Broo Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Broo Ltd
ACN:	060 793 099
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	100.0%	to	-
Loss from ordinary activities after tax attributable to the owners of Broo Ltd	down	78.2%	to	(1,519,383)
Loss for the year attributable to the owners of Broo Ltd	down	78.2%	to	(1,519,383)

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

Comments
The loss for the consolidated entity after providing for income tax amounted to $1,519,383 (30 June 2022: $6,979,145).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.70)	(0.58)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

The below entities have been liquidated, or in the process of being liquidated:-

- Midura Brewery Pub (Broo) Pty Ltd - finalised 17 May 2023
- Midura Brewery (Broo) Pty Ltd - finalised 17 October 2023
- Australia Draught Pty Ltd - finalised 12 December 2023
- Sorrento Brewery Pty Ltd - liquidation in process.

6. Dividends

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

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

---

8. Details of associates and joint venture entities

Not applicable.

---

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

---

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

---

11. Attachments

Details of attachments (if any):

The Annual Report of Broo Ltd for the year ended 30 June 2023 is attached.

---

12. Signed

Signed ______________________________ Date: 31 January 2024

Peter Pan
Executive Chairman

Broo Ltd

ACN 060 793 099

Annual Report - 30 June 2023

General information

The financial statements cover Broo Ltd as a consolidated entity consisting of Broo Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Broo Ltd's functional and presentation currency.

Broo Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 14 333 Collins Street
MELBOURNE VIC 3000

A description of the nature of the consolidated entity'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 30 January 2024. The directors have the power to amend and reissue the financial statements.

Broo Ltd
Corporate directory
30 June 2023

Directors	Peter Yong Pan (Executive Chair) Michael Chen (Executive Director) David Zhu (Non-Executive Director)
Registered office	Level 14 333 Collins Street MELBOURNE VIC 3000
Principal place of business	Level 14 333 Collins Street MELBOURNE VIC 3000
Auditor	Robin King Heng Li RCA CA Connect National Audit Level 14, 333 Collins Street. Melbourne VIC 3000
Stock exchange listing	Broo Ltd shares are listed on the Australian Securities Exchange (ASX code: BEE) The company's shares are currently suspended from trading.
Contact details	Telephone: +61 3 5972 2480 E-mail: enquiries@broo.com.au Web page: www.broo.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Broo Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled ('group' or 'consolidated entity' at the end of, or during, the year ended 30 June 2023.

Directors

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

David Zhu (Executive Director) – appointed 15 October 2021 and resigned 17 October 2023
David Zhu (Non-Executive Director) –appointed 17 October 2023
Kobe Li (Chairman and Non-Executive Director) – appointed 8 April 2022 and resigned 15 March 2023
George Karafotias (Non-Executive Director) – appointed 8 April 2022 and resigned 6 February 2023
Jason Scher (Non-Executive Director) – appointed 27 October 2022 and resigned 6 February 2023
Scott Chen (Non-Executive Director) – appointed 8 February 2023 and resigned 17 October 2023
Jiawei Chen (Chairman and Non-Executive Director) – appointed 31 May 2023 and resigned 29 September 2023
James LI (Non-Executive Chair) – appointed 29 September 2023 and resigned 17 October 2023
Peter Yong Pan (Executive Chair)-appointed 17 October 2023
Michael Chen (Executive Director)-appointed 17 October 2023

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Production and distribution of beer products

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $1,519,383 (30 June 2022: $6,979,145).

<u>Business and operations update</u>

In recent times, Broo Ltd has adeptly navigated significant financial and operational challenges. Confronted with a liquidity crisis and the burden of substantial debt, the company has embarked on a fundamental strategic overhaul. This pivotal transformation has been marked by leadership changes and a decisive shift towards streamlining operations and supply chain management, which are vital in overcoming these challenges. In a noteworthy development, Broo has been diligently reviewing supply planning with manufacturers, now approaching the final stages of securing ongoing product supply arrangements — a testament to the significant advancement in the company's operational strategies.

Additionally, in a bid to fortify its market presence, Broo Ltd has initiated a comprehensive revamp of its sales and marketing strategies, a crucial pivot considering the challenges faced within its industry network. In tune with evolving market dynamics and consumer trends, Broo Ltd takes pride in unveiling a new beer brand, meticulously crafted to capture the essence of life's vibrant energy. This initiative is strategically aimed at harnessing the company's inherent strengths while embracing cutting-edge brewing innovations. This approach is anticipated to rejuvenate the Broo brand, broaden its consumer appeal, and position Broo Ltd as a dynamic and adaptable contender in the brewing arena.

These concerted efforts mark a transformative phase for Broo Ltd, signifying a determined pursuit to solidify its standing in a fiercely competitive market, whilst adeptly navigating past obstacles. This narrative illustrates a journey of resilience, innovation, and strategic agility, positioning Broo Ltd for a promising and prosperous future in the brewing industry.

