers	3,299,780	1,901,264
GST/VAT and other taxes payable	363,349	640,371
	3,663,129	2,541,635

Note 19. Non-current liabilities – borrowings

	Consolidated	
	2019	2018
	\$	\$
Bank loans	6,015,222	3,459,692

Note 19. Non-current liabilities – borrowings (continued)

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2019 \$	2018 \$
Bank loans	<u>11,755,645</u>	<u>10,819,928</u>

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2019 \$	2018 \$
Total facilities		
Bank loans	<u>11,755,645</u>	<u>10,819,928</u>
Used at the reporting date		
Bank loans	<u>11,755,645</u>	<u>10,819,928</u>

Note 20. Equity – contributed capital

	Consolidated			
	2019 Shares	2018 Shares	2019 \$	2018 \$
Ordinary shares – fully paid	<u>130,015,920</u>	<u>129,000,000</u>	<u>13,578,189</u>	<u>12,704,493</u>

Ordinary shares – fully paid

	Consolidated	
	2019 \$	2018 \$
At the beginning of the year	129,000,000	129,000,000
Dividend reinvestment on 30 April 2019	<u>1,015,920</u>	<u>-</u>
	<u>130,015,920</u>	<u>129,000,000</u>

	Consolidated	
	2019 \$	2018 \$
At the beginning of the year	12,704,493	12,704,493
Dividend reinvestment on 30 April 2019	<u>873,696</u>	<u>-</u>
	<u>13,578,189</u>	<u>12,704,493</u>

Note 20. Equity – contributed capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Accounting policy on statutory reserve

The Group's subsidiaries in China are required by local regulations to contribute to and maintain a non-distributable statutory reserve fund. Pursuant to China's corporate law, the subsidiaries are required to transfer 10% of its net income, to a statutory reserve fund until the reserve balance reaches 50% of the subsidiary's registered capital.

Subject to approval from the relevant authority, the reserve may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The reserve is not available for dividend distribution to shareholders. As at 31 December 2019, the Group has a total statutory reserve fund of CNY4.50 million (2018: CNY4.26 million) within retained earnings.

Note 21. Equity – dividends

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2019	2018
	\$	\$
Final dividend (un-franked) for the year ended 31 December 2018 of 1.5 cents (31 December 2017: 2.0 cents) per ordinary share paid on 30 April 2019	1,935,000	2,580,000
Interim dividend (un-franked) for the year ended 30 June 2019 of nil cents per ordinary share (30 June 2018 :3.5 cents)	-	4,515,000
	<u>1,935,000</u>	<u>7,095,000</u>

There were no dividends paid, recommended or declared during the current financial year.

Franking credits

There were no franking credits available for subsequent financial years (31 December 2018: Nil).

Note 22. Financial instruments

Financial risk management objectives

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group seeks to reduce risk as far as possible without unduly affecting its competitiveness and flexibility. The Group does not use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

The Group's risk management framework is supported by the Board and management. The Board is responsible for approving and reviewing the Group's risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. Management is also responsible for identifying, monitoring and managing significant business risks faced by the Group and considering the effectiveness of its internal control system. Management reports to the Board on a regular basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2019 \$	2018 \$	2019 \$	2018 \$
Consolidated				
Chinese Renminbi	3,568,121	3,306,214	9,617,655	6,546,710
Euros	1,431,244	1,549,895	8,586,342	7,646,847
Hong Kong Dollar	1,415,597	6,643	3,941,754	3,840,431
US dollars	8,256,943	2,636,039	-	-
	<u>14,671,905</u>	<u>7,498,791</u>	<u>22,145,751</u>	<u>18,033,988</u>

The Group had net liabilities denominated in foreign currencies of \$7,473,846 (assets of \$14,671,905 less liabilities of \$22,145,751) as at 31 December 2019 (2018: net liabilities of \$10,535,197). Based on this exposure, had the Australian dollars weakened by 5%/strengthened by 5% (2018: weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been \$355,898 lower/\$355,898 higher (2018: \$501,676 lower/\$501,676 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the 12-month period ended 31 December 2019 was \$153,562 (2018: gain of \$1,176,671).

