

N1 HOLDINGS LIMITED

ACN 609 268 279

N1 Holdings

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2024**



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Directors Ren Hor Wong, Executive Chairman, CEO  
Jia Penny He, Executive Director, CFO  
Frank Ganis, Independent Non-Executive Director  
David Holmes, Independent Non-Executive Director

Company secretary Anand Sundaraj

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Share register Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

Auditor SW Audit  
Level 7, Aurora Place, 88 Phillip Street  
Sydney NSW 2000

Solicitors Sundaraj & Ker  
Level 31, 264 George Street  
Sydney NSW 2000

Stock exchange listing N1 Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: N1H)

Corporate Governance Statement N1 Holdings Limited and the board are committed to achieving and demonstrating the appropriate standards of corporate governance for an entity the size and stage of development of the company. N1 Holdings Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. The 2024 corporate governance statement reflects the corporate governance practices in place during the financial year ended 30 June 2024. The 2024 corporate governance statement was approved by the board on 20 September 2024. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at: <http://www.n1holdings.com.au/>

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# CHAIRMAN LETTER

Dear fellow shareholders,

I am pleased to present you with the N1 Holdings Limited (**Company** or **N1**) annual report for the financial year ended 30 June 2024 (**FY24**). We concluded FY24 with several significant improvements, including:

- growth in revenue;
- record profitability;
- strong EBIDTA;
- tripling net tangible assets; and
- more than tripling earnings per share.

The Company also continued to increase its funding size during the financial year and emerging with a stronger balance sheet.



## Scalable Profit Model

The FY24 numbers are encouraging, increasing growth and setting competitive advantages by wielding economies of scale. In previous years, my letters to shareholder have discussed by faith in the Company's business model and my belief in its scalability, even in the face of one of the most constricted growth environments which has been caused by rigorous rate tightening and inflation. FY24 has demonstrated that we have been able to scale N1H's profit model and I believe this signals more meaningful profit and further growth for the years ahead.

The Company, as a direct lender not a mere asset manager, reinvesting earnings into lending capacity and expanding funding size via a resilient set of funding sources, will accelerate profit growth by increasing capacity, meanwhile scaling down the cost of funds through reinvested earnings. Hence, as discussed in my FY23 letter to shareholders, the Company has emerged with a stronger balance sheet.

## Compliance and Regulatory Environment

For the Company to sustain growth, we need to operate in an equivalently sustainable business environment. The private credit industry is currently largely self-governing. However, we intend to be one of the leaders in upscaling compliance benchmarks within the industry. We are well placed to do so given our experience in rigid governance, strong compliance as an ASX-listed entity, and constant communication with the regulatory body.

The Company's management intends to take a more active role in shaping the healthy operating environment of the private credit property-backed SME financing industry. The Company has a leading competitive advantage in the face of upcoming regulatory trends. We provide transparency in reporting, rigid corporate governance compliance and adoption of refined accounting and business risk recognition standard as per our previous disclosures.

## The Technology

Shareholders and stakeholders constantly talk to me about how technology will impact the private credit industry. Noting the revolutionary way popular "AI-powered" and "data-driven" technology are starting to help businesses grow, we are constantly recognising technology trends through the management team adopting a technology-enabler mindset. The lending industry is relationship driven, whilst risk management can be partially automated via improving technology, human elements continue to play a crucial role. Our opinion is that technology will play an integral role in distribution channels while risk management practices will largely be human driven.

The principle of our management strategy is to ultimately drive the Company to be a technical people-led organisation, which I think is more viable than the current populist view that businesses will be technology-led. Rest assured, this will not hinder scalability of the Company as we are constantly seeking ways to automate the process of distribution, hence the importance of our expansion in third party distribution channels, working with strong mortgage brokers that originates over 70% of new loans in Australia. We will continue to invest in third party distribution channels, which proves to be the most effective means to scale our deal flow.

## The Execution

We mentioned in our FY23 annual report, that the Company's next overarching goal is to strengthen and grow its balance sheet whilst continuing to remain profitable and sustainable. The management team has proven the ability to execute this strategy.

As usual, I am confident we will bring you more fantastic news in the new financial year.

Happy business 2k25!

Yours faithfully,



**Ren Hor Wong**

Chairman and CEO  
20 September 2024



# OUR FY24 HIGHLIGHTS

## REVENUE

N1H revenue model comprises below key components: Net Interest Margin (NIM) and fees in property financing, upfront and trail commissions from mortgage management and mortgage broking activities.

**\$18.45 MILLION**  
**32% GROWTH**

## PROFIT

Execution of the business streamlining strategy has greatly enhanced its resource allocation and productivity. Management will continue to focus on funding capacity and cost of funds, in order to further strengthen the NIM, with strong confidence of the Company's ability to scale new heights.

**\$1.09 MILLION**  
**218% GROWTH**

## NORMALISED EBITDA

This shows a strong capability of N1H business model, derived from well established infrastructure including capital raising, loans origination, risk management, distribution channels and post-deployment management.

**\$1.18 MILLION**  
**15% GROWTH**

**\$134 MILLION**

This amount comprises of \$30mil committed balance sheet capital, \$86mil from a warehouse facility and \$18mil from mortgage fund issued and managed by N1 Asset Management as at 30 June 2024.

\*The mortgage fund is not consolidated into the Company's financial statements.

## SME LENDING COMMITTED CAPITAL (accessed and managed by N1H)

The Company has sought to maintain its competitive advantage in funding source resilience as a priority in the management of the business.

All percentage comparisons are comparisons to the same period in the prior corresponding year.

Directors' report	6
Auditor's independence declaration	18
Consolidated statement of profit or loss and other comprehensive income	19
Consolidated statement of financial position	20
Consolidated statement of changes in equity	21
Consolidated statement of cash flows	22
Notes to the consolidated financial statements	23
Consolidated entity disclosure statement	55
Directors' declaration	56
Independent auditor's report to the members of N1 Holdings Limited	57
Shareholder information	62

## **General information**

The consolidated financial statements cover N1 Holdings Limited as a Group consisting of N1 Holdings Limited and the entities it controlled at the end of, or during, the year. The consolidated financial statements are presented in Australian dollars, which is N1 Holdings Limited's functional and presentation currency.

- N1 Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 502, 77 King Street  
Sydney NSW 2000

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

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 20 September 2024. The directors have the power to amend and reissue the financial statement.

The directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as **the Group**) consisting of N1 Holdings Limited (referred to hereafter as the **Company** or **N1**) and the entities it controlled at the end of, or during, the year ended 30 June 2024.

### Dividends

Dividends paid, recommended or declared during the financial year are nil (2023: \$202,528).

### Principal activities

During the financial year the principal continuing activities of the Group consisted of:

- commercial lending business;
- mortgage broking services;
- advisory, fund management and trustee services;
- migration services; and
- real estate property sale.

### Review of operations

During FY24, the Group generated revenue of \$18.45m (FY23: \$13.99m), which represents a growth of 31.8% to revenue in FY23 and delivered a net profit after tax of \$1,085,355 (FY23: \$340,945). Normalised EBITDA of the Group is \$1.18m (FY23: \$1.06m).

	<b>Consolidated Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit before income tax	688,723	109,767
Add: Interest expense – Corporate*	73,478	181,766
Add: Depreciation and amortisation	309,393	440,606
Add: Once off write-off of realty service income due to lost management*	108,986	-
Add: Goodwill impairment resulting from sale of rent roll	-	329,975
	<b>1,180,581</b>	<b>1,062,114</b>

\* Interest expense and interest income from commercial loan receivable are still included in the EBITDA. The EBITDA only excludes the interest expenses relating to the corporate and bank loans, as well as interest expenses in relation to AASB 16 Leases.

\* A once off amount of \$108,986 was written off from the total amount of realty service income due to rent roll sales retention clause. The retention period ended on 10 December 2023.

During FY24, the Group's Commercial lending business continued to be the major revenue generator, accounting for 93.96% of the Group's total revenue. A complete breakdown of the Group's revenue for the period is as the follows:

- Commercial lending revenue was \$17,332,786 (FY23: \$11,804,622), which equals to 93.96% (FY23: 84.35%) of the Group's revenue. This is an increase of 9.60% over the prior period.
- Mortgage broking revenue (including trail commissions) was \$961,386 (FY23: \$1,347,310), which equals to 5.21% (FY23: 9.63%) of the Group's revenue;
- Advisory service revenue was \$119,209 (FY23: \$359,000), which equals to 0.65% (FY23: 2.57%) of the Group's revenue; and
- Real estate and migration services revenue were \$33,426 (FY23: \$482,642), which equals to 0.18% (FY23: 3.45%) of the Group's revenue.

The reported financial year has marked a milestone of streamlining our costs and operations which has greatly enhanced the resource allocation and productivity of the business, as evident by the Company's significant revenue and profitability growth. Whilst the management does not speculate on future rates movements, we continue to focus on funding capacity and cost of funds, in order to further strengthen the Net Interest Margin (NIM), with strong confidence of the Company's ability to scale new heights. We will continue to push growth and seek to gain competitive advantage by wielding economies of scale.

As at the end of the reported period, the Company had access to and managed over \$134 million in committed lending capacity, consisting of approximately \$30 million of balance sheet capital raised from private debt, \$86 million under debt facilities and approximately \$18 million of mortgage fund under management. (Please note: the mortgage fund is not consolidated into the Company's financial statements. The mortgage fund is managed by N1 Venture Pty Ltd, a 100% owned subsidiary of N1H). The Company has repaid a debt facility over \$14.6m during the reporting period as part of the cost of fund streamline strategy.

In the meantime, the Group seeks to provide comments on its material business risks that may affect the financial performance of the Group and its ability to continue generating revenue for future years, including risks which are not directly within the Group's control. The material business risks include:

#### *Compliance risk*

The Company is required to comply with various laws, regulations, industry standards, licence conditions and internal policies that are applicable to its business activities. The Company is exposed to risks of failure to act in accordance with all the requirements.

**Key actions:** The Company maintains a robust internal control and governance framework by conducting ongoing reviews and compliance risk assessments, utilising internal and external education as well as working closely with external consultants to ensure continuing compliance.

#### *Credit risk*

The core business of the Company is to lend commercial loans to borrowers. There is a risk of being unable to recoup the capital in default loans, which may be caused by deficiency in collateral value, adverse market sentiment or other unforeseen circumstances.

**Key actions:** The Company applies a disciplined execution of its comprehensive credit policy guideline with strong focus on the strength of collateral as well as overall credit history of borrowers and guarantors. The short term nature of our loan product also allows the Company to undertake regular reviews and adjustments of pricing and valuation.

#### *Liquidity and funding risk*

The continuity and resilience of the Company's funding sources, and capital liquidity is crucial for its business activities. The timing mismatch between the disbursement and repayment of funding may impact the Company's capacity to lend and may subsequently impact the Company's financial performance.

**Key actions:** The Company focuses on developing a set of diversified funding sources to divest from relying solely on a single set of funding sources.

#### *Interest rate movements risk*

The Company relies on funding sources that are subject to interest rates movements, which directly impact on the cost of funds.

**Key actions:** The Company ensures viable lending rates that are aligned to market sentiment. Meanwhile the Company continues to limit exposure to interest rate fluctuations by sourcing funding that provides stability in cost.