Refer to going concern section of note 1 of the financial statements, for further updates on the group's operations.

Significant changes in the state of affairs

The below entities have been liquidated, or in the process of being liquidated:-

- Midura Brewery Pub (Broo) Pty Ltd - finalised 17 May 2023
- Midura Brewery (Broo) Pty Ltd - finalised 17 October 2023
- Australia Draught Pty Ltd - finalised 12 December 2023
- Sorrento Brewery Pty Ltd - liquidation in process.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
As of 30 June 2023, the Company has an outstanding excise duty of around $1.3million as disclosed in Note 13 of the financial statements. Since September 2023, the Group has discussed the payment plan with the Australian Taxation Office (ATO) to repay the outstanding excise duty. The payment plan has not been finalised as at the date of signing of this report.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Peter Yong Pan
Title:	Executive Chair -appointed 17 October 2023
Experience and expertise:	Peter has over 30 years of trading and financial services experience and has extensive business connections in Asia Pacific Region. Mr Pan holds a Bachelor of Chemical Engineering and a Diploma in Commercial Marketing.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	None
Interests in options:	None

Name:	David Zhu
Title:	Resigned as Executive Director on 17 October when became a Non-Executive Director
Experience and expertise:	David has over 8 years of capital market experience. He holds Bachelor of Commerce from the University of Melbourne majoring in Finance and Economics.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	None
Interests in options:	None

Name:	Michael Chen
Title:	Executive Director - appointed 17 October 2023
Experience and expertise:	Michael has over 17 years of experience in international trading, spanning regions such as Oceania and Great China. Michael holds a Bachelor of Commerce degree.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	None
Interests in options:	None

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

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

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Kobe Li	1	1
George Karafotias	1	1
David Zhu	1	1
Jason Scher	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 consolidated entity, 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
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity'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
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel. The Board have structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

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
- 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
- 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. Non-executive directors' fees and payments are reviewed annually by the Board. The Board 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 at the Annual General Meeting held on 29 November 2016, where the shareholders approved a maximum annual aggregate remuneration of $300,000.

Executive remuneration
The consolidated entity 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 executive remuneration and reward framework has three components:
- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

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

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The long-term incentives ('LTI') include long service leave and share-based payments including options.

Use of remuneration consultants
During the financial year ended 30 June 2023 consolidated entity did not engage remuneration consultants.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Kobe Li*	44,000	-	-	-	-	-	44,000
Jason Scher*	22,500	-	-	-	-	-	22,500
George Karafotias* & **	25,250	-	-	-	-	-	25,250
Jiawei Chen	-	-	-	-	-	-	-
Executive Directors:							
David Zhu*	72,000	-	-	-	-	-	72,000
	163,750	-	-	-	-	-	163,750

* Kobe, Jason and David’s director fees were accrued and unpaid as of 30 June 2023.
** The Board is in the process of finalizing the service agreement for the director, George Karafoias.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2022	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mathew Boyes	-	-	-	-	-	47,450	47,450
Matthew Newberry	-	-	-	-	-	47,450	47,450
Kobe Li*	15,217	-	-	-	-	-	15,217
George Karafotias* & ***	9,683	-	-	-	-	-	9,683
Executive Directors:							
Kent Grogan *	272,000	-	-	12,000	-	-	284,000
David Zhu**	33,898	-	-	-	-	-	33,898
	330,798	-	-	12,000	-	94,900	437,698

* Kobe, George, George and David’s director fees were accrued and unpaid as of 30 June 2022.
** Kent became an employee from 1 November 2021.
*** The Board is in the process of finalizing the service agreement for the director, George Karafoias.

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 30 June 2023.

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 30 June 2023.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2023 are summarised below:

	2023 $	2022 $	2021 $	2020 $	2019 $
Sales revenue	-	2,321,022	1,982,006	2,529,941	3,657,393
Loss after income tax	(1,519,383)	(6,979,145)	(1,313,720)	(3,482,245)	(3,182,989)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end ($) *	-	0.02	0.02	0.02	0.02
Basic earnings per share (cents per share)	(0.16)	(0.74)	(0.14)	(0.52)	(0.52)
Diluted earnings per share (cents per share)	(0.16)	(0.74)	(0.14)	(0.52)	(0.52)

* The company's shares were suspended from trading on the ASX as at 30 June 2023.

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 consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Acquired	Other additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Kent Grogan *	242,730,000	-	-	(242,730,000)	-
Mathew Boyes *	10,922,777	-	-	(10,922,777)	-
Matthew Newberry *	8,816,777	-	-	(8,816,777)	-
	262,469,554	-	-	(262,469,554)	-

* Held at time of resignation.

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Acquired	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Kent Grogan *	30,227,500	-	-	(30,227,500)	-
Mathew Boyes *	1,622,222	-	-	(1,622,222)	-
Matthew Newberry *	1,822,972	-	-	(1,822,972)	-
Kobe Li *	2,000,000	-	-	(2,000,000)	-
	35,672,694	-	-	(35,672,694)	-

* Either expired during the year or were held at the time of resignation.