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from short-term borrowings of import trading facilities in Spain and China. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

Note 22. Financial instruments (continued)

Consolidated	2019		2018	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank loans	2.13%	11,755,645	3.42%	10,819,928
Net exposure to cash flow interest rate risk		11,755,645		10,819,928

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

The bank loans outstanding, totalling \$11,755,645 (2018: \$10,819,931), are a mix of principal and interest payment loan and amounts due in the 2020-2030 financial year. Monthly interest payment of approximately \$24,606 (2018: \$30,837) per month are required to service the interest payments. An official increase/decrease in interest rates of 25 (2018: 25) basis points would have an adverse/favourable effect on profit before tax of \$19,252 (2018: \$27,050) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

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 a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

The Group has a credit risk exposure with 3 single customers, which as at 31 December 2019 owed the Group \$1,971,147 (72% of trade receivables) (2018: \$1,150,605 (51% of trade receivables)). This balance was within its terms of trade and no impairment was made as at 31 December 2019. There are no guarantees against this receivable but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Note 22. Financial instruments (continued)

Consolidated – 2019	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	2,885,101	718,407	-	-	3,603,508
Other payables	-	1,002,295	-	-	-	1,002,295
GST/VAT and other taxes payable	-	362,127	-	-	-	362,127
Lease Liabilities – current	-	350,186	-	-	-	350,186
<i>Interest-bearing – variable</i>						
Bank loans	2.13%	3,894,900	378,134	4,894,715	2,587,896	11,755,645
Total non-derivatives		<u>8,494,609</u>	<u>1,096,541</u>	<u>4,894,715</u>	<u>2,587,896</u>	<u>17,073,761</u>
Consolidated – 2018	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	3,327,251	-	-	-	3,327,251
Other payables	-	953,297	-	-	-	953,297
GST/VAT and other taxes payable	-	640,371	-	-	-	640,371
<i>Interest-bearing – variable</i>						
Bank loans	3.42%	3,240,602	593,365	4,119,634	2,866,327	10,819,928
Total non-derivatives		<u>8,161,521</u>	<u>593,365</u>	<u>4,119,634</u>	<u>2,866,327</u>	<u>15,740,847</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 23. Fair value measurement

	2019	2018
	\$	\$
Net exposure to cash flow interest rate risk	<u>-</u>	<u>567,000</u>

Due to the significant deterioration in the outlook for the global economy and the local retail environment, the Board believes the fair value of the investment return from Brosa's has significantly diminished given the business is considered to be an early stage start up with no profitable operations to date.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO East Coast Partnership and BDO Audit Pty Ltd, the auditor of the Company:

Note 24. Remuneration of auditors (continued)

	Consolidated	
	2019	2018
	\$	\$
Audit or review of the financial statements		
Audit services – BDO Audit Pty Ltd	70,000	-
Review services – BDO East Coast Partnership	39,000	94,800
	<u>109,000</u>	<u>94,800</u>
Audit services – BDO China Shu Lun Pan CPAs, Fuzhou Office	89,550	67,569
Audit services – BDO Spain, Barcelona	15,303	14,689
	<u>104,853</u>	<u>82,258</u>
	<u>213,853</u>	<u>177,058</u>

BDO did not provide any other services.

Note 25. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2019 or 31 December 2018.

Note 26. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2019	2018
	\$	\$
Short-term employee benefits	548,597	393,613
Post-employment benefits	37,978	30,517
	<u>586,575</u>	<u>424,130</u>

Note 27. Related party transactions

Parent entity

OneAll International Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Key management personnel

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2019	2018
	\$	\$
Receipt for goods and services:		
Receipt of payments for goods purchased by Remarkable Living Pty Ltd (director related entity of Jianhui Cao)	1,402,370	675,200
Receipt for goods from Qihe Trading Co., Ltd (director related entity of Jianhui Cao and Huatang Li)	318,789	-
Payment for goods and services:		
Payments made to Huatang Li for office rental	128,129	160,235

Note 27. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2019	2018
	\$	\$
Current receivables:		
Trade receivables due from Qihe Trading Co., Ltd (director related entity of Huatang Li and Jianhui Cao)	177,528	-
Trade receivables due from Remarkable Living Pty Ltd (director related entity of Jianhui Cao) for goods purchased from the company	-	332,605
Current payables:		
Advances from Remarkable Living Pty Ltd (director related entity of Jianhui Cao)	53,150	-
Trade payable to Qihe Trading Co., Ltd (director related entity of Jianhui Cao and Huatang Li)	170,167	-

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 28. Adoption of AASB 16 – Lease

Transition approach

The Group has adopted AASB 16 using the modified retrospective approach and has not restated comparative amounts. The Group has measured its lease liabilities at the present value of the remaining lease payments, discounted using the appropriate incremental borrowing rates as of 1 January 2019 being the transition date. The associated right-of-use-assets were measured on transition as if the new Standard had been applied since the commencement date of the lease. The adjustments arising from the new leasing rules are recognised in the opening balance of retained earnings on 1 January 2019.

For leases previously classified as prepaid lease assets and finance leases the Group recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and lease liability at the date of initial application.