#### *Market risk*

The Company's business is subject to the macroeconomic impacts including across multiple segments of the market, namely, the property market, the lending market and Small and Medium Enterprises (SME) business sentiment.

**Key actions:** The Company mitigates the risks through the monitoring of key risk indicators and market conditions and conducting regular reviews of current exposures, lending parameters and pricing to enhance its business capabilities.

#### *Financial crime and fraud risks*

Financial crime has devastating human impacts. Accordingly, the Company has full awareness of the importance of protecting its customers, the community and the integrity of the financial system. The Company is also cognisant of the heightened risks caused by increasingly sophisticated technologies used by criminals targeting financial systems and conducting fraud.

**Key actions:** The Company continues to work closely with experts to develop a set of monitoring systems that aim to minimise the risks of financial crime and fraud. Meanwhile, the Company provides continuous education and training for staff and business partners focusing on how to detect and deter risk early in the process.

#### *Cybersecurity risks*

A cyber-attack on the Company can significantly disrupt its operations and compromise customer data privacy. Cyber criminals are becoming increasingly sophisticated, taking advantage of the adoption of the internet and remote working.

**Key actions:** The Company continues to educate staff and business partners on cybercrime risks and enhances the management of third parties to better understand and mitigate risks associated in digital communications. The company follows protocol by providers such as Amazon Web Services and Google. The Company also makes use of local server, not relying solely on web cloud settings.

#### *Climate change and social risks*

Frequent and severe weather conditions in climate patterns in Australian major cities may impact the Company's borrowers and clients. Certain climate and social events might result in impairment of collateral valuation.

**Key actions:** The Company consistently develops understanding of climate change and social risks exposures across our existing loan portfolio and scrutinise nature of lending scenarios that might be exposed to such risks and adopt a prudent approach.

### **Review of Financial Position**

The Group has a net asset position of \$1,686,862 as at 30 June 2024 (\$591,663 as at 30 June 2023).

At 30 June 2024, the Group's current assets were \$108,988,096 (\$87,491,974 at 30 June 2023) and its current liabilities were \$30,384,751 (\$25,550,095 at 30 June 2023). Non-current assets increased by \$3,221,507 to \$5,629,291 (\$2,407,784 as at 30 June 2023) and non-current liabilities increased by \$18,787,774 to \$82,545,774 (\$63,758,000 at 30 June 2023).

### **Significant changes in the state of affairs**

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

### **Matters subsequent to the end of the financial year**

On 23 August 2024, the Group has received a commitment for an additional \$20 million in debt capital.

On 06 September 2024, the Group has received a commitment for an additional \$45 million in warehouse capital.

No other matters or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### **Likely developments and expected results of operations**

Information on likely developments in the operations of the Group 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 Group.

### **Environmental regulation**

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

### **Shares under option**

There were no unissued ordinary shares of N1 Holdings Limited under option outstanding at the date of this report.

### **Shares issued on the exercise of options**

There were no ordinary shares of N1 Holdings Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

### **Indemnity and insurance of officers**

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

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

### **Indemnity and insurance of auditor**

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

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

### **Proceedings on behalf of the Company**

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

### **Non-audit services**

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

### **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.

### **Directors**

The following persons were directors of N1 Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Ren Hor Wong (Executive Chairman, CEO, appointed 24 November 2015);  
Ms Jia Penny He (Executive Director, CFO, appointed 24 November 2015);  
Mr David Holmes (Independent Non-executive Director, appointed 15 January 2019); and  
Mr Frank Ganis (Independent Non-executive Director, appointed 1 September 2020).

### **Company Secretary**

Mr Anand Sundaraj (Company Secretary, appointed 24 November 2015)

**Mr Ren Hor Wong (Executive Chairman, CEO)**

Qualifications, experience and special responsibilities

Mr Wong is the founder, Executive Chairman and Chief Executive Officer of the Company.

Mr Wong has been responsible for developing the Company's business strategy and expanding its business into Asia Pacific.

Prior to establishing the Company, Mr Wong had, over a span of 6 years, applied his entrepreneurial and management skills in industries ranging from courier services, printing services and real estate. He has previously founded and successfully exited various businesses including Copiko Printing, Sydneymove.com.au and Packers Unpackers.

Mr Wong holds a Bachelor of Engineering with Honours from University of New South Wales.

Interest in shares and options in the Company (**Shares** and **Options**, respectively)

50,298,357 Shares

Directorships held in other listed entities during the three years prior to the current year

None

**Ms Jia Penny He (Executive Director, CFO)**

Qualifications, experience and special responsibilities

Ms He is a Fellow of Certified Practising Accountant (FCPA) with over 18 years combined industry experience in accounting, financial planning and mortgage broking.

Ms He joined the Group in May 2014 as the Accounting and Tax Adviser and Principal Financial Planner. Ms He was subsequently appointed as the Company's Chief Financial Officer. Her current role within the Company includes all financial management, tax and reporting functions of the business.

Prior to joining the Company, Ms He served as an executive for Cabot Square Chartered Accountants from July 2006 to May 2014.

Ms He holds a Master of Accounting degree from Macquarie University and is also an ATO registered tax agent holding a Public Practice Certificate.

Interest in Shares and Options

893,291 Shares

Directorships held in other listed entities during the three years prior to the current year

None

**Mr David Holmes (Independent Non-Executive Director)**

Qualifications, experience and special responsibilities

Mr Holmes has over 32 years' experience in the financial services industry having held senior roles in the UK and Australia. He was Head of Mortgage Credit for Citibank UK before becoming COO at Preferred Mortgages, one of the first non-conforming lenders in the UK. In August 2000 David moved to Australia and was one of the founding Executives at Pepper Money. While at Pepper Money he served as COO and Global Head of Credit with responsibility for the establishment and maintenance of credit polices throughout Australia, Ireland and South Korea. David was instrumental in Pepper Money gaining warehouse funding facilities from three of the major banks in Australia.

Mr Holmes holds a Bachelor of Arts (with Honours) from University of Warwick.

Interest in Shares and Options

Nil

Directorships held in other listed entities during the three years prior to the current year

None

**Mr Frank Ganis (Independent Non-Executive Director)**

Qualifications, experience and special responsibilities

Mr Ganis has over 40 years' domestic and international experience in banking and finance with an extensive background and deep knowledge of financial services. He is recognised as a pioneer and influential industry leader in Australia.

Prior to retirement from full time executive work in 2017, Mr Ganis spent 28 years at Macquarie Group including 17 years as an Executive Director. In addition to his executive responsibilities, Mr Ganis also fulfilled a broad range of board and chair roles for a number of Macquarie's domestic and international subsidiaries and was a member of various regulatory and credit committees.

Frank currently services as a board member for several public and private companies and various industry advisory roles.

Frank is a Fellow of the Australian Property Institute (FAPI) and a Graduate of the Australian Institute of Company Directors (GAICD).

Interest in Shares and Options

800,000 Shares

Directorships held in other listed entities during the three years prior to the current year

None

**Mr Anand Sundaraj (Company Secretary)**

Qualifications, experience and special responsibilities

Anand Sundaraj is a corporate lawyer with over 20 years' experience. He is a principal of Sydney-based law firm, Sundaraj & Ker. Mr Sundaraj specialises in advising on mergers and acquisitions and capital raisings for both publicly listed and privately held entities. He also advises on funds management and general securities law matters including listing rule compliance and corporate governance. Mr Sundaraj has worked for a number of pre-eminent law firms including Herbert Smith Freehills, King & Wood Mallesons, and Allen & Overy, as well as global investment bank, Credit Suisse AG.

Mr Sundaraj holds a Bachelor of Laws (with Honours) and a Bachelor of Science from Monash University and is admitted as a solicitor of the Supreme Courts of New South Wales and Victoria.

Interest in Shares and Options

10,000 Shares

Directorships held in other listed entities during the three years prior to the current year

None

### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Number eligible to attend	Number attended
Ren Hor Wong	6	6
Jia Penny He	6	6
David Holmes	6	5
Frank Ganis	6	6

### Remuneration report

#### **Remuneration policy**

The remuneration policy of the Company has been designed to align key management personnel (**KMP**) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance in areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the high-quality KMP to run and manage the Group, as well as create goal congruence between Directors, executives and Shareholders.

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

- The remuneration policy is to be developed by the Board (having regard to the Company's earnings and the consequences of the Company's performance on shareholder wealth, in each case in the most recent financial year and previous 4 financial years) and the Board may seek advice on the policy from independent external consultants at its discretion.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits options and performance incentives.
- Performance incentives are generally only paid once and conditional on key performance indicators (**KPIs**) having been met.
- Incentives paid in the form of options or rights are intended to align the interests of the Directors and the Company with those of the Shareholders. In this regard, KMP are prohibited from limiting the risk attached to those instruments by use of derivatives or other means.
- The Board reviews KMP packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits and Shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in Shareholder wealth.

KMP receive, at a minimum, the superannuation guarantee contribution required by law. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

The Board's policy is to remunerate non-executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees that can be paid to a non-executive Director is contained in that Directors' consultancy service agreement.

### Remuneration structure

There have been no significant changes after the Company's listing on ASX. The table below summarises the remuneration components of KMP of the Group.

Remuneration component	Reward Type	Purpose	Link to performance
Fixed remuneration	Salaries, superannuation and other fixed benefits	To provide competitive fixed remuneration set with reference to role, market and experience	Company and individual performance are considered during the annual review
Short-term incentive	Bonus paid in cash	Rewards executives for their contribution to achievement of Group outcome	Revenue of the Group
Long-term incentive	Share options	Rewards executives for their contribution to the creation of shareholder value over the longer term	Vesting of the awards is dependent on absolute total Shareholder return in addition to continuous service vesting conditions.

### Performance-based Remuneration

The KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual involved is in and has a level of control over. The KPIs target areas that the Board believes hold greater potential for Group expansion and profit covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to achieving the Group's goals and shareholder value, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, the Company bases the assessment on audited figures, however, where the KPI involves comparison of the Group or a division within the Group to the market, independent reports are obtained from other research organisations.

### Relationship between remuneration policy and Company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus (i.e. based on KPI), and the second being the issue of options to the majority of Directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy has been effective in increasing shareholder value over the past years.

### Performance conditions linked to remuneration

The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of revenue targets, return on equity ratios, and continued employment with the Group.

The performance-related proportions of remuneration (based on KPI targets) are included in the following table. The objective of the reward schemes is to both reinforce the short and long-term goals of the Group and provide a common interest between Management and Shareholders. There has been no alteration to the terms of the bonuses paid since the grant date.

The satisfaction of the performance conditions is based on a review of the audited consolidated financial statements of the Group and publicly available market indices and as such these figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with any other measures or factors external to the Group at this time.

The performance-based bonus schedule is detailed below, which has only available to executive Directors since 17 May 2023. \$60,000 were paid to executive Directors during FY2024, of which \$40,000 were paid to Ren Hor Wong and \$20,000 were paid to Jia Penny He.

Minimum revenue achieved by the Company for a financial year	Bonus Ren Hor Wong	Bonus Jia Penny He
\$6 million	\$20,000	\$10,000
\$12 million	\$40,000	\$20,000
\$15 million	\$60,000	\$30,000
\$18 million	\$80,000	\$40,000
\$21 million	\$100,000	\$50,000
\$24 million	\$120,000	\$60,000

Maximum achievable bonus is used in below calculation.