Loans to key management personnel and their related parties
There were no loans to key management personnel and their related parties during the year.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Broo Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
21 January 2022	21 January 2025	$0.025	30,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Broo Ltd issued on the exercise of options during the year ended 30 June 2023 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.

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.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Connect National Audit
There are no officers of the company who are former partners of Connect National Audit.

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
Connect Audit continues in accordance with section 327 of the Corporations Act 2001.

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

Peter Pan
Executive Chairman

31 January 2024

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

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

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Broo Limited.

Robin King Heng Li
Director
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
Date: 31st January 2024

Broo Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Revenue	4	-	2,321,022
Other income	5	149,522	9,894,659
Expenses			
Cost of sales		-	(3,032,519)
Marketing		(474)	(88,309)
Occupancy		-	(294,757)
Administration		(1,036,960)	(1,650,446)
Impairment of assets		-	(11,746,516)
Impairment of intangible assets	12	(168,993)	-
Other expenses		(3,216)	(8,537)
Finance costs		(459,262)	(975,828)
Loss before income tax expense		(1,519,383)	(5,581,231)
Income tax expense	6	-	(1,397,914)
Loss after income tax expense for the year attributable to the owners of Broo Ltd		(1,519,383)	(6,979,145)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Broo Ltd		(1,519,383)	(6,979,145)
		Cents	**Cents**
Basic loss per share	31	(0.16)	(0.74)
Diluted loss per share	31	(0.16)	(0.74)

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

Broo Ltd
Statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	7	76,674	2,125
Trade and other receivables	8	56,769	37,155
Other	9	189,248	302,053
		322,691	341,333
Assets of disposal groups classified as held for sale	10	-	1,965,000
Total current assets		322,691	2,306,333
Non-current assets			
Property, plant and equipment	11	-	65,346
Intangibles	12	-	168,993
Total non-current assets		-	234,339
Total assets		322,691	2,540,672
Liabilities			
Current liabilities			
Trade and other payables	13	2,826,347	2,216,223
Borrowings	14	3,805,000	3,637,238
Employee benefits		157,292	69,637
		6,788,639	5,923,098
Liabilities directly associated with assets classified as held for sale	15	-	1,935,192
Total current liabilities		6,788,639	7,858,290
Non-current liabilities			
Borrowings	16	218,842	-
Employee benefits		-	68,146
Total non-current liabilities		218,842	68,146
Total liabilities		7,007,481	7,926,436
Net liabilities		(6,684,790)	(5,385,764)
Equity			
Issued capital	17	22,941,835	22,941,835
Reserves	18	744,610	524,253
Accumulated losses		(30,371,235)	(28,851,852)
Total deficiency in equity		(6,684,790)	(5,385,764)

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

Broo Ltd
Statement of changes in equity
For the year ended 30 June 2023

Consolidated	Reserves $	Contributed equity $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2021	293,851	22,846,937	(21,872,707)	1,268,081
Loss after income tax expense for the year	-	-	(6,979,145)	(6,979,145)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(6,979,145)	(6,979,145)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 17)	-	94,898	-	94,898
Share based payments	159,893	-	-	159,893
Issuance of convertible notes	70,509	-	-	70,509
Balance at 30 June 2022	524,253	22,941,835	(28,851,852)	(5,385,764)

Consolidated	Reserves $	Contributed equity $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2022	524,253	22,941,835	(28,851,852)	(5,385,764)
Loss after income tax expense for the year	-	-	(1,519,383)	(1,519,383)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,519,383)	(1,519,383)
Recognition of equity portion of convertible note	220,357	-	-	220,357
Balance at 30 June 2023	744,610	22,941,835	(30,371,235)	(6,684,790)

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

Broo Ltd
Statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	2,303,100
Payments to suppliers and employees (inclusive of GST)		(377,819)	(4,493,720)
		(377,819)	(2,190,620)
Interest and other finance costs paid		(135,502)	(976,444)
Covid relief		-	347,391
Net cash used in operating activities	29	(513,321)	(2,819,673)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		2,169,667	-
Net cash from investing activities		2,169,667	-
Cash flows from financing activities			
Proceeds from borrowings		623,842	420,000
Proceeds from issue of convertible notes		-	3,600,000
Repayment of borrowings		(2,205,639)	(1,313,443)
Net cash from/(used in) financing activities		(1,581,797)	2,706,557
Net increase/(decrease) in cash and cash equivalents		74,549	(113,116)
Cash and cash equivalents at the beginning of the financial year		2,125	115,241
Cash and cash equivalents at the end of the financial year	7	76,674	2,125