Adjustments recognized on adoption of AASB 16

Adjustments to the Statement of Financial Position at 1 January 2019

Note 28. Adoption of AASB 16 – Lease (continued)

	31 December 2018	Adjustments	1 January 2019
Right-of-use-assets	-	1,914,167	1,914,167
Lease liabilities	-	1,382,648	1,382,648
Retained earnings	6,469,264	(169,262)	6,300,002
Property, plant and equipment	9,876,343	(46,307)	9,830,036
Prepaid lease assets	689,992	(689,992)	-
Borrowings – Current	7,360,236	(4,871)	7,355,365
Borrowings – Non-current	3,459,692	(30,647)	3,429,045

Consolidated
31 December
2019
\$

Assets

Right of use assets (AASB 16) 1,632,642

Liabilities

Lease Liabilities – current (AASB 16) 350,186
Lease Liabilities – non-current (AASB 16) 789,871
1,140,057

Interest expense charged for the year 32,772

Reconciliation of right-of-use-assets

\$

Right-of-use-assets recognised upon transition

Balance at 1 January 2019 1,914,167
Lease arrangements entered into during the year 50,136
Amortisation (331,661)
Balance at 31 December 2019 1,632,642

The Group has entered into the following leases where the Group have adopted AASB 16.

Lease	Location	Term	Interest rate
Office	Guangzhou	From 1 July 2018 to 31 May 2021	4.875%
Office	Hong Kong	From 16 January 2019 to 15 January 2021	4.875%
Showroom	Spain	From 1 January 2015 to 31 December 2025	2.1%
Warehouse	Spain	From 21 June 2017 to 21 June 2020	2.1%

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2019 %	2018 %
GardenArt Furniture Co. Limited	Hong Kong	100.00%	100.00%
Guangzhou GardenArt Furniture Co., Ltd	People's Republic of China	100.00%	100.00%
Zhaoqing Vcare Industrial Co., Ltd	People's Republic of China	100.00%	100.00%
Iniciativa Exterior 3I SA	Spain	100.00%	100.00%
Cía. Gral. Indo-Ampurdanesa de Maderas Nobles SL	Spain	100.00%	100.00%
Garden Retail Solution Pty Ltd	Australia	100.00%	100.00%

Note 30. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2019	2018
	\$	\$
Profit after income tax expense for the year	2,090,162	9,197,549
Adjustments for:		
Depreciation and amortisation	826,524	504,434
Net changes in fair value of investments	567,000	-
Foreign exchange differences	(8,341)	(838,584)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(224,451)	433,507
(Increase)/decrease in inventories	2,430,343	(1,263,176)
Decrease in deferred tax assets	595,861	34,308
(Increase)/decrease in prepayments	485,776	(551,801)
Increase in right of use assets	(1,632,642)	-
Increased in lease liabilities	1,140,057	-
Increase/(decrease) in trade and other payables	325,255	(1,085,272)
Increase in provision for income tax	590,462	166,372
Increase in other operating liabilities	1,121,494	-
Net cash from operating activities	<u>8,307,500</u>	<u>6,597,337</u>

Note 31. Earnings per share

	Consolidated	
	2019	2018
	\$	\$
Profit after income tax attributable to the owners of OneAll International Limited	<u>2,090,162</u>	<u>9,197,549</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>129,681,919</u>	<u>129,000,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>129,681,919</u>	<u>129,000,000</u>
	Cents	Cents
Basic earnings per share	1.61	7.13
Diluted earnings per share	1.61	7.13

Note 32. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2019	2018
	\$	\$
Profit after income tax	<u>762,055</u>	<u>7,286,521</u>
Total comprehensive income	<u>762,055</u>	<u>7,286,521</u>

Statement of financial position

	Parent	
	2019	2018
	\$	\$
Total current assets	<u>11,434,094</u>	<u>11,184,492</u>
Total assets	<u>11,439,496</u>	<u>11,784,450</u>
Total current liabilities	<u>110,002</u>	<u>155,707</u>
Total liabilities	<u>110,002</u>	<u>155,707</u>
Equity		
Contributed capital	12,280,909	11,407,212
Retained profits	<u>(951,415)</u>	<u>221,531</u>
Total equity	<u>11,329,494</u>	<u>11,628,743</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2019 and 31 December 2018.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2019 and 31 December 2018.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2019 and 31 December 2018.

Note 33. Events after the reporting period

The breakout of the coronavirus (COVID-19) in China and around the world in the beginning of year 2020 has added material uncertainty to the world's economy for the year 2020. Due to lock-down ordered by the Chinese government, the manufacturing facility in China was closed in mid-February 2020, after the normal Spring Festival break, but has since gradually resumed normal operations towards the end of February 2020 and into early of March 2020.

