Health and Plant Protein Group Limited
ABN 68 010 978 800

Annual Report

30 June 2024

FINANCIAL STATEMENTS

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These financial statements are consolidated financial statements for **Health and Plant Protein Group Limited** and its subsidiaries (the "**Group**"). A list of subsidiaries is included in note 23.

The financial statements are presented in Australian dollars which is Health and Plant Protein Group Limited's functional and presentation currency.

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Health and Plant Protein Group Limited is a company limited by shares, incorporated and domiciled in Australia.

Registered office:	Principal place of business:
c/-Thomson Geer	Level 26
Level 28, 1 Eagle Street	1 Bligh Street
Brisbane QLD 4000	Sydney NSW 2000

The financial statements were authorised for issue by the Directors on 21 August 2024.

All press releases, financial reports and other information are available at www.hppgroup.com

EXECUTIVE CHAIR’S MESSAGE

Dear Shareholders,

On behalf of the Health and Plant Protein Group Limited’s (HPP) Board, I am pleased to present the annual report for the financial year ended 30 June 2024.

After the successful divestment of the Macadamia division in April 2023, the business has focussed on recovering the outstanding amount of US$3.9 million (2023: US$3.9 million), awaiting clearance from the Internal Revenue Service (IRS) of the United States, subject to relevant withholding taxes. The process was further delayed in March 2024 when the IRS advised HPP that its application for a withholding certificate could not be processed, so the escrowed funds had to be transferred to the IRS. HPP is in the process of filing the relevant US income tax returns and related information to receive the tax refund owing net of any US withholding tax.

From close of business on 28 August 2023, trading in HPP’s shares was suspended by ASX in accordance with listing rule 17.3. It was ASX's opinion that the level of HPP's operations is not sufficient to warrant the continued quotation of its securities, despite the ongoing work to finalise the transaction payments as outlined above.

For the financial year ended 30 June 2024, the Group has posted a Net Loss After Tax of $0.8 million compared with a $16.8 million loss in the prior year. The Group has ended the financial year with a negative net operating cashflow of $1.3 million (mainly as a result of the carry-forward of the business’s costs associated with the divestment) and cash at bank of $1.3 million.

Albert Tse
Executive Chair

DIRECTORS' REPORT

The Directors of Health and Plant Protein Group Limited present their report on the consolidated entity consisting of Health and Plant Protein Group Limited ("the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2024.

BOARD OF DIRECTORS

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

- Albert Tse (Executive Chair)
- Qi (Christina) Chen
- Hugh Robertson

Albert Tse	**Executive Chair**
Qualifications	B.BUS, CA, Solicitor of the Supreme Court of Queensland
Experience	Mr Tse was appointed Executive Chair on 19 July 2022, having also been a Director of the business between February 2017 and February 2019. Mr Tse is the founder of Wattle Hill Capital, a leading mid-market private equity fund based in Sydney. Mr Tse was the former Legal Representative of Macquarie Group in Beijing and led transactions including the historic $22.1bn Hong Kong and Shanghai initial public offering of the Agricultural Bank of China in 2010.
Interest in shares and options	50,000 ordinary shares held directly 15,000,000 unlisted options held indirectly
Special responsibilities	None
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

Qi (Christina) Chen	**Non-Executive Director**
Qualifications	B.A. Econ, B.Com Fin (University of Manitoba)
Experience	Ms Chen was appointed a Director on 28 July 2017. Ms Chen is a Director of ChaCha Food Co. Ltd and a Director and Vice Chairman of Hefei Huatai Group Co. Ltd. She has relevant experience in fast moving consumer goods, E-commerce, and equity investment. Ms Chen has held a number of senior positions previously including, CEO of Hefei ChaCha Weileyuan E-Commerce Co. Ltd, Assistant President, Vice President of Anhui Huayuan Financial Group Co. Ltd. and as an Investment Manager and a partner in Harvest Capital Co. Ltd. Ms Chen is also on the Board of the International Nut & Dried Fruit Council (INC).
Interest in shares and options	None
Special responsibilities	None
Other current directorships in listed entities	ChaCha Food Co. Ltd (SHE: 002557)
Other directorships in listed entities held in the previous three years	None

Hugh Robertson	**Non-Executive Director**
Qualifications	B.BUS, B.AG.SCI (HONS)
Experience	Mr Robertson was appointed a Director on 19 July 2022. Mr Robertson has over 15 years of advisory and board experience across a range of industries including FMCG, Food and Agriculture, Technology and Financial and Professional Services. Mr Robertson has worked with HPP as a corporate advisor since 2017. Mr Robertson is currently a Director, Corporate Finance at Bell Potter Securities Ltd and supports emerging private and ASX listed company's in raising capital, strategy as well as mergers and acquisitions. Prior to Bell Potter, Mr Robertson was a Director of Bubs Australia (ASX:BUB), Agersens (cattle tracking technology) and Truffle and Wine Company (world's largest farmed black perigord truffle producer) and was a founder of a start-up financial services business providing cash flow based debt solutions to Australian agribusinesses.
Interest in shares and options	10,000,000 unlisted options held indirectly
Special responsibilities	None
Other current directorships in listed entities	None
Other directorships in listed entities held in the previous three years	None

COMPANY SECRETARY

Deane Conway	Appointed 19 June 2023
Qualifications	M.Com (UCT), FCA (ICAEW), CFA
Experience	Mr Conway is a chartered accountant and funds management executive with over 25 years of investment banking and corporate advisory experience in Australia and the UK. Mr Conway is a Fellow of the Institute of Chartered Accountants in England & Wales, a CFA charterholder, and holds a Masters Degree in Commerce from the University of Cape Town.