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

Note 1. 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 consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The consolidated entity has incurred a net loss after tax of $1,519,383 for the period ended 30 June 2023 (30 June 2022: $6,979,145) has a working capital deficit of $6,465,948 at reporting date (30 June 2022: $5,551,957) and had cash outflows from operating activities of $513,321 (30 June 2022: $2,819,673). These conditions indicate a significant or material uncertainty about the consolidated entity's ability to continue as a going concern.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business at the amounts stated in the financial report, based on the assumptions that the Group will be reinstated and the suspension of trading being lifted and have considered the following factors:

- On 8 May 2023, the Company has received a non-binding indicative offer regarding a proposed investment of $2 million by external investors in which $200,000 by way of an unsecured interest free loan and the balance of $1.8 million through secured convertible notes;
- Since 17 October 2023, the board has changed, the Company received a loan of $235,000 from a new director Michael Chen before 31 December 2023 and another loan of at least $365,000 will be drawn at the beginning of February, the details of loan are under negotiation;
- In December 2023, Duke61 financials agreed to extend the existing loan to the date of reinstatement of the Company. The loan balance as of 30 June 2023 is $205,000 as disclosed in Note 14;
- In December 2023, the investor agreed to extend $3.6 million convertible notes to the date of reinstatement of the Company and exempt unpaid interests since June 2022, management is in the process of reviewing and negotiating the details and agreement of the proposed offer with the investors;
- As mentioned in the directors' report previously, the board has decided to create a new beer brand and plan on launching it onto the market in February 2024, the estimated revenue will be $1.8 million annually;
- Overall, the management have prepared a 12-month cash flow forecast to November 2024 which shows the company will have a positive cash flow due to the upcoming beer brand launch and future funding;
- Management are of the opinion that the Group will be to finalize the excise duty repayment plan with ATO upon reinstatement of the Company;
- Meanwhile, the board continues to review costs and is seeking to remove all non-essential expenses; and
- The directors are of the opinion that the company will be able to access equity capital markets for any additional working capital requirements upon reinstatement of the Group.

For the above reasons the board considers that the consolidated entity remains a going concern and the financial report has been prepared on this basis. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be incurred should the consolidated entity not continue as a going concern.

Comparatives
When required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Note 1. Significant accounting policies (continued)

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 consolidated entity'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 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Broo Ltd ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Broo Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. 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.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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.

Revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 1. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

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 period 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 consolidated entity'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.

Note 1. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the consolidated entity'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.

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

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 (excluding land) over their expected useful lives as follows:

Motor vehicles	25%

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangible assets
Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 1. Significant accounting policies (continued)

Patents and trademarks
Trademarks and patents do not have a fixed term and will represent a benefit to the company for an indefinite period. For this reason, significant costs associated with patents and trademarks are measured at cost less any impairment.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity 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.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 1. Significant accounting policies (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Broo Ltd, 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') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST 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 receivable or payable. The net amount of GST 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 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 1. Significant accounting policies (continued)

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. 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.

Trademarks and patents
The consolidated entity has identified two cash generating units being Broo and Australia Draught. Intangible assets represent trademarks and have been allocated to cash generating units (CGU's) according to costs incurred to register and protect respective trademarks. In light of the fact that no revenues were generated by either brand during the current year, they been impaired in full during the current year, refer to note 12.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment, being brewing and hospitality operations in Australia.

Note 4. Revenue

	Consolidated	
	2023	**2022**
	$	**$**
Revenue from contracts with customers		
Sales	-	2,290,430
Other revenue		
Other revenue	-	30,592
Revenue	-	2,321,022

Note 5. Other income

	Consolidated 2023 $	Consolidated 2022 $
Net gain on disposal of property, plant and equipment	149,522	-
Net gain on loss of control of subsidiaries	-	9,547,268
Government grants	-	347,391
Other income	149,522	9,894,659

Note 6. Income tax expense

	Consolidated 2023 $	Consolidated 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,519,383)	(5,581,231)
Tax at the statutory tax rate of 25%	(379,846)	(1,395,308)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of other timing and permanent differences	234,215	426,751
	(145,631)	(968,557)
Current year tax losses not recognised	145,631	968,557
De-recognition of deferred tax asset in relation to capital gain on expected property sale *	-	1,397,914
Income tax expense	-	1,397,914

	Consolidated 2023 $	Consolidated 2022 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	22,923,494	21,404,111
Potential tax benefit @ 25%	5,730,874	5,351,028

* On 12 December 2022, Development Victoria (DV) exercised its option to call back the property asset located at 2 Liberator Drive, Mitchell Park, Victoria 3355 (Ballarat Property) in accordance with the terms specified in the contract between Broo and DV, for a purchase price of $1.965m. It is determined that the company will not make any capital gains on the disposal of the property.

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
iii) no change in tax legislation adversely affects the consolidated entity in realising the benefits from deducting the losses.