	Fixed remuneration		Remuneration linked to performance	
	2024	2023	2024	2023
<b>Directors and secretaries</b>				
Ren Hor Wong	81.01%	77.44%	18.99%	22.56%
Jia Penny He	76.92%	76.92%	23.08%	23.08%
David Holmes	100%	100%	0%	0%
Frank Ganis	100%	100%	0%	0%

The following tables provide employment details of persons who were, during FY2024, members of KMP of the Group. The table also illustrates the proportion of remuneration that was performance and non-performance based.

#### Positions of KMPs and their employment details

	Position held	Contract duration	Employment type	Termination notice period
Ren Hor Wong	Chairman, CEO	18/03/2016 - Ongoing	Permanent	3 months
Jia Penny He	Executive Director, CFO	18/03/2016 - Ongoing	Permanent	3 months
David Holmes	Independent Non Executive Director	15/01/2019 - Ongoing	Consultancy agreement	10 business days
Frank Ganis	Independent Non Executive Director	01/09/2020 - Ongoing	Consultancy agreement	10 business days

### Key terms of KMP contract

#### Chief Executive Officer

- The CEO receives fixed remuneration of \$500,000 per annum plus superannuation contributions under the *Superannuation Guarantee (Administration) Act 1992 (Cth)* and the *Superannuation Guarantee Charge Act 1992 (Cth)*.
- In addition to the fixed remuneration, the CEO will be entitled to a performance-based bonus.
- The Company provide a car benefit and travel benefit to the CEO with a total allowance of \$12,000 per annual.
- Fixed and incentive remuneration is reviewed and determined annually.
- Termination notice period is 3 months or without notice in the event of breach of services agreement between Mr Wong and the Company or serious misconduct.
- Restraint period being up to 24 months.

#### Chief Financial Officer

- The CFO receives fixed remuneration of \$195,000 per annum plus superannuation contributions under the *Superannuation Guarantee (Administration) Act 1992 (Cth)* and the *Superannuation Guarantee Charge Act 1992 (Cth)*.
- In addition to the fixed remuneration, the CFO will be entitled to a performance-based bonus.
- The Company provide a travel benefit to the CFO with a total allowance of \$5,000 per annual.
- Fixed and incentive remuneration will be reviewed and determined annually.
- Termination notice period is 3 months or without notice in the event of breach of services agreement between Ms He and the Company or serious misconduct.
- Restraint period being up to 24 months.

#### Independent Non-Executive Director – David Holmes

- The remuneration (Service Fee) of the Non-Executive Director is \$20,000 per annum including Superannuation.
- The Service Fee will be reviewed and determined annually.
- Termination notice period is 10 business days or immediately in the event of breach of services agreement between the relevant Non-Executive Director and the Company or serious misconduct.

#### Independent Non-Executive Director – Frank Ganis

- The remuneration (Service Fee) of the Non-Executive Director is \$72,000 per annum including Superannuation.
- The Service Fee will be reviewed and determined annually.
- Termination notice period is 10 business days or immediately in the event of breach of services agreement between the relevant Non-Executive Director and the Company or serious misconduct.

### Remuneration of KMP

2024	Short term employee benefits			Post-employment benefits	Long term employee benefits	Share based payments		Total
	Salaries	Bonus	Other	Superannuation	Long service leave	Options	Dividends paid	
<b>Directors and Secretaries</b>								
Ren Hor Wong	\$492,408	\$40,000	-	\$27,500	\$34,233	\$6,563	-	\$600,704
Jia Penny He	\$195,406	\$20,000	-	\$24,017	\$7,574	\$3,281	-	\$250,278
David Holmes	\$20,000	-	-	-	-	-	-	\$20,000
Frank Ganis	\$91,935	-	-	\$10,065	-	-	-	\$102,000

2023	Short term employee benefits			Post-employment benefits	Long term employee benefits	Share based payments		Total
	Salaries	Bonus	Other	Superannuation	Long service leave	Options	Dividends paid	
<b>Directors and Secretaries</b>								
Ren Hor Wong	\$411,850	\$40,000	-	\$28,361	\$13,149	-	\$115,686	\$609,046
Jia Penny He	\$210,771	\$20,000	-	\$23,100	\$6,383	-	\$1,632	\$261,886
David Holmes	\$41,154	-	-	\$1,545	-	-	-	\$42,699
Frank Ganis	\$122,750	-	-	\$12,653	-	-	\$989	\$136,392

### **Options and rights granted as remuneration**

The options at the end of the current year are \$9,844 (FY23: nil)

### **KMP shareholdings**

The number of ordinary shares in the Company held by each KMP of the Group during the financial year is as follows:

2024	Number of Shares beginning of the year	Received as remuneration during year	Received on exercising Options	Shares purchased	Number of Shares at the end of the year
Ren Hor Wong	50,298,357	-	-	-	50,298,357
Jia Penny He	709,468	-	-	183,823	893,291
Frank Ganis	430,000	-	-	370,000	800,000

2023	Number of Shares beginning of the year	Received as remuneration during year	Received on exercising Options	Shares purchased	Number of Shares at the end of the year
Ren Hor Wong	50,298,357	-	-	-	50,298,357
Jia Penny He	709,468	-	-	-	709,468
Frank Ganis	430,000	-	-	-	430,000

### **Other equity-related KMP transactions**

There have been no other transactions involving equity instruments apart from those described in the tables above relating to Options, Rights and Shares.

### **Loans to KMP**

There are no loans from the Company to KMP as at 30 June 2024.

### **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 2024.

*Options and rights granted as remuneration*

The terms and conditions relating to Options granted as remuneration during the year to KMP are as follows:

2024	Number of options beginning of the year	Granted No.	Exercised during the year	Lapsed during the year	Number of options at the end of the year	Vested	Unvested
Ren Hor Wong	-	-	2,000,000	(500,000)	1,500,000	-	-
Jia Penny He	-	-	1,000,000	(250,000)	750,000	-	-

2023	Number of options beginning of the year	Granted No.	Exercised during the year	Lapsed during the year	Number of options at the end of the year	Vested	Unvested
Ren Hor Wong	-	-	-	-	-	-	-
Jia Penny He	-	-	-	-	-	-	-

The fair value of Options granted as remuneration and as shown in the above table has been determined in accordance with Australian Accounting Standards and will be recognised as an expense over the relevant vesting period to the extent that conditions for vesting are satisfied.

**Description of Options/rights issued as remuneration**

A totalling of 3,000,000 performance rights share options were granted to CEO and CFO on 04 December 2023, and the exercising price was \$0.18. The Expiry dates are variance between one year to four years. The vesting conditions including three portions:

- The executive should continuously work in the group
- The loan book should meet or exceed a certain amount before the expiry date
- The NIM (Net Interest Margin) should meet or exceed a certain percentage before the expiry date.

Option values at grant date were determined by applying the Binomial Approximation valuation methodology.

This concludes the remuneration report, which has been audited.

**Auditor**

SW Audit continues in office 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



Ren Hor Wong  
 Executive Chairman and CEO

20 September 2024

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF N1 HOLDINGS LIMITED**

As lead auditor, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



**SW Audit**  
Chartered Accountants



Yang (Bessie) Zhang  
Partner

Sydney, 20 September 2024

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**N1 Holdings Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**



	Note	Consolidated 2024 \$	2023 \$
<b>Revenue</b>	5	18,446,807	13,993,574
Other income	6	107,046	96,354
<b>Expenses</b>			
Interest expense	7	(12,047,306)	(8,142,187)
Employee cost		(2,573,372)	(2,557,214)
Consulting and referral fees		(1,119,833)	(1,265,240)
Professional fee		(593,830)	(499,509)
Sales and marketing		(437,292)	(191,215)
Depreciation and amortisation	8	(309,393)	(440,606)
Office and administrative expense		(274,916)	(195,649)
Loss on disposal/write-off of assets		(183,473)	-
Travel cost		(167,065)	(119,875)
Occupancy cost and utilities		(126,626)	(160,835)
Finance cost	8	(27,801)	(75,580)
IT and technology		(4,223)	(2,276)
Impairment loss on goodwill		-	(329,975)
<b>Profit before income tax benefit</b>		688,723	109,767
Income tax benefit	35	396,632	231,178
<b>Profit after income tax benefit for the year</b>	24	1,085,355	340,945
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>1,085,355</u>	<u>340,945</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	3	1.23	0.39
Diluted earnings per share	3	1.23	0.39

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

	Note	Consolidated 2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	13,532,013	7,019,128
Trade and other receivables	10	1,920,843	2,837,458
Contract assets	11	292,745	324,039
Commercial loan receivables	12	93,059,428	76,974,937
Other financial assets	13	93,382	140,382
Other current assets	14	89,685	196,030
<b>Total current assets</b>		<u>108,988,096</u>	<u>87,491,974</u>
<b>Non-current assets</b>			
Contract assets	11	827,044	886,204
Other financial assets	13	157,927	157,927
Property, plant and equipment	15	449,940	742,717
Deferred tax assets	36	627,811	231,178
Intangible assets	16	114,220	123,708
Commercial loan receivables	12	3,257,018	-
Other non-current assets	14	195,331	266,050
<b>Total non-current assets</b>		<u>5,629,291</u>	<u>2,407,784</u>
<b>Total assets</b>		<u>114,617,387</u>	<u>89,899,758</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	1,605,849	1,290,142
Contract liabilities	18	107,601	73,294
Loan and borrowings	19	25,825,780	21,380,000
Lease liabilities		273,151	286,825
Deferred income	20	2,357,146	2,280,466
Provisions	21	215,224	239,368
<b>Total current liabilities</b>		<u>30,384,751</u>	<u>25,550,095</u>
<b>Non-current liabilities</b>			
Contract liabilities	18	312,306	200,451
Loan and borrowings	19	81,920,364	63,009,601
Lease liabilities		70,650	343,798
Provisions	21	242,454	204,150
<b>Total non-current liabilities</b>		<u>82,545,774</u>	<u>63,758,000</u>
<b>Total liabilities</b>		<u>112,930,525</u>	<u>89,308,095</u>
<b>Net assets</b>		<u>1,686,862</u>	<u>591,663</u>
<b>Equity</b>			
Issued capital	22	6,954,061	6,954,061
Options reserve		216,368	206,524
Retained earnings	24	(5,483,567)	(6,568,922)
<b>Total equity</b>		<u>1,686,862</u>	<u>591,663</u>

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

**N1 Holdings Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2024**

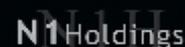


<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Share-based payment reserve</b> \$	<b>Retained profits</b> \$	<b>Total equity</b> \$
Balance at 1 July 2022	6,654,061	206,524	(6,707,339)	153,246
Profit after income tax benefit for the year	-	-	340,945	340,945
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	340,945	340,945
<i>Transactions with owners in their capacity as owners:</i>				
Conversion of convertible notes	300,000	-	-	300,000
Dividends paid (note 25)	-	-	(202,528)	(202,528)
Balance at 30 June 2023	<u>6,954,061</u>	<u>206,524</u>	<u>(6,568,922)</u>	<u>591,663</u>

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Share-based payment reserve</b> \$	<b>Retained profits</b> \$	<b>Total equity</b> \$
Balance at 1 July 2023	6,954,061	206,524	(6,568,922)	591,663
Profit after income tax benefit for the year	-	-	1,085,355	1,085,355
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,085,355	1,085,355
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 23)	-	9,844	-	9,844
Balance at 30 June 2024	<u>6,954,061</u>	<u>216,368</u>	<u>(5,483,567)</u>	<u>1,686,862</u>