As at the date of issuing this financial report, the major countries where the Group operates in and sell their products to are still in the mist of managing the COVID-19 pandemic, and based on management's assessment of the current situation, there may be an obvious drop in sales revenue in year 2020. Management will keep monitoring and reviewing the status for updates. Notwithstanding, the Group's financial position and cash status remain strong and will give the Group the necessary financial flexibility to trade through this period of significant volatility and therefore the Group is expected to continue as a going concern for the 12 months following the approval of this financial report.

Apart from above, as announced in early April 2020, the Company has applied to ASX for delisting and have obtained in-principle approval from ASX.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Huatang Li
Executive Chairman

1 May 2020
Guangzhou, China

INDEPENDENT AUDITOR'S REPORT

To the members of OneAll International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of OneAll International Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue	How the matter was addressed in our audit
<p>The Group has revenue being material to the financial report, which is generated from the manufacturing and sale of outdoor furniture.</p> <p>Revenue recognition was identified as a key audit matter due to the significance of revenue to the financial report.</p> <p>Note 2 to the financial statements contains the revenue accounting policy and Note 5 contains the disclosures in relation to revenue of the Group.</p>	<p>Our procedures to address the risk of material misstatement relating to revenue included, amongst others:</p> <ul style="list-style-type: none"> • Evaluating the accounting policy in relation to revenue recognition, considering compliance with the requirements of <i>AASB 15 Revenue from Contracts with Customers</i> and assessing the adequacy of the Group's revenue disclosures within the financial statements. • Evaluating the controls and undertaking substantive tests in relation to revenue to consider compliance with the Group's accounting policy. • Detailed testing of the initiation, recognition and receipt of sales. • Testing cut-offs at year-end to confirm revenue had been recognised in the correct accounting period. • Performing analytical procedures with respect to revenue and the relationship with trade receivables and inventory throughout the year. An analysis of total sales revenue and gross margin was performed and compared to expectations developed as a result of our overall audit procedures. • Analysing revenue and the timing of its recognition and comparing to expectations derived from our industry knowledge and knowledge of the Group's products and the markets it operates in.

Valuation of inventories	How the matter was addressed in our audit
<p>The Group has inventories being material to the financial report, which include purchased raw materials, work in progress and finished goods. During the current financial year the Group has made a significant write-off arising as a consequence of cancelled orders for which production had either been commenced or completed, due to the US/China trade dispute.</p> <p>This was considered a key audit matter due to the significance of the write-off event and the significant audit effort required to assess the potential risk of misstatement.</p> <p>Note 2 to the financial statements contains the inventories accounting policy, Note 7 for the disclosures on impairment of inventories and Note 11 contains the disclosures in relation to inventories of the Group.</p>	<p>Our procedures to address the risk of material misstatement relating to the valuation of inventories included, amongst others:</p> <ul style="list-style-type: none"> • Assessing the inventory losses during the financial year by critically evaluating the supporting documents including but not limited to, order cancellation records, inventory disposal records and Board resolutions related to the inventory write-offs. • For those inventories held by the Group at balance date: <ul style="list-style-type: none"> • Attending and observing inventory counts conducted by the Group and performing test counts against counted quantities recorded. • Selecting a sample of the cost of inventories and agreeing to supporting documentation to ensure inventory is initially recorded at acquisition cost. • Assessing the net realisable value of inventories by selecting items, on a sample basis, and comparing carrying value to estimated selling price (less estimated costs of completion and any estimated selling costs). • Making enquiries of management regarding obsolete and slow moving inventory items, including inspecting the condition of inventories on hand to confirm saleability. • Assessing the adequacy of the related disclosures in the financial report.

Audit strategy for overseas operations	How the matter was addressed in our audit
<p>The Group's structure comprises significant overseas operations in China, Hong Kong and Spain. The existence of such operations heightens the importance of engaging with the component auditors to mitigate the risks associated with delivering an audit in locations and regulatory environment other than Australia.</p> <p>Note 2 to the financial statements contains the accounting policy, "principles of consolidation". The subsidiaries of the Company are disclosed in Note 29 to the financial statements.</p>	<p>Our audit strategy to address the risks associated with there being significant overseas operations included, amongst others:</p> <ul style="list-style-type: none"> • Gaining an understanding of the Group, its components and the environment they operate in to identify the risks of material misstatement in the Group's financial report. • Engaging component auditors including evaluating their understanding of the ethical requirements and their professional competence to ensure they are competent and independent. • Communicating with component auditors of significant subsidiaries in China, Hong Kong and Spain. We issued Group Audit Engagement Instructions, maintained constant communication via email and phone to discuss significant areas and findings. Component auditors were required to formally report to us as group auditors via an inter-office audit opinion. • Discussing with the component auditors: <ul style="list-style-type: none"> • The business activities of the components that were significant to the Group audit. • The susceptibility of the components' financial information to material misstatement from fraud and error. • Reviewing the component auditors' working papers and group reporting deliverables in particular the areas that were key to the Group audit.