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	2023	2022
	$	$
Cash at bank and on hand	347	864
Cash at bank	-	1,261
Cash - trust account	76,327	-
	76,674	2,125

Note 8. Current assets - trade and other receivables

	Consolidated	
	2023	2022
	$	$
BAS receivable	56,769	37,155

Note 9. Current assets - other

	Consolidated	
	2023	2022
	$	$
Prepayments	-	42,611
Borrowing costs	189,248	259,442
	189,248	302,053

Note 10. Current assets - assets of disposal groups classified as held for sale

	Consolidated	
	2023	2022
	$	$
Property, plant and equipment	-	1,965,000

The company sold its Ballarat property to Development Victoria for $1.965 million and the sale was completed in December 2022.

Note 11. Non-current assets - property, plant and equipment

	Consolidated	
	2023	2022
	$	$
Motor vehicles - at cost	-	158,627
Less: Accumulated depreciation	-	(93,281)
	-	65,346

Note 11. Non-current assets - property, plant and equipment (continued)

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

Consolidated	Motor vehicles $	Total $
Balance at 1 July 2021	2,390	2,390
Additions	81,336	81,336
Depreciation expense	(18,380)	(18,380)
Balance at 30 June 2022	65,346	65,346
Disposals	(55,144)	(55,144)
Depreciation expense	(10,202)	(10,202)
Balance at 30 June 2023	-	-

Note 12. Non-current assets - intangibles

	Consolidated 2023 $	2022 $
Patents and trademarks - at cost	168,993	168,993
Less: Impairment	(168,993)	-
	-	168,993

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

Consolidated	Patents and trademarks $	Total $
Balance at 1 July 2021	219,580	219,580
Disposals/impairments	(50,587)	(50,587)
Balance at 30 June 2022	168,993	168,993
Impairment of assets	(168,993)	(168,993)
Balance at 30 June 2023	-	-

The consolidated entity's patents and trademarks have been impaired in full in the current year due to significant due to the fact that no revenue was received in this financial year.

Note 13. Current liabilities - trade and other payables

	Consolidated 2023 $	Consolidated 2022 $
Trade payables	543,478	459,231
Excise payables	1,303,585	1,303,585
BAS payable	197,979	-
Other payables	781,305	453,407
	2,826,347	2,216,223

Refer to note 20 for further information on financial instruments.

Note 14. Current liabilities - borrowings

	Consolidated 2023 $	Consolidated 2022 $
Convertible notes payable	3,600,000	3,566,791
Other loans	205,000	-
Hire purchase	-	70,447
	3,805,000	3,637,238

Refer to note 20 for further information on financial instruments.

Convertible notes
On 8 October 2021, the Company announced that it has raised $3.6m (before costs) via a secured convertible note financing from a group of sophisticated and professional investors. Under the terms of the convertible note subscription deed, the subscription monies were advanced to the Company in 3 tranches. The first tranche of $1m was advanced on 8 October 2021, a further tranche of $1m was advanced on 15 October 2021 and a final tranche of $1.6m was advanced in February, March and April 2022 over several transfers.

A total of 240 million notes will be issued for $3.6m. Each one (1) note is convertible into one (1) ordinary share in the Company at a conversion price of $0.015 per note.

The convertible notes have a term of 12 months, with interest payable monthly on the notes at 12% per annum. As a condition of funding, the convertible notes are to be secured over the Company and its business and property assets.

In December 2023, the investor agreed to extend $3.6 million convertible notes to the date of reinstatement and exempt unpaid interests since June 2022.

Other loans
On 11 July 2022, the company received a loan from Duke61 with total amount of $405,000 and repaid $200,000 on 20 December 2022. Interest is payable at 15% per annum. The balance of this loan is $205,000.

Note 15. Current liabilities - liabilities directly associated with assets classified as held for sale

	Consolidated 2023 $	Consolidated 2022 $
Loan facility	-	1,935,192

As disclosed in note 10, the consolidated entity sold its Ballarat property to Development Victoria for $1.965 million and the sale was completed in December 2022. This loan was settled in full from the proceeds of that sale.

Note 16. Non-current liabilities - borrowings

	Consolidated 2023 $	Consolidated 2022 $
Loans - others	218,842	-

Refer to note 20 for further information on financial instruments.

This loan is interest free, unsecured and will be repayable on 31 December 2024

Note 17. Equity - issued capital

	Consolidated			
	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	952,079,631	952,079,631	22,941,835	22,941,835

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	945,752,965		22,846,937
Shares issued to non-executive director in lieu of fees	21 January 2022	6,326,666	$0.015	94,898
Balance	30 June 2022	952,079,631		22,941,835
Balance	30 June 2023	952,079,631		22,941,835

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 company'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.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 18. Equity - reserves

	Consolidated 2023 $	Consolidated 2022 $
Share-based payments reserve	453,744	453,744
Convertible note reserve	290,866	70,509
	744,610	524,253

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible note reserve
The reserve is used to recognise the value of the equity portion of convertible notes.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Convertible note $	Share based payment $
Balance at 1 July 2021	-	293,851
Share based payments	-	159,893
Recognition of equity portion of convertible note	70,509	-
Balance at 30 June 2022	70,509	453,744
Recognition of equity portion of convertible note	220,357	-
Balance at 30 June 2023	290,866	453,744

Note 19. Equity - dividends

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

Note 20. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: credit risk and liquidity risk. The consolidated entity'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 consolidated entity.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The consolidated entity is not exposed to any significant foreign currency risk.