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

**N1 Holdings Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2024**



	Note	Consolidated	
		2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		19,970,027	13,418,714
Interest received from bank deposit		104,654	75,995
Payments to suppliers and employees		(4,847,880)	(5,125,815)
Net increase in fund lent as commercial loans		(19,779,523)	(17,586,626)
Net increase in fund received for commercial loans		23,936,543	11,227,537
Interest and other finance costs paid for commercial loans		(12,001,627)	(8,072,255)
Net cash from/(used in) operating activities	37	<u>7,382,194</u>	<u>(6,062,450)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	15	(14,121)	(84,082)
Purchase of Intangible assets	16	-	(8,260)
Loan to third parties		47,000	30,000
Proceeds from disposal of Sydney Boutique Property (SBP)		38,113	588,400
Net cash from investing activities		<u>70,992</u>	<u>526,058</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings and loans		(580,000)	(871,072)
Payment of finance cost and interest		(54,492)	(149,615)
Dividends paid	25	-	(202,528)
Repayment of lease liabilities		(305,809)	(363,986)
Net cash used in financing activities		<u>(940,301)</u>	<u>(1,587,201)</u>
Net increase/(decrease) in cash and cash equivalents		6,512,885	(7,123,593)
Cash and cash equivalents at the beginning of the financial year		<u>7,019,128</u>	<u>14,142,721</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>13,532,013</u></u>	<u><u>7,019,128</u></u>

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

## **Note 1. Principal accounting policies**

### **Basis of preparation**

These general purpose consolidated 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 consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

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

#### *Critical accounting estimates*

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2.

### **Parent entity information**

In accordance with the *Corporations Act 2001*, these consolidated financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of N1 Holdings Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. N1 Holdings Limited and its subsidiaries together are referred to in these consolidated financial statements as the 'Group'.

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

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

The acquisition of 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 Group 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 Group 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.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the maximum extent that the underlying gain or loss can be recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

### **Current and non-current classification**

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

## **Note 1. Principal accounting policies (continued)**

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

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

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

### **Trade and other receivables**

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

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

### **Impairment of assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use.

### **Employee benefits**

#### *Retirement benefit obligations*

All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligations for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are remeasured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

### **Comparative figures**

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

### **Dividends**

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

### **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.

### **Note 1. Principal accounting policies (continued)**

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.

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

#### **New Accounting Standards and Interpretations adopted by the Group**

The Group has adopted all of the new and revised standards and interpretations, including amendments to the existing standards issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operation and effective for the current reporting period. The adoption of these amendments and new standards has not resulted in any significant changes to the Group's accounting policies or any significant effect on the measurement or disclosure of the amounts reported for the current or prior reporting period.

#### **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 Group for the annual reporting period ended 30 June 2024. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### **Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated 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 in the relevant notes and below.

#### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

### Note 3. Earnings per share

	Consolidated	
	2024	2023
	\$	\$
Profit after income tax	1,085,355	340,945
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	88,055,573	87,832,285
Basic earnings per share	1.23	0.39
Diluted earnings per share	1.23	0.39

### Note 4. Operating segments

#### *Identification of reportable operating segments*

The Group is organised into four operating segments: financial services, real estate services, migration services and other. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

#### *Financial services*

This segment refers to the operating activities in the area of financial service business mainly including:

- Commercial loan lending
- Mortgage broking
- Advisory service

The Group lends privately raised funds to commercial borrowers and earns loan facility set up related fees, interest income as well as management fees from mortgage funds issued and managed by N1 Venture Pty Ltd.

The Group acts as a mortgage broker that provides its customers with advice and support and receives commission payments on loans originated through its network of customers.

The Group provides financial advisory, trustee and fund management services to its customers and receives advisory service fees.

#### *Real estate services*

The Group conducts real estate services through N1 Realty Pty Ltd focuses on the property sales.

#### *Migration services*

The Group provides migration services to its customers through N1 Migration Pty Ltd which holds a migration agent licence.

Other business operations that are not separately reportable, as well as costs associated with enterprise functions (such as Administration, Finance and Treasury) are included in 'Other'.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the consolidated financial statements.

Note 4. Operating segments (continued)

Operating segment information

	Financial services	Real estate services	Migration services	Other	Total
	\$	\$	\$	\$	\$
<b>Consolidated - 2024</b>					
<b>Revenue</b>					
Revenue	18,413,381	1,381	32,045	-	18,446,807
Interest income	78,417	-	260	25,976	104,653
Other income	(9)	-	-	2,402	2,393
<b>Total revenue</b>	<u>18,491,789</u>	<u>1,381</u>	<u>32,305</u>	<u>28,378</u>	<u>18,553,853</u>
<b>Segment operating profit/(loss) before income tax</b>	<u>3,340,667</u>	<u>(117,371)</u>	<u>(84,704)</u>	<u>(2,449,869)</u>	<u>688,723</u>
<b>Profit/(loss) before income tax benefit</b>	<u>3,340,667</u>	<u>(117,371)</u>	<u>(84,704)</u>	<u>(2,449,869)</u>	<u>688,723</u>
Income tax benefit					396,632
<b>Profit after income tax benefit</b>					<u>1,085,355</u>
<i>Material items include:</i>					
Interest expense calculated using the effective interest method	12,022,505	-	-	24,801	12,047,306
Depreciation and amortisation	(270,463)	(2,644)	-	(36,286)	(309,393)
<b>Assets</b>					
Segment assets	<u>96,740,422</u>	<u>2,394</u>	<u>29,613</u>	<u>49,025,527</u>	<u>145,797,956</u>
Intersegment eliminations					(31,180,569)
<b>Total assets</b>					<u>114,617,387</u>
<b>Liabilities</b>					
Segment liabilities	<u>83,992,880</u>	<u>1,757,243</u>	<u>252,413</u>	<u>47,448,885</u>	<u>133,451,421</u>
Intersegment eliminations					(20,520,896)
<b>Total liabilities</b>					<u>112,930,525</u>

Note 4. Operating segments (continued)

	Financial services	Real estate services	Migration services	Other	Total
Consolidated - 2023	\$	\$	\$	\$	\$
<b>Revenue</b>					
Revenue	13,510,932	423,828	58,814	-	13,993,574
Interest income	72,762	-	174	3,059	75,995
Other income	(17)	10,874	-	9,502	20,359
<b>Total revenue</b>	<b>13,583,677</b>	<b>434,702</b>	<b>58,988</b>	<b>12,561</b>	<b>14,089,928</b>
<b>Segment operating profit/(loss) before income tax</b>	<b>1,858,037</b>	<b>(275,874)</b>	<b>(61,264)</b>	<b>(1,411,132)</b>	<b>109,767</b>
<b>Profit/(loss) before income tax benefit</b>	<b>1,858,037</b>	<b>(275,874)</b>	<b>(61,264)</b>	<b>(1,411,132)</b>	<b>109,767</b>
Income tax benefit					231,178
<b>Profit after income tax benefit</b>					<b>340,945</b>
<i>Material items include:</i>					
Interest expense calculated using the effective interest method	(7,931,352)	(33,233)	-	(177,602)	(8,142,187)
Depreciation and amortisation	(306,690)	(22,047)	-	(111,869)	(440,606)
<b>Assets</b>					
Segment assets	95,606,307	20,781	32,101	27,384,575	123,043,764
Intersegment eliminations					(33,144,006)
<b>Total assets</b>					<b>89,899,758</b>
<b>Liabilities</b>					
Segment liabilities	89,787,396	1,884,797	170,198	19,945,530	111,787,921
Intersegment eliminations					(22,479,826)
<b>Total liabilities</b>					<b>89,308,095</b>

Note 5. Revenue

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2024	2023
	\$	\$
Mortgage broking and commercial lending origination commission	874,908	725,249
Mortgage broking trail commission	323,094	378,915
Net movement in trail commission asset valuation	(236,616)	243,146
Commercial lending interest income	15,256,759	7,731,717
Other services relating to commercial lending	2,076,027	4,072,905
Real estate service	1,381	423,828
Migration service	32,045	58,814
Advisory service	119,209	359,000
	<b>18,446,807</b>	<b>13,993,574</b>

**Note 5. Revenue (continued)**

*Geographical regions*

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Australia	18,446,807	13,993,574

*Timing of revenue recognition*

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations based on the services rendered for its real estate service and the interest earned over time for its commercial lending interest income. The analysis of the revenue recognition point is as below:

	<b>2024</b>		<b>2023</b>	
	<b>At point in time</b>	<b>Over time</b>	<b>At point in time</b>	<b>Over time</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Mortgage origination commission	874,908	-	725,249	-
Mortgage broking trail commission	323,094	-	378,915	-
Net movement in trail commission asset valuation	(236,616)	-	243,146	-
Commercial lending interest income	-	15,256,759	-	7,731,717
Other service fees relating to commercial lending	2,076,027	-	4,072,905	-
Real estate service	1,381	-	157,245	266,583
Migration service	32,045	-	58,814	-
Advisory service	119,209	-	359,000	-
	<u>3,190,048</u>	<u>15,256,759</u>	<u>5,995,274</u>	<u>7,998,300</u>

*Mortgage broking services*

The Group provides a service of introducing applicants to lenders as part of the process to originate a loan and receive commissions for the service provided. The service activities that form part of this process are interrelated and interdependent of each other and form a single performance obligation. The Group recognises commission as revenue upon the settlement of loans, which is when the performance obligation is completed.

The deferral of a portion of the commission as trail commission is a mechanism by which lenders incentivise brokers to introduce quality applicants that will not refinance their loans and therefore maximise the life of the loan. This mechanism affects the transaction price, but it does not give rise to a separate performance obligation. As a result, trail commission is also recognised as revenue upon settlement of loans and at the same time, the right to trail commission is recognised as a contract asset on the statement of financial position. The contract asset will only become a financial asset (i.e. a receivable) when the right to the consideration is unconditional. This is expected to be as each month's entitlement to the trail commission is established, i.e. when an invoice is raised to the aggregator.

The Group recognises trailing commission as revenue only if it is highly probable that a change in the estimate of the variable consideration would not result in a significant reversal of the cumulative revenue already recognised.

The upfront origination commission is recognised at its transactions price and the trailing commission is recognised by using the expected value approach constrained by avoiding possible future downward revenue adjustments (i.e., revenue reversals).

The Group is a principal because it controls its service activities during the loan application process and is entitled to gross commissions from lenders/aggregators. As a result, the revenue for commission earned is presented on a gross basis. The portion payable to commission-based brokers is recorded separately and recognised as trail commission liabilities at reporting date.

**Note 5. Revenue (continued)**

*Commercial lending interest income*

Commercial lending interest income (including loan establishment fee received) from commercial loan receivables is recognised using the effective interest method.

*Other service fees relating to commercial lending*

Other service fees include management fee, loan processing and administration service fee, discharge fee, break fee, and monthly line fee. Other service fees are recognised when the services are delivered.

*Real estate service*

The Group receives commissions and fees derived from real estate sales. They are recognised at the time that unconditional exchange of contracts between vendors and purchasers take place.

*Migration service fee and advisory service fee*

Migration service fee and advisory service fee are recognised at the point in time when the services are delivered.