CORPORATE INFORMATION

Corporate Structure

Health and Plant Protein Group Limited is a company limited by shares that is incorporated and domiciled in Australia. As the ultimate parent entity, it has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in note 23 of the financial statements.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year ended 30 June 2024, following the disposal on 14 April 2023 of the Group's Macadamia division, the Group had no main business undertaking or material operations that generate cash surpluses for the shareholders, as it sought to finalise the transactions and cashflows associated with the disposal.

The principal activities of the Group during the financial year:

- The Group saw no business being conducted during the year, due to the sale of the Macadamia division in April 2023.
- The continuing operations comprise the consolidated results of Health and Plant Protein Group Limited and its 100% subsidiary, HPP Group (Overseas) Holdings Pty Ltd.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

EMPLOYEES

The Group employed 1 non-director employee as at 30 June 2024 (2023:1).

MEETINGS OF DIRECTORS

During the financial year, 7 meetings of directors (excluding the Annual General Meeting) were held. Attendances by each director during the year were as follows:

	Director's meetings	
	Number eligible to attend	Number attended
A Tse	7	7
Q Chen	7	7
H Robertson	7	7

OPERATING RESULTS AND REVIEW

The Group saw no business being conducted during the year ($ nil). The Group recorded a net loss after tax of $0.8 million from continuing operations for the year ended 30 June 2024 (2023: $17.8 million). The results can be summarised as follows:

	CONSOLIDATED	
	2024	2023
	$'000	$'000
Continuing operations (loss)/gain after income tax	**(801)**	(6,433)
Discontinued operations (loss)/gain after income tax	**-**	(3,564)
Loss on disposal of discontinued operations	**-**	(6,832)
Other comprehensive income net of tax	**-**	(928)
Total profit/(loss) attributable to members	**(801)**	(17,757)

REVIEW OF FINANCIAL CONDITION

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders. The capital structure of the Group consists of no debt, only cash and cash equivalents, and equity attributable to the equity holders of the parent (comprising issued capital, reserves and retained earnings, as disclosed on the face of the Consolidated Statement of Changes in Equity). There are no externally imposed capital requirements. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Liquidity and capital resources

The Consolidated Statement of Cash Flows shows a decrease in cash and cash equivalents for the year ended 30 June 2024 of $2.45 million (2023: $0.27 million). As at 30 June 2024 the Group had $1.3 million (2023: $3.7 million) cash and cash equivalents available, as set out in note 7 to the financial statements. As at 30 June 2024, the Group held no finance facilities (2023: nil).

	CONSOLIDATED	
	2024	2023
NET GEARING	**$'000**	$'000
Interest-bearing liabilities	**-**	-
Less: Cash and cash equivalents	**(1,288)**	(3,738)
Net cash	**(1,288)**	(3,738)
Add: Total equity	**6,151**	7,287
Total capital employed	**4,984**	3,549
Net gearing	***nil***	*nil*

DEBT/EQUITY	CONSOLIDATED **2024** **$'000**	2023 $'000
Total equity	**6,151**	7,287
Less: Intangibles	**-**	-
Net tangible assets	**6,151**	7,287
Interest-bearing liabilities	**-**	-
Debt/Equity ratio	***nil***	*nil*

DIVIDENDS PAID OR PROPOSED

No dividends have been paid during the year ended 30 June 2024 (2023: nil). No dividend has been declared for the year ended 30 June 2024 (2023: nil).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

It is the opinion of the Directors that there have been no other significant changes in the state of affairs of the Group during the financial year under review other than those already disclosed in this report or the financial report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

After the divestment of the Macadamia division, Management was focused on finalisation of net sale proceeds and, due to the IRS delays, undertook interim measures to return capital to shareholders. No further developments are expected prior to the finalisation and repatriation of monies due from the IRS.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Since the divestment of its Macadamia division, the Group is not directly subject to significant environmental regulation.

CLIMATE RELATED RISKS

Since the divestment of its Macadamia division, the Group is not expected to suffer directly any material adverse impact from climate related events.

CORPORATE GOVERNANCE

The Corporate Governance Statement is provided on the corporate website www.hppgroup.com under the Corporate Governance tab to inform shareholders and other stakeholders of the governance arrangements in the Group.

ROUNDING

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, issued by the Australian Securities and Investment Commissions (ASIC), relating to the "rounding off" of amounts in the Directors report. Amounts in the consolidated financial statements and directors' report have been rounded off