Price risk
The consolidated entity is not exposed to any significant price risk.

Note 20. Financial instruments (continued)

Interest rate risk
The consolidated entity is not exposed to significant interest rate risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity is not generating revenue and therefore is not exposed to significant credit risk. All cash balances are held with reputable financial institutions.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity 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.

The consolidated entity 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 and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial 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.

Consolidated - 2023	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						
Non-interest bearing						
Trade and other payables	-	2,826,347	-	-	-	2,826,347
Other loans	-	-	218,842	-	-	218,842
Interest-bearing - fixed rate						
Convertible notes payable	12.00%	3,600,000	-	-	-	3,600,000
Other loans	15.00%	205,000	-	-	-	205,000
Total non-derivatives		6,631,347	218,842	-	-	6,850,189

Consolidated - 2022	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						
Non-interest bearing						
Trade and other payables	-	2,216,233	-	-	-	2,216,233
Interest-bearing - fixed rate						
Loan facility	14.27%	1,949,898	-	-	-	1,949,898
Hire purchase	5.60%	70,447	-	-	-	70,447
Convertible notes	12.00%	3,600,000	-	-	-	3,600,000
Total non-derivatives		7,836,578	-	-	-	7,836,578

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

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 21. Key management personnel disclosures

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

	Consolidated	
	2023 $	2022 $
Short-term employee benefits	163,750	330,798
Post-employment benefits	-	12,000
Share-based payments	-	94,900
	163,750	437,698

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Connect National Audit, the auditor of the company:

	Consolidated	
	2023 $	2022 $
Audit services - Connect National Audit		
Audit or review of the financial statements	52,000	52,500

Note 23. Contingent liabilities

The company had no other contingent liabilities at 30 June 2023.

Note 24. Commitments

Other than lease and hire purchase liabilities the consolidated entity did not have commitments at 30 June 2023 and 30 June 2022

Note 25. Related party transactions

Parent entity
Broo Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 27.

Key management personnel
Disclosures relating to key management personnel are set out in note 21 and the remuneration report included in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Note 25. 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	
	2023 $	2022 $
Current payables:		
Accrued directors' wages and fees	453,111	257,720

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

Note 26. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2023 $	2022 $
Loss after income tax	(3,822,409)	(2,889,757)
Total comprehensive income	(3,822,409)	(2,889,757)

Statement of financial position

	Parent	
	2023 $	2022 $
Total current assets	322,683	2,761,294
Total assets	322,785	2,995,634
Total current liabilities	6,590,660	5,812,154
Total liabilities	6,809,502	5,880,300
Equity		
Issued capital	22,941,839	22,941,839
Share-based payments reserve	453,744	453,744
Convertible note reserve	290,866	70,508
Accumulated losses	(30,173,166)	(26,350,757)
Total deficiency in equity	(6,486,717)	(2,884,666)

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 30 June 2023 and 30 June 2022, other guarantees provided in relation to property leases for Mildura Pub and Brewery.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Note 26. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 27. 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 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	2022 %
Broo Exports Pty Ltd	Australia	100.00%	100.00%
Australia Draught Pty Ltd **	Australia	100.00%	100.00%
Broo KH Ltd	Hong Kong	100.00%	100.00%
Broo Beverages Pty Ltd	Australia	100.00%	100.00%
Sorrento Brewery Pty Ltd ***	Australia	100.00%	100.00%
Broo Brewery Pty Ltd	Australia	100.00%	100.00%
Mildura Brewery Pub (Broo) Pty Ltd *	Australia	-	100.00%
Mildura Brewery (Broo) Pty Ltd **	Australia	100.00%	100.00%
Direct Liquor Outlet (DLO) Pty Ltd	Australia	100.00%	100.00%
郑州布鲁饮品有限公司 (Broo China)	China	100.00%	100.00%
Broo Bio Medical Pty Ltd	Australia	100.00%	100.00%

* This company was liquidated during the year .
** These companies have been liquidated since year-end.
*** This compnay is currently in the process of being liquidated.