Other information

The directors are responsible for the other information. The other information comprises the information contained in directors' report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 11 of the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of OneAll International Limited, for the year ended 31 December 2019, 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.

BDO Audit Pty Ltd

The BDO logo is displayed above a handwritten signature in grey ink. The signature appears to be 'Wai Aw'.

Wai Aw
Director

Melbourne, 1 May 2020



The shareholder information set out below was applicable as at 30 April 2020.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Total Units
1 to 1,000	20	7,250
1,001 to 5,000	94	251,340
5,001 to 10,000	13	120,734
10,001 to 100,000	28	1,034,345
100,001 and over	25	128,602,251
	<u>180</u>	<u>130,015,920</u>
Holding less than a marketable parcel	<u>-</u>	<u>-</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Next Champion Ltd	49,765,045	38.28
Simply Dynamic Ltd	31,822,849	24.48
SC&W International Co Limited	5,980,732	4.60
Kynson Holding Co Limited	5,980,732	4.60
Power Land Group (Hong Kong)	5,980,732	4.60
Ideal Green Investments Ltd	5,827,179	4.48
Dragon International Enterprises Corporation	5,827,179	4.48
Enormous Fortune Incorporated	5,827,179	4.48
Natural Tree Pty Ltd	3,202,175	2.46
BMV Group Pty Ltd	1,390,847	1.07
Furniture Group Nv	1,300,000	1.00
Secvest Capital Pty Limited	1,095,000	0.84
ONE80 Industrial Limited	900,000	0.69
Chen & Ni Pty Ltd	605,440	0.47
Citicorp Nominees Pty Limited	530,397	0.41
Weiming He	520,000	0.40
Jiangling Fan	500,000	0.38
Seiqiu Zhao	423,775	0.33
Gou Hua	400,000	0.31
Tianfu International Financial Consulting Pty Ltd	399,103	0.31
	<u>128,278,364</u>	<u>98.66</u>

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Next Champion Ltd	49,765,045	38.28
Simply Dynamic Ltd	31,822,849	24.48
SC&W International Co Limited	5,980,732	4.60
Kynson Holding Co Limited	5,980,732	4.60
Power Land Group (Hong Kong)	5,980,732	4.60
Ideal Green Investments Ltd	5,827,179	4.48

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Directors	Mr Huatang Li (Executive Chairman and Chief Executive Officer) Mr Weihua Quan (Executive Director) Mr Jia Ying Chen (Executive Director) Mr Jianhui Cao (Non-Executive Director) Mr Peter Neville Hogan (Non-Executive Director) Mr Fook Weng Au (Non-Executive Director)
Company secretary	Mr Bill Weiping Lee
Registered office	c/o Baker McKenzie Tower One - International Towers Sydney Level 46, 100 Barangaroo Avenue Sydney, NSW 2000 Australia
Principal Place of Business in Australia	Suite 54, Level 8, 591 George Street Sydney, NSW 2000 Australia Tel: +61 2 9267 3855
Principal Place of Business in China	Unit 704, No. 123 Ti Yu Xi Road Guangzhou 510620 China
Principal Place of Business in Spain	Riu Fluvia, 8-32 Polígon Ind. Polígono Ind. Pont del Príncep 17469 Vilamallà, Girona, Spain
Share register	Boardroom Pty Ltd Level 12, 225 George Street Sydney, NSW 2000 Australia Tel: +61 2 9290 9600
Auditor	BDO Audit Pty Ltd Collin Square Tower 4, Level 18, 727 Collins Street Melbourne, VIC 3008 Australia
Bankers	Bank of China Limited, Sydney Branch 39-41 York Street Sydney, NSW 2000 Australia
Stock exchange listing	OneAll International Limited shares are listed on the Australian Securities Exchange (ASX code: 1AL)
Website	http://www.oneallinternational.com (English Website)

Corporate Governance Statement

The directors and management are committed to conducting the business of OneAll International Limited in an ethical manner and in accordance with the highest standards of corporate governance. OneAll International Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.

The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at:
<http://www.oneallinternational.com/investor/corporate-governance/>



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