**Note 6. Other income**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Interest income	104,653	75,995
Others	2,393	20,359
Other income	<u>107,046</u>	<u>96,354</u>

**Note 7. Interest expense**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Commercial lending interest expense	11,992,815	7,992,572
Corporate interest expense	54,491	149,615
	<u>12,047,306</u>	<u>8,142,187</u>

**Note 8. Expenses**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Finance cost</b>		
Interest expense in relation to leases	18,987	32,151
Bank fees	8,814	43,429
	<u>27,801</u>	<u>75,580</u>

**Note 8. Expenses (continued)**

	<b>Consolidated 2024</b>	<b>2023</b>
<b>Depreciation and amortisation</b>		
Depreciation expense in relation to leases	256,874	315,930
Depreciation expense	43,031	60,760
Amortisation costs	9,488	63,916
	<u>309,393</u>	<u>440,606</u>

	<b>Consolidated 2024</b>	<b>2023</b>
	\$	\$
<b>Superannuation expense</b>		
Defined contribution superannuation expense	209,120	210,949
	<u>209,120</u>	<u>210,949</u>

**Note 9. Cash and cash equivalents**

	<b>Consolidated 2024</b>	<b>2023</b>
	\$	\$
Cash on hand	474	533
Deposits held at call with financial institutions	13,531,539	7,018,595
Cash and cash equivalents	<u>13,532,013</u>	<u>7,019,128</u>

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

**Note 10. Trade and other receivables**

	<b>Consolidated 2024</b>	<b>2023</b>
	\$	\$
<i>Current assets</i>		
Trade receivables	1,405,182	2,333,718
Interest receivable	439,357	434,375
Agent commission clawback receivable	76,304	69,365
	<u>1,920,843</u>	<u>2,837,458</u>

Trade and other receivables are initially recognised at their transaction price (as defined in AASB 15) and subsequently measured at amortised cost (on the basis that the Group's business model is to hold and collect contractual cash flows which are solely for payments of trade and other receivables).

The impairment assessment required by AASB 9 for financial assets is based on the forward-looking expected credit loss ('ECL') model.

**Note 10. Trade and other receivables (continued)**

The simplified approach is adopted to assess the impairment of trade and other receivables. Under the simplified approach, life time expected credit losses are estimated based on historically incurred and forward expected credit losses, both of which are examined and assessed to determine the amount of impairment as at reporting date. Specifically, the Group applies credit loss factors determined from estimation of customer default probability and loss percentage on current observable data which include:

- forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation;
- financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy; and
- conditions specific to the asset to which the receivable relates.

Debts that are known to be uncollectable are written off when identified.

**Credit risk (refer to note 27 for further details)**

The Group has credit risk exposure in relation to commercial lending interest and fees receivable from multiple companies.

On a geographic basis, the Group has significant credit risk exposures in Australia only.

As at 30 June 2024, the Group has recorded a provision of \$162,886 (30 June 2023: \$47,135) for trade and other receivables assessed to be impaired.

As at 30 June 2024, the amount of all trade and other receivables past due but not impaired is \$507,976 (30 June 2023: \$1,680,138).

**Note 11. Contract assets**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Contract assets - current	<u>292,745</u>	<u>324,039</u>
<i>Non-current assets</i>		
Contract assets	<u>827,044</u>	<u>886,204</u>

The contract asset relates to future trail income for the mortgage broking service. It is recognised and measured by using the expected cashflow approach. The contract asset will only become a financial asset (i.e. a receivable) when the right to the consideration is unconditional. This is at the point when monthly trail commission is invoiced to the aggregator.

**Reconciliation of the contract assets at the beginning and end of the current financial year are set out below:**

Opening balance	1,210,243	958,079
Expected trail commission from new loans and commission step up and effect of the change in the valuation model	232,640	631,079
Trail commission received	<u>(323,094)</u>	<u>(378,915)</u>
	<u>1,119,789</u>	<u>1,210,243</u>

The Group receives trailing commissions from lenders on settled loans over the life of the loan based on the loanbook balance outstanding subject to the loan continuing to perform. The Group also makes trailing commission payments to brokers based on their individual loanbook balance outstanding.

The contract assets and the corresponding payable to brokers are determined by using the discounted cash flow valuation technique.

**Note 11. Contract assets (continued)**

The expected cashflow approach requires the use of key assumptions to determine the amortised cost at balance sheet date including the future run-off rate of the underlying loan portfolio, the discount rate and the percentage paid to individual brokers working under the Group's management. The future run-off rate used is actually a series of rates applied to the underlying loans based primarily on their age at the date of valuation. The weighted average life shown below is the result of the series of future run-off rates applied to the specific loan data at the balance sheet date.

The determination of the assumptions to be used in the valuation is made by Management based primarily on a variety of contributing factors including: an annual assessment of the underlying loan portfolio, historical run-off rate analysis and consideration of current and future economic factors. These factors are complex and the determination of assumptions requires a high degree of judgement.

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
Discount rate	8.87%	8.87%
Average percentage of trailing commission entitled by the Group	61.28%	76.66%
Weighted average loan life (in years)	4.65	4.05

*Sensitivity*

The sensitivity of contract asset value is mainly raised from discount rate used in the valuation. The sensitivity analysis is shown as below:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Discount rate - increase 2% (2023: 2%)	1,066,538	1,148,504
Discount rate - decrease 2% (2023: 2%)	1,179,690	1,345,149

**Note 12. Commercial loan receivables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Commercial loan receivables	<u>93,059,428</u>	<u>76,974,937</u>
<i>Non-current assets</i>		
Commercial loan receivables	<u>3,257,018</u>	<u>-</u>

*Recognition and measurement*

Loan receivables are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the loan and subsequently measured at amortised cost (on the basis that the Group's business model is to hold and collect contractual cash flow that are solely for payments of principals and interest on principal amounts outstanding).

*Credit risk management*

The loans are secured with established real property or land in line with the Group's lending requirements. The Group continuously monitors the credit quality of the borrowers based on a credit rating scorecard. The Group assesses each of its commercial loans by using a credit scoring model that is based on current and historical past due statuses, indebtedness, loan-to-value measures ('LTV measures'), and the loan size. The forecasted business default rates, price of property and mortgage default rates may be factored into the Credit Scoring. The Credit Scoring Level and corresponding Probability of Default is documented and reviewed regularly by both Accounting and Credit Management Department.

**Note 12. Commercial loan receivables (continued)**

*Credit quality - Security held against loans*

	<b>Consolidated 2024</b>	<b>Consolidated 2023</b>
	\$	\$
Secured by mortgage over real estate	95,722,903	76,328,637
Secured by other credit enhancement	593,543	646,300
	<u>96,316,446</u>	<u>76,974,937</u>

	<b>Consolidated 2024</b>	<b>Consolidated 2023</b>
	\$	\$
First mortgage	91,663,250	68,109,205
Second mortgage	4,653,196	8,865,732
	<u>96,316,446</u>	<u>76,974,937</u>

	<b>Consolidated 2024</b>	<b>Consolidated 2023</b>
	\$	\$
LVR buckets		
0-60%	22,044,713	18,134,694
60.01%-70%	43,422,592	35,406,960
70.01%-75%	30,255,598	21,491,983
75%+	-	1,295,000
Other *	593,543	646,300
	<u>96,316,446</u>	<u>76,974,937</u>

\* The security property of this default loan will be listed on market for sale. Following the completion of this potential sale, the entire remaining loan balance reduced by any credit enhancement received will be sold via a nonrecourse assignment. The credit enhancement includes financial guarantees from the directors of the borrower's parent entity. The Group's board of directors has reviewed and approved the potential transaction.

*Concentration of loans*

Concentration risk is a measurement of the Group's exposure to an individual counterparty (or a group of related parties). Concentration exposures to counterparties are closely monitored.

*Loans receivable pledged as security*

The Group raises funds to lend money to commercial entities on a short-term basis and earns interest income. A total loan receivable of \$80 million (30 June 2023: \$64 million) are pledged as security for loans from financial institutions (as disclosed in Note 19) by the general security deed.

**Note 12. Commercial loan receivables (continued)**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Geographical concentrations</i>		
New South Wales	77,994,502	54,078,443
Victoria	11,742,130	10,035,400
Queensland	1,256,607	8,377,500
South Australia	4,465,607	2,988,500
Australian Capital Territory	857,600	1,495,094
	<u>96,316,446</u>	<u>76,974,937</u>

*Impairment assessment*

The impairment assessment required by AASB 9 for financial assets are based on a forward-looking expected credit loss ('ECL') model.

The general approach is adopted to assess the impairment of loan receivables.

Under the general approach, 12 month's credit losses or life time credit losses are estimated based on whether the credit risk on that financial instrument (loan receivables) has increased significantly since initial recognition to determine the amount of impairment as at reporting date. Specifically, if the credit risk has not increased significantly since initial recognition, then a loss allowance equal to 12 month's credit losses should be measured and recognised. Otherwise life time expected credit losses should be measured and recognised. The Group will apply credit loss factors determined from estimation of customer default probability and loss percentage. As the Group's loan book has a term of 3-24 months, the Group measures a life time expect credit loss for the stage 1 and 2.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are 'credit-impaired'. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group recognises loss allowances at an amount equal to lifetime (3-24 months) ECL on loan receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the loan receivable and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Debts that are known to be uncollectable are written off when identified.

<b>Credit risk stage</b>	<b>Gross carrying amount</b>	<b>Impairment loss allowance</b>	<b>Credit impaired</b>
<b>30 June 2024</b>			
Credit risk stage 1 and stage 2	95,721,103	-	No
Credit risk stage 3	593,543	-	Yes
<b>30 June 2023</b>			
Credit risk stage 1 and stage 2	76,328,637	-	No
Credit risk stage 3	646,300	-	Yes

The loan receivables have been assessed at individual loan level for ECL by the Group where the estimated recoverable amounts from disposal of the security held against the loans are all higher than the losses given default. Therefore, the Group assessed that the expected credit loss provision is nil at 30 June 2024 (30 June 2023: nil).

**Note 12. Commercial loan receivables (continued)**

*Use of judgements and estimates*

The Group reviews individually commercial lending loans at each reporting date to assess whether an impairment loss should be recorded in the income statement. Judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group makes judgements about the borrower's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors including forward looking information available at the time. Actual results may differ, resulting in future changes to the allowance.

**Note 13. Other financial assets**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current assets</i>		
Other financial assets	<u>93,382</u>	<u>140,382</u>
<i>Non-current assets</i>		
Investment in Stropro Technologies Pty Ltd	<u>157,927</u>	<u>157,927</u>

Other financial assets represent investment loans receivable that are initially recognised at fair value, adjusted for transaction costs that are directly attributable to the acquisition or issue of the loan (as defined in para 5.1.1 in AASB 9) and subsequently measured at amortised cost (on the basis that the Group's business model is to hold and collect contractual cash flows that are solely for payments of principal and interest on principal amounts outstanding (as defined in para 4.1.2 in AASB 9)).

Other investments are financial assets at fair value through profit or loss which are equity interests owned by the Group. They are initially measured at fair value with subsequent changes in fair value recognised in profit or loss.

Refer to note 28 for further information on fair value measurement.

**Note 14. Other assets**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current assets</i>		
Bond	-	56,520
Other receivables	<u>89,685</u>	<u>139,510</u>
	<u>89,685</u>	<u>196,030</u>
<i>Non-current assets</i>		
Bond	182,461	182,574
Other receivables	<u>12,870</u>	<u>83,476</u>
	<u>195,331</u>	<u>266,050</u>

Other assets primarily consist of bank guarantee deposits to secure leases disclosed in note 15, and other receivables to a third party.

**Note 15. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Office equipment	130,159	116,038
Less: Accumulated depreciation	<u>(113,326)</u>	<u>(105,313)</u>
	<u>16,833</u>	<u>10,725</u>
Motor vehicles	69,481	69,481
Less: Accumulated depreciation	<u>(28,755)</u>	<u>(15,184)</u>
	<u>40,726</u>	<u>54,297</u>
Furniture & fittings	530,807	530,807
Less: Accumulated depreciation	<u>(422,608)</u>	<u>(394,168)</u>
	<u>108,199</u>	<u>136,639</u>
Premises - right-of-use	1,520,596	1,520,596
Less: Accumulated depreciation	<u>(1,236,414)</u>	<u>(979,540)</u>
	<u>284,182</u>	<u>541,056</u>
	<u><u>449,940</u></u>	<u><u>742,717</u></u>

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment. In the event that the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. Impairment losses are recognised in the profit or loss.

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

**Depreciation**

The depreciable amount of all plant and equipment is depreciated on a diminishing basis over the asset's useful life commencing from the time the asset is held ready for use. Currently the depreciation rate is in the range of 10% to 50%.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The range of lease terms for current leases are between 1 to 5 years.

**Movements in carrying amounts**

Movements in carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

**Note 15. 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:

<b>Consolidated</b>	<b>Office Equipment \$</b>	<b>Motor Vehicles \$</b>	<b>Furniture &amp; Fittings \$</b>	<b>Office - right- of-use \$</b>	<b>Total \$</b>
Balance at 1 July 2022	18,406	-	159,933	856,986	1,035,325
Write off of assets by sale of SBP	-	-	(67,711)	-	(67,711)
Write off of accumulated depreciation by sale of SBP	-	-	67,711	-	67,711
Additions	2,124	69,481	12,477	-	84,082
Depreciation expense	(9,805)	(15,184)	(35,771)	(315,930)	(376,690)
Balance at 30 June 2023	10,725	54,297	136,639	541,056	742,717
Additions	14,121	-	-	-	14,121
Depreciation expense	(8,013)	(13,571)	(28,440)	(256,874)	(306,898)
Balance at 30 June 2024	<u>16,833</u>	<u>40,726</u>	<u>108,199</u>	<u>284,182</u>	<u>449,940</u>

The Group entered into a 7-year office lease with Venus Chatwood Pty Ltd for premises located at Shop 63, Platform, Chatwood Interchange, 436 Victoria Ave, Chatwood in 2016, and a 5-year office lease with ARE Noble Pty Ltd for premises located at 77 King Street, Sydney in 2020. The weighted average incremental borrowing rates applied to lease liabilities at the date of initial application are 4.765% and 3.937%, respectively, for the existing two leases. The rate is determined by referring to the interest rate on the Group's existing loans with similar terms, in accordance signed lease agreements.

The 7-year office lease with Venus Chatwood Pty Ltd ended on 14 August 2023.

**Note 16. Intangible assets**

	<b>Consolidated 2024 \$</b>	<b>2023 \$</b>
<i>Non-current assets</i>		
Finance licence	99,988	99,988
Website and IT system	357,270	357,270
Less: Accumulated amortisation	(343,038)	(333,550)
	<u>14,232</u>	<u>23,720</u>
	<u>114,220</u>	<u>123,708</u>

**Note 16. Intangible assets (continued)**

*Reconciliations*

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

<b>Consolidated</b>	<b>Goodwill <sup>(a)</sup></b> \$	<b>Finance licence</b> \$	<b>Rent roll <sup>(a)</sup></b> \$	<b>Website and IT system <sup>(b)</sup></b> \$	<b>Total</b> \$
Balance at 1 July 2022	536,216	99,988	534,564	27,394	1,198,162
Additions	-	-	-	8,260	8,260
Disposals	(206,241)	-	(518,836)	-	(725,077)
Impairment of assets	(329,975)	-	-	-	(329,975)
Amortisation/written-down	-	-	(15,728)	(11,934)	(27,662)
Balance at 30 June 2023	-	99,988	-	23,720	123,708
Amortisation/written-down	-	-	-	(9,488)	(9,488)
Balance at 30 June 2024	-	99,988	-	14,232	114,220

*a) Goodwill and rent roll assets*

The Group has disposed the SBP business as disclosed in the note 15 of the FY2023 financial report.

*b) Website and IT System*

Acquired website and computer software licences are capitalised on the basis of costs incurred to acquire them.

These costs are amortised over their estimated useful lives. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Amortisation is recognised in the profit or loss statement on a diminishing basis over the estimated useful life of the intangible assets from the date that they are considered suitable for use. The estimated useful life of website and IT system is 5 years. The current amortisation charges for website and IT system are included under depreciation and amortisation expenses.

**Note 17. Trade and other payables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current liabilities</i>		
Trade payables	911,759	621,018
Superannuation and salary withholding tax payable	287,237	418,583
Other creditors and accruals	406,853	250,541
	<u>1,605,849</u>	<u>1,290,142</u>

An expected credit loss provision of \$162,886 (2023: \$47,135) has been recorded under the other creditors and accruals.

Refer to note 27 for further information on specific financial risk exposures and management.

Trade and other payable are recognised at fair value initially and subsequently measured at amortised cost.

**Note 18. Contract liabilities**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>107,601</u>	<u>73,294</u>
<i>Non-current liabilities</i>		
Contract liabilities	<u>312,306</u>	<u>200,451</u>

Contract liabilities is related to contract assets and represents the Group's obligation to pay the commission based brokers under the Group's management a portion of the future trail commissions to be received by the Group from lenders.

**Note 19. Loan and borrowings**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Current</b>		
Loans received for commercial lending (i)	25,225,780	19,200,000
Loans received in advance for commercial lending (ii)	-	400,000
Loans from other lenders (iii)	-	580,000
Loans from related parties (v)	<u>600,000</u>	<u>1,200,000</u>
	<u>25,825,780</u>	<u>21,380,000</u>

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Non-current</b>		
Loans received for commercial lending (i)	4,488,797	3,780,000
Loans from financial institution (iv)	<u>77,431,567</u>	<u>59,229,601</u>
	<u>81,920,364</u>	<u>63,009,601</u>

**i) Loan received for commercial lending**

Loans received for commercial lending are the funds being raised for commercial loan lending to customers. They are unsecured. The terms of the loans are from 3 months to 2 years. Interest rates are fixed rate within each loan term, and the interest range is from 6% per year to 12.45% per year depends on the different loan terms. The outstanding loan balance as at 30 June 2024 is \$29,714,577 (30 June 2023: \$22,980,000).

**ii) Loan received in advance for commercial lending**

No fund received in advance as at 30 June 2024 (30 June 2023: \$400,000).

**iii) Loans from other lenders**

The outstanding balance of unsecured loans from other lenders (non-related parties) as at 30 June 2024 is nil (30 June 2023: \$580,000).

**Note 19. Loan and borrowings (continued)**

**iv) Loans received from financial institutions**

Loans received from financial institutions are the funds being raised for commercial loan lending to customers. As of 30 June 2024, the Company has drawdown a total of \$78.1 million (30 June 2023: \$59.6 million) of the \$85.6 million (30 June 2023: \$65 million) debt/warehouse facilities limit. The facilities maturity dates are on second half year of 2025. Transaction costs directly attributable to the facilities have been capitalised and are amortised over the facility term in the effective interest rate. The interest rates for all facilities are floating at 1-month BBSW (Bank Bill Swap Rate as administered by ASX Benchmark Pty Ltd) plus a margin.

All facilities contain a number of undertakings and are secured by a general security deed over the Group's assets and are operating on an interest-only basis with a term of 24 months.

**v) Loans from related parties**

The outstanding loan balance of unsecured loans from related parties as at 30 June 2024 is \$600,000 (30 June 2023: \$1.2 million). The terms of the loans are within 12 months, and the interest rate are 10% per annum.

**Note 20. Deferred income**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current liabilities</i>		
Prepaid interest from commercial borrowers	2,357,146	2,280,466

**Note 21. Provisions**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current liabilities</i>		
Employee benefit provision – current	93,173	116,573
Refund liabilities (i)	122,051	122,795
	<u>215,224</u>	<u>239,368</u>
<i>Non-current liabilities</i>		
Employee benefit provision	<u>242,454</u>	<u>204,150</u>
	<b>2024</b>	<b>2023</b>
	\$	\$
Movement of provision for refunds		
Beginning of the year	122,795	100,910
Additions/(Reductions) during the year	(744)	21,885
Ending of the year	<u>122,051</u>	<u>122,795</u>

*(i) Refund liabilities*

Refund liabilities represent the estimated upfront commission to be clawed back by lenders if the mortgage loans are terminated before the clawback period as defined by lenders, which are generally between 18 to 24 months.

**Note 21. Provisions (continued)**

**Critical accounting estimates and Judgements - Clawback Receivable and Provision**

There is potential for origination commissions to be clawed back by lenders after loans have settled. In the event a lender claws back the commission, a corresponding clawback will be deducted from the authorised brokers contracted by the Group where the clawback relates to a broker derived borrower. As a result, the group assess the probability of the clawbacks and determines both provision for clawbacks and clawback receivable from agents at each reporting date. The provision is based on the historical record of actual clawback and recovery. The probability used in estimate of the clawbacks is 19.65% (2023: 13.20%).

*Provision for employee benefits*

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. The probability of long service leave being taken is based on historical data.

**Note 22. Issued capital**

	<b>2024</b>	<b>2023</b>	<b>Consolidated</b>	<b>2023</b>
	<b>Shares</b>	<b>Shares</b>	<b>2024</b>	<b>2023</b>
			<b>\$</b>	<b>\$</b>
Fully paid ordinary shares	<u>88,055,573</u>	<u>88,055,573</u>	<u>6,954,061</u>	<u>6,954,061</u>

*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.

*Capital management*

Management controls the capital of the group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, convertible notes and other financial liabilities, supported by financial assets.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. No debt has been retired during the current year.

**Note 23. Share-based payments**

The Group has established an Employee Incentive Plan whereby Performance Rights may be granted over the ordinary shares of the Company for the benefit of certain directors and executives of the Group. Each Performance Right represents an entitlement upon vesting and exercise to receive a Share. The Performance rights issued is pursuant to the shareholder approval granted the Group's annual general meeting held on 30 November 2023 (the AGM).

Set out below are summaries of options granted under the plan:

	No. of performance rights 2024	Weighted average exercise price 2024	No. of performance rights 2023	Weighted average exercise price 2023
Outstanding at the beginning of the financial year	-	\$0.0	-	\$0.0
Granted	3,000,000	\$0.0	-	\$0.0
Forfeited	(750,000)	\$0.0	-	\$0.0
Exercised	-	\$0.0	-	\$0.0
Outstanding at the end of the financial year	<u>2,250,000</u>	\$0.0	<u>-</u>	\$0.0
Exercisable at the end of the financial year	<u>-</u>	\$0.0	<u>-</u>	\$0.0

During the year ended 30 June 2024, the Group recognised net share-based payment expense of \$9,844 (2023: nil) within the profit and loss component of the statement of profit or loss and other comprehensive income.

The 3 million Performance Rights were granted on 4 December 2023, with the exercising price of \$0.18. The Expiry dates are variance between one year to four years. The vesting conditions including three portions:

1. The executive should continuously work in the group
2. The loan book should meet or exceed a certain amount before the expiry date
3. The NIM (Net Interest Margin) should meet or exceed a certain percentage before the expiry date.

As of 30 June 2024, a total of \$750,000 has been expired (30 June 2023: nil).

**Note 24. Retained earnings**

	Consolidated 2024 \$	Consolidated 2023 \$
Accumulated losses at the beginning of the financial year	(6,568,922)	(6,707,339)
Profit after income tax benefit for the year	1,085,355	340,945
Dividends paid (note 25)	-	(202,528)
Accumulated losses at the end of the financial year	<u>(5,483,567)</u>	<u>(6,568,922)</u>

**Note 25. Dividends**

Dividends paid during the financial year were as follows:

	Consolidated 2024 \$	Consolidated 2023 \$
Dividends	-	<u>202,528</u>

**Note 26. Financial risk management**

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, other payables, loans and borrowings, convertible notes, and other financial liabilities.

**Note 27. Specific financial risk exposures and management**

**Financial risk management objectives**

The Group's activities expose it to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

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 Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

**Market risk**

**Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The financial instruments primarily exposed the Group to interest rate risk are disclosed as below:

As of 30 June 2024, the Group has drawn down \$78.1 million of the \$85.6 million facility limit from two financial institutions. Both facilities were initially recognised at the amounts received in cash from the lender, net of transaction costs, and interest only with a term of 24 months with an interest rate at a margin plus 1-month BBSW per annum. An increase/decrease in interest rates of 100 basis points would have an adverse/favourable effect on profit before tax of \$780,600 per annum.

Other loans are fixed term with fixed interest rate, which were not tested for the interest rate risk.

The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Financial institution loans	<u>77,431,567</u>	<u>59,229,601</u>

Loans received for commercial lending, from related parties, and other lenders, as disclosed in note 19, have fixed interest rates ranging between 6% and 12.45%. These loans do not pose 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 Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk of the financial asset at the reporting date is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the consolidated financial statements. The Group does not hold any collateral for trade and other receivables, but it holds the Australian properties and other properties as collateral for commercial loan receivables. Collaterals held by the entity are real estate properties located in Australia. These include residential properties, commercial properties and lands. The total value as of 30 June 2024 is \$210,175,000 (30 June 2023: \$177,065,000).

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

**Note 27. Specific financial risk exposures and management (continued)**

Credit risk related to balances with banks and other financial institutions is managed by the Board. All the Group's cash assets are deposited with Australian major banks.

The Group has credit risk associated with trade and other receivables (\$1,844,538 as at 30 June 2024 and \$2,768,093 as at 30 June 2023), commercial loan receivable (\$96,316,446 as at 30 June 2024 and \$76,974,937 as at 30 June 2023), and other investments (\$93,382 as at 30 June 2024 and \$140,382 as at 30 June 2023). These balances were within their terms of trade respectively except for the loans made to 1 commercial loan is in arrears for more than 12 months which is under recovery process.

The directors assessed and determined there is sufficient equity in the security properties related to the loans and concluded that there is no expected credit losses provision required as at 30 June 2024.

There are generally no guarantees against trade and other receivables, except where the amounts relate to existing commercial loans. Collateral in the form of property is taken against commercial loans receivable to mitigate credit risk.

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

**Liquidity risk**

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

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

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

**Note 27. Specific financial risk exposures and management (continued)**

**Financial liability maturity analysis**

	Total contractual cash flows \$	No more than 1 year \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>2024</b>					
Trade and other payables	1,605,849	1,605,849	-	-	-
Bank loan and other borrowings	107,746,144	25,825,780	81,920,364	-	-
Lease liabilities	343,801	273,151	70,650	-	-
	<u>109,695,794</u>	<u>27,704,780</u>	<u>81,991,014</u>	<u>-</u>	<u>-</u>
	Total contractual cash flows \$	No more than 1 year \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>2023</b>					
Trade and other payables	1,290,142	1,290,142	-	-	-
Bank loan and other borrowings	84,389,601	21,380,000	63,009,601	-	-
Lease liabilities	630,623	286,825	343,798	-	-
	<u>86,310,366</u>	<u>22,956,967</u>	<u>63,353,399</u>	<u>-</u>	<u>-</u>

**Fair value of financial instruments**

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

**Note 28. Fair value measurement**

AASB 13: fair value measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input which is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) maybe valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the consolidated financial statements.

The Group has equity interests in Stropro Technologies Pty Ltd which are recognised and subsequently measured at fair value Level 3 on a recurring basis. (Refer to note 13 for details)

**Note 29. Related party transactions**

*Parent entity*

N1 Holdings Limited is the parent entity.

**Note 29. Related party transactions (continued)**

*Subsidiaries*

Interests in subsidiaries are set out in note 31.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the directors' report.

*Other related parties*

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

*Transactions with related parties*

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with other related parties:

The following transactions occurred with related parties:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Sale of goods and services:		
Management and processing fee from Funds Under Management	641,869	1,174,197
Rental property management income from a key management personnel	-	1,379
Payment for goods and services:		
Finosource Sdn Bhd – Malaysia	145,402	113,599

*Receivable from and payable to related parties*

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

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Current receivables:		
Trade receivables from Funds Under Management	438,366	1,302,627

*Loans to/from related parties*

There were 2 unsecured loans totalling \$600,000 as of 30 June 2024 (30 June 2023: \$1,200,000) from a related entity of key management personnel. The total interest paid to the related parties in 2024 is \$17,528 (2023: \$91,375). Refer to note 19 for the loan term and interest rate.

*Terms and conditions*

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

**Note 30. Parent entity information**

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

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Loss after income tax	(5,635,316)	(3,621,488)
Total comprehensive income	<u>(5,635,316)</u>	<u>(3,621,488)</u>

*Statement of financial position*

	<b>Parent</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Total current assets	474,403	302,766
Total assets	<u>21,645,937</u>	<u>27,028,054</u>
Total current liabilities	273,395	213,662
Total liabilities	<u>20,140,017</u>	<u>19,896,661</u>
Equity		
Issued capital	17,124,119	17,124,119
Shared-based payment reserve	216,368	206,524
Accumulated losses	(15,834,567)	(10,199,250)
Total equity	<u><u>1,505,920</u></u>	<u><u>7,131,393</u></u>

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

The parent entity provided a guarantee in relation to the debt facility as at 30 June 2024 and 30 June 2023.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024 (30 June 2023: \$56,520 pertaining to Venus Chatwood Pty Ltd for its lease).

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

**Note 31. Interests in subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
N1 Loans Pty Ltd (i)	Australia	100.00%	100.00%
N1 Migration Pty Ltd (ii)	Australia	100.00%	100.00%
N1 Realty Pty Ltd (iii)	Australia	100.00%	100.00%
N1 Venture Pty Ltd (iv)	Australia	100.00%	100.00%
N1 Capital Singapore Pte. Ltd (v)	Singapore	100.00%	100.00%
Everone Consulting Pty Ltd (vi)	Australia	100.00%	100.00%
Yizhihao (Shanghai) Business Consulting Co. Ltd (vii)	China	100.00%	100.00%
Zillion Finance Pty Ltd (viii)	Australia	100.00%	100.00%
N1 WH2 Pty Ltd (ix)	Australia	100.00%	100.00%
N1 WH3 Pty Ltd (x)	Australia	100.00%	100.00%
N1SY Pty Ltd (xi)	Australia	100.00%	100.00%
N1 Holdings Trust 2023-1 (xii)	Australia	100.00%	-
RHCAP Pty Ltd (xiii)	Australia	100.00%	-

(i) N1 Loans was incorporated on 25 February 2010 and was initially owned by Mr Ren Hor Wong. Upon the completion of the IPO on 18 March 2016, the company became fully owned by the Group.

(ii) N1 Migration Pty Ltd was incorporated on 14 September 2015 and has been fully owned by the Group since 11 April 2016.

(iii) N1 Realty was incorporated on 3 May 2016 and, since then, it has been fully owned by the Group.

(iv) N1 Venture was incorporated on 19 November 2014 and was acquired on 1 September 2016. Since then it has been fully owned by the Group.

(v) N1 Capital Singapore Pte. Ltd was incorporated on 1 February 2019 and it has been fully owned by the Group since incorporation.

(vi) Everone Consulting Pty Ltd was incorporated on 14 May 2019 and it has been fully owned by the Group since incorporation.

(vii) Yizhihao (Shanghai) Business Consulting Co. Ltd was incorporated on 8 August 2019 and it has been fully owned by the Group since incorporation.

(viii) Zillion Finance Pty Ltd was acquired on 30 July 2020. It has been fully owned by the Group since acquisition.

(ix) N1 WH2 Pty Ltd was incorporated on 6 June 2021, it has been fully owned by the Group since incorporation.

(x) N1 WH3 Pty Ltd was incorporated on 12 January 2023, it has been fully owned by the Group since incorporation.

(xi) N1SY Pty Ltd was incorporated on 8 December 2021, it has been fully owned by the Group since incorporation.

(xii) N1 Holdings Trust 2023-1 was set up on 13 October 2023, it has been fully owned by the Group since set up.

(xiii) RHCAP Pty Ltd was incorporated on 24 April 2024, it has been fully owned by the Group since incorporation.

**Note 32. Key management personnel**

*Other key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity are considered KMP.

*Compensation*

Please refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's KMP for the year ended 30 June 2024. The total of remuneration paid to or payable to KMP of the Group during the year was:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	859,753	846,525
Post-employment benefits	61,582	65,659
Other long-term benefits	41,808	19,532
Share-based options	9,844	-
Dividend paid	-	118,307
	<u>972,987</u>	<u>1,050,023</u>

*Short-term employee benefits*

These amounts include fees and benefits paid to non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

*Post-employment benefits*

These amounts represent amounts paid under the defined superannuation contribution.

*Other long-term benefits*

These amounts represent long service leave benefits accruing during the year.

*Share-based options*

This amount represents the expense allocated to the key management personnel for the share options granted.

*Dividend paid*

These amounts represent the dividend payment to the KMP during the year.

**Note 33. Remuneration of auditors**

During the financial year, the following fees were paid or payable for services provided by auditors of the Group:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Remuneration of the auditor for:</i>		
Review of the consolidated financial statements (Crowe Sydney)	-	25,000
Audit or review of the consolidated financial statements (SW Audit)	109,500	80,000
	<u>109,500</u>	<u>105,000</u>

**Note 34. Contingent liabilities and contingent assets**

In relation to the leases entered by the Group, as disclosed in note 15, the Group has given bank guarantees as at 30 June 2024 of \$180,407 (30 June 2023: \$237,221) to various landlords.

There are no contingent assets as at 30 June 2024 (30 June 2023: nil).

**Note 35. Income tax expense**

(a) Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense (benefit) charged to profit or loss is the tax payable (recoverable) on taxable income (loss). Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense (benefit) reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which Management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

	<b>2024</b>	<b>2023</b>
	\$	\$
(i) The components of tax expense (benefit) comprise:		
Current tax	-	-
Deferred tax	(396,632)	(231,178)
Income tax benefit	<u>(396,632)</u>	<u>(231,178)</u>
(ii) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Profit/(loss) before income tax	688,723	109,767
Tax rate at 25% (2023: 25%)	172,181	27,441
Goodwill impairment	-	82,494
Others	27,247	-
Utilisation of prior year tax losses	(199,428)	(108,604)
Tax loss from controlled foreign companies	-	(1,331)
Deferred tax for tax losses recognised	(396,632)	(231,178)
Income tax benefit	<u>(396,632)</u>	<u>(231,178)</u>

As at 30 June 2024, the tax loss carried forward for the Group is \$1,277,467 (30 June 2023: \$3,661,709) for which no deferred tax asset has been recognised.

The Group has been tax consolidated since 11 March 2016.

(b) Tax position

As of 30 June 2024, the Group's current tax payable is nil (30 June 2023: nil)

Note 36. Deferred tax assets

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Non-current assets</i>		
Deferred tax assets	922,237	548,218
Deferred tax liabilities	(294,426)	(317,040)
	<u>627,811</u>	<u>231,178</u>

**Deferred tax assets**

	<b>Opening balance</b>	<b>Charge to income statement</b>	<b>Charge to equity</b>	<b>Closing balance</b>
	\$	\$	\$	\$
<b>2024</b>				
Clawback and accrued	13,358	(1,921)	-	11,437
Tax losses	323,040	312,608	-	635,648
Other temporary differences	189,428	70,819	-	260,247
Lease	22,392	(7,487)	-	14,905
	<u>548,218</u>	<u>374,019</u>	<u>-</u>	<u>922,237</u>

	<b>Opening balance</b>	<b>Charge to income statement</b>	<b>Charge to equity</b>	<b>Closing balance</b>
	\$	\$	\$	\$
<b>2023</b>				
Clawback and accrued	15,997	(2,639)	-	13,358
Tax losses	99,511	223,529	-	323,040
Other temporary differences	192,733	(3,305)	-	189,428
Lease	26,368	(3,976)	-	22,392
	<u>334,609</u>	<u>213,609</u>	<u>-</u>	<u>548,218</u>

**Deferred tax liabilities**

	<b>Opening balance</b>	<b>Charge to income statement</b>	<b>Charge to equity</b>	<b>Closing balance</b>
	\$	\$	\$	\$
<b>2024</b>				
Trailing income	(302,558)	22,614	-	(279,944)
Intangible assets	-	-	-	-
Investment - unrealised capital gain	(14,482)	-	-	(14,482)
	<u>(317,040)</u>	<u>22,614</u>	<u>-</u>	<u>(294,426)</u>

Note 36. Deferred tax assets (continued)

	<b>Opening balance \$</b>	<b>Charge to income statement \$</b>	<b>Charge to equity \$</b>	<b>Closing balance \$</b>
<b>2023</b>				
Trailing income	(239,518)	(63,040)	-	(302,558)
Intangible assets	(80,609)	80,609	-	-
Investment - unrealised capital gain	(14,482)	-	-	(14,482)
Balance at 30 June 2023	<u>(334,609)</u>	<u>17,569</u>	<u>-</u>	<u>(317,040)</u>

**Critical accounting estimates and Judgements - Taxation**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

**Note 37. Reconciliation of profit after income tax to net cash from/(used in) operating activities**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax benefit for the year	1,085,355	340,945
Adjustments for:		
Depreciation and amortisation	309,393	404,352
Interest expense for financing activities	73,479	181,766
Employee share scheme	9,844	-
Impairment of goodwill	-	329,975
Net gain on disposal of investments	-	(10,423)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	878,502	(1,071,254)
Decrease/(increase) in contract assets	90,454	(252,164)
Increase in deferred tax assets	(374,018)	(213,609)
Decrease/(increase) in prepayments	106,455	(108,465)
Increase in commercial loan receivables	(19,341,509)	(17,452,120)
Increase in trade and other payables	315,708	11,933
Decrease in deferred tax liabilities	(22,614)	(17,568)
Increase/(decrease) in employee benefits	14,904	(2,150)
Increase/(decrease) in other operating assets	77,599	(57,206)
Increase in in contract liabilities	146,162	9,018
Increase in in funds received for commercial loans	23,936,543	11,227,537
Increase in other operating liabilities	75,937	616,982
Net cash from/(used in) operating activities	<u>7,382,194</u>	<u>(6,062,451)</u>

**Note 38. Changes in liabilities arising from financing activities**

<b>Consolidated</b>	<b>Loans and borrowings</b>	<b>Lease liability</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2022	1,931,073	962,458	2,893,531
Net cash used in financing activities	(871,072)	(363,986)	(1,235,058)
Other changes	(480,001)	32,151	(447,850)
Balance at 30 June 2023	580,000	630,623	1,210,623
Net cash used in financing activities	(580,000)	(305,809)	(885,809)
Other changes	-	18,987	18,987
Balance at 30 June 2024	<u>-</u>	<u>343,801</u>	<u>343,801</u>

**Note 39. Events after the reporting period**

On 23 August 2024, the Group has received a commitment for an additional \$20 million in debt capital.

On 06 September 2024, the Group has received a commitment for an additional \$45 million in warehouse capital.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

#### *Australia tax residency*

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

#### *Foreign tax residency*

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

#### *Partnerships and Trusts*

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest		Tax residency
			%		
N1 Holdings Ltd	Body Corporate	Australia	-		Australia
N1 Loans Pty Ltd	Body Corporate	Australia	100.00%		Australia
N1 Migration Pty Ltd	Body Corporate	Australia	100.00%		Australia
N1 Realty Pty Ltd	Body Corporate	Australia	100.00%		Australia
N1 Venture Pty Ltd	Body Corporate	Australia	100.00%		Australia
N1 Capital Singapore Pte. Ltd	Body Corporate	Singapore	100.00%		Singapore
Everone Consulting Pty Ltd	Body Corporate	Australia	100.00%		Australia
Yizhiahao (Shanghai) Business Consulting Co. Ltd	Body Corporate	China	100.00%		China
Zillion Finance Pty Ltd	Body Corporate	Australia	100.00%		Australia
N1 WH2 Pty Ltd	Body Corporate	Australia	100.00%		Australia
N1 WH3 Pty Ltd	Body Corporate	Australia	100.00%		Australia
N1SY Pty Ltd	Body Corporate	Australia	100.00%		Australia
N1 Holdings Trust 2023-1	Trust	Australia	100.00%		Australia
RHCAP Pty Ltd	Body Corporate	Australia	100.00%		Australia
Perpetual Corporate Trust Limited *	Body Corporate	Australia	-		Australia

\* Perpetual Corporate Trust Limited is the trustee of N1 Holdings Trust 2023-1

In the directors' opinion:

- the attached consolidated 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 consolidated 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 consolidated financial statements;
- the attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 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; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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



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Ren Hor Wong  
Executive Chairman and CEO

20 September 2024

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF N1 HOLDINGS LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of N1 Holdings Limited (the Company and its subsidiaries (the Group)) which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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 2024 and of its financial performance for the year then ended, 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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



## Key Audit Matters

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

### Carrying value of commercial loan receivables

#### Area of focus

Refer also to Note 12 (Commercial loan receivables)

The Group holds commercial loan receivables of \$96,316,466 (2023: \$76,974,937).

The requirements of AASB 9 *Financial Instruments* involve significant judgements and estimates in assessing expected credit losses to be incurred based on past performance, the current economic environment, as well as expectations around future conditions.

The carrying value of commercial loan receivables is considered a key audit matter due to the subjectivity involved in determining the expected credit losses and judgements made by management.

#### How our audit addressed the area of focus

Our procedures performed, amongst others:

- obtained understanding and tested the control environment around the initial recognition and measurement of commercial loan receivables;
- tested a sample of commercial loan receivables to ensure that the balance at the year end complies with the requirements of AASB 9 *Financial Instruments*;
- evaluated whether the expected credit loss model prepared by management complies with the requirements of AASB 9 *Financial Instruments*;
- held discussions with management regarding non-performing loans; and
- verified management's assessment of expected credit losses, included checking the fair values of the collateral valued by real estate valuation specialists, in support of the recoverability of the loan.

We assessed the adequacy and appropriateness of the disclosures in the financial statements,

## Information Other than the Financial Report and Auditor's Report Thereon

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 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement for being true and correct in accordance with the requirements of the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement as true and correct and is free of misstatement, whether due to fraud or error.

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

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

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

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 17 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of N1 Holdings Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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



**SW Audit**  
Chartered Accountants



Yang (Bessie) Zhang  
Partner

Sydney, 20 September 2024

Additional information required by the Australian Securities Exchange Ltd (ASX) and not disclosed elsewhere in this report is set out below. The information is current as at **3 September 2024**.

**1. Shareholding**

**a. Distribution of Shareholders**

Category (size of holding)	Number of shares	%	Number of holders	%
1 to 1,000	2,028	0.00%	7	2.52%
1,001 to 5,000	59,386	0.07%	21	7.55%
5,001 to 10,000	784,142	0.89%	80	28.78%
10,001 to 100,000	4,788,059	5.44%	122	43.88%
100,001 and Over	82,421,958	93.60%	48	17.27%
<b>Total</b>	<b>88,055,573</b>		<b>278</b>	

b. The number of shareholdings held in less than marketable parcels is 47,244.

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
REN H WONG PTY LTD	50,000,000	56.78%
SIEW BEE TONG	5,000,000	5.68%
<b>Total</b>	<b>55,000,000</b>	<b>62.46%</b>

**d. 20 Largest Shareholders — Ordinary Shares**

Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. REN H WONG PTY LTD	50,000,000	56.78%
2. CITICORP NOMINEES PTY LIMITED	5,149,085	5.85%
3. MR YOKE MENG CHAN	4,313,500	4.90%
4. TIN FAMILY SMSF PTY LTD	2,494,940	2.83%
5. BNP PARIBAS NOMS PTY LTD	2,297,367	2.61%
6. MS YUEXIAN ZHAO	1,388,718	1.58%
7. MR HO YAN MAK	1,361,982	1.55%
8. JIANRONG SUN	1,357,500	1.54%
9. FINCLEAR SERVICES PTY LTD	1,070,753	1.22%
10. MR TONG CHAI TAN	908,500	1.03%
11. MS MUN CHING WANG	908,500	1.03%
12. STAR PLUS SUPER PTY LTD	893,291	1.01%
13. MISS HUEY WONG	820,798	0.93%
14. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	800,000	0.91%
15. IPOH YAP SMSF CO PTY LTD	800,000	0.91%
16. MR ENG LEK LAU	713,524	0.81%
17. MR ANDREW THOMAS BARRY KENNEDY	535,090	0.61%
18. DR CHIN VEN TAN	500,000	0.57%
19. SILOTUS PTY LTD	500,000	0.57%
20. AUSTRALIA WIDE DEVELOPMENT GROUP PTY LTD	500,000	0.57%
<b>Total</b>	<b>77,313,548</b>	<b>87.80%</b>

**e. Escrowed Shares**

No

**f. Vested Options**

No

**g. Convertible notes**

No

**g. Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

There are no other classes of equity securities.

**h. Current on-market buy-back**

There is no current on-market buy-back in relation to the Company's ordinary shares.

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# N1 Holdings

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