Note 28. Events after the reporting period

As of 30 June 2023, the Company has an outstanding excise duty of around $1.3million as disclosed in Note 13 of the financial statements. Since September 2023, the Group has discussed the payment plan with the Australian Taxation Office (ATO) to repay the outstanding excise duty. The payment plan has not been finalised as at the date of signing of this report.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 29. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2023 $	Consolidated 2022 $
Loss after income tax expense for the year	(1,519,383)	(6,979,145)
Adjustments for:		
Depreciation and amortisation	10,201	1,580,828
Impairment of property, plant and equipment	-	1,556,318
Net loss on disposal of subsidiaries	-	587,605
Impairment of intangibles	168,993	-
Net gain on disposal of property, plant and equipment	(149,522)	-
	323,760	-
Borrowing costs related to capital raising	-	79,947
Equity portion of convertible note reserve	-	37,299
Change in operating assets and liabilities:		
Increase in trade and other receivables	(19,614)	(74,477)
Increase in inventories	-	(212,580)
Decrease/(increase) in other operating assets	42,611	(138,855)
Increase in trade and other payables	610,124	1,158,269
Increase/(decrease) in employee benefits	19,509	(414,882)
Net cash used in operating activities	(513,321)	(2,819,673)

Note 30. Changes in liabilities arising from financing activities

Consolidated	Lease liabilities $	Borrowings $	Total $
Balance at 1 July 2021	2,422,369	2,700,864	5,123,233
Net cash used in financing activities	(198,217)	(695,225)	(893,442)
Loans issued via the issue of convertible notes	-	3,600,000	3,600,000
Other changes	(2,224,152)	(1,968,401)	(4,192,553)
Balance at 30 June 2022	-	3,637,238	3,637,238
Net cash from financing activities	-	386,604	386,604
Balance at 30 June 2023	-	4,023,842	4,023,842

Note 31. Loss per share

	Consolidated 2023 $	Consolidated 2022 $
Loss after income tax attributable to the owners of Broo Ltd	(1,519,383)	(6,979,145)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	952,079,631	948,526,298
Weighted average number of ordinary shares used in calculating diluted earnings per share	952,079,631	948,526,298

Note 31. Loss per share (continued)

	Cents	Cents
Basic loss per share	(0.16)	(0.74)
Diluted loss per share	(0.16)	(0.74)

Broo Ltd
Directors' declaration
30 June 2023

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 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 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

Peter Pan
Executive Chairman

31 January 2024

Independent Auditor's Report
To the Members of Broo Ltd
Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Broo Ltd (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group as set out on page 35.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2023. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How our audit addressed the key audit matter**
Excise Duty (refer Note 13 to the financial statement)	
In the past, Mildura Brewery (Broo) Pty Ltd, a wholly owned subsidiary of Broo Ltd now liquidated, has been responsible for bearing the payable of excise duty. Consequently, the	Our procedures included amongst others:

Australian Taxation Office (ATO) requested an investigation into Broo Ltd's excise duty account. On 28th February 2023, the ATO finalized the excise duty audit for Broo Ltd, resulting in an excise duty payable by Broo Ltd amounting to $1,303,585. We forcused on this area as a key audit matter due to the amounts involved being material.	Perform audit procedures to ensure the completeness and accuracy of the excise duty payable. Reviewing the ATO excise duty account and ATO documentation for both Broo Ltd and Mildura Brewery (Broo) Pty Ltd to ensure the total amount of excise duty payable as at 30 June 2023 had been provided for / accrued as at 30 June 2023.
Loss of control of the liquidated subsidiaries (refer Note 27 to the financial statements)	
On 6 May 2022, Worrells was appointed as liquidators by the Group for Australia Draught Pty Ltd, Mildura Brewery (Broo) Pty Ltd, Mildura Brewery Pub (Broo) Pty Ltd and Sorrento Brewery Pty Ltd. As a result of this appointment, the Group ceased to control these subsidiaries on that date and accordingly the subsidiaries where de-consolidated with the resulting gain / (loss) on loss of control of the subsidiaries being recognised in profit or loss in the prior year. We focused on this area as a key audit matter due to the significance of the conclusion of this transaction and impact on the Group's structure.	Confirmed with management that Mildura Brewery Pub (Broo) Pty Ltd, Mildura Brewery (Broo) Pty Ltd and Australia Draught Pty Ltd completed liquidation on 17 May 2023, 17 October 2023 and 12 December 2023 respectively. Sorrento Brewery Pty Ltd is still in the process of liquidation.

Emphasis of Matter – Material uncertainty related to going concern

Without modifying our opinion we draw attention to Note 1 Going concern, where it describe that :

The Group has incurred a net loss of $1,519,383 for the period ended 30 June 2023 (30 June 2022: $6,979,145) has a working capital deficit of $6,465,948 at reporting date (30 June 2022: $5,551,957) and had cash outflows from operating activities of $513,321 (30 June 2022: $2,819,673). These conditions indicate a significant and material uncertainty about the Group's ability to continue as a going concern.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and extinguishment of liabilities in the normal course of business at the amounts stated in the financial report, based on the assumptions that the Group will be reinstated and the suspension of trading being lifed and have considered the following factors:

- On 8 May 2023, the Company has received a non-binding indicative offer regarding a proposed investment of $2 million by external investors for $200,000 by way of an unsecured interest free loan and the balance of $1.8 million through secured convertible notes;
- Since 17 October 2023, the board has changed, the Company received a loan of $165,000 from a new director Michael and another loan of $335,000 will be drawn at the end of December, the details of loan are under negotiate;
- In December 2023, Duke61 financials agreed to extend the existing loan to the date of reinstatement of the Company. The loan balance as of 30 June 2023 is $205,00 as disclosed in Note 14;
- In December 2023, the investor agreed to extend $3.6 million convertible notes to the date of reinstatement of the Company and exempt unpaid interests since June 2022, management is in the process of reviewing and negotiating the details and agreement of the proposed offer with the investors;

- As mentioned in the directors' report, the board has decided to create a new beer brand and plan on launching it onto the market in February 2024, the estimated revenue will be $1.8 million annually;
- Management has prepared a 12-month cash flow forecast to November 2024 which shows the company will have a positive cash flow due to the upcoming beer brand launch and future funding;
- Management are of the opinion that the Group will be able to finalize the excise duty repayment plan with ATO upon reinstatement of the Company;
- The board continues to review costs and is seeking to remove all non-essential expenses; and
- The directors are of the opinion that the Company will be able to access equity capital markets for any additional working capital requirements upon reinstatement of the Group

For the above reasons the board considers that the Group remains a going concern and the financial report has been prepared on this basis. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be incurred should the Group not continue as a going concern.

However, should the above assumptions and factors not occur whether the company can continue as a going concern and therefore whether it will realise its assets and extinguish its liabilitites in the normal course of business and at the amount stated in the financial report is uncertain.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of Broo Ltd for the year ended 30 June 2023 included on Broo Ltd's web site. The directors are responsible for the integrity of the Broo Ltd's web site. We have not been engaged to report on the integrity of the Broo Ltd's web site. The audit report refers only to the statements named below,. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report resented on this web site.

Responsibilities of the directors for the financial report

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

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

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, omitting, misstating or obscuring them, could reasonably be expected to influence the decisions of primary users taken on the basis of this financial report.
A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the financial year ended 30 June 2023.

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

Emphasis of Matter – Director's and Key Management Personnel Remuneration
As disclosed in the remuneration report, the Board has no record of service agreement or other supporting documents for George Karafoias' remuneration. We raise our concern on the accuracy of remuneration for directors and Key Management Personnel disclosed in the remuneration report and financial statement. Our opinion is not modified in respect of this matter.

Responsibilities

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

Connect National Audit

CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888

ROBIN KING HENG LI CA RCA
DIRECTOR
Date: 31st January 2024

Broo Ltd
Shareholder information
30 June 2023

The shareholder information set out below was applicable as at 9 January 2024.

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

	Ordinary shares		Options over ordinary shares	
	Number of holders	**% of total shares issued**	**Number of holders**	**% of total shares issued**
1 to 1,000	6,296	0.09	-	-
1,001 to 5,000	328	0.09	-	-
5,001 to 10,000	292	0.28	-	-
10,001 to 100,000	717	2.96	-	-
100,001 and over	407	96.58	-	-
	8,040	100.00	-	-
Holding less than a marketable parcel	7,477	2.09	-	-

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**
GROGES HOLDINGS PTY LTD (GROGES A/C)	181,530,000	19.07
KNIGHT61 INVESTMENTS PTY LTD (KNIGHT61 INVESTMENTS A/C)	52,180,000	5.48
DE GRAAFF HOLDINGS PTY LTD	43,835,352	4.60
MR SHENGPEI CHEN	40,146,674	4.22
MS YUFEN GAO	40,000,000	4.20
MR CHAO ZHONG	40,000,000	4.20
CE 61 INVESTMENTS PTY LTD (CE 61 INVESTMENTS UNIT T A/C)	30,660,000	3.22
MR KING YUEN CHEUNG	27,800,000	2.92
MS ZHIMEI HUANG	20,000,000	2.10
MS FANG YANG	20,000,000	2.10
MS JING ZHU	20,000,000	2.10
HUI TING CAPITAL PTY LTD	12,200,000	1.28
AUSTANE CONSTRUCTIONS PTY LTD	11,550,000	1.21
A&S JIN NOMINEES PTY LTD (MAXJIN SUPER FUND A/C)	11,000,000	1.16
MS JIANJUN GUO	10,833,333	1.14
MRS JIN CUI	8,800,000	0.92
61 FINANCIAL INFORMATION TECHNOLOGY PTY LTD	8,330,000	0.87
DE GRAAFF HOLDINGS PTY LTD	8,275,314	0.87
GEM ASIA PACIFIC LTD	8,000,000	0.84
MENCH INVESTMENTS PTY LTD (HARPER INVESTMENT A/C)	7,663,333	0.80
	602,804,006	63.30

Unquoted equity securities
Substantial holders
There are no substantial holders in the company.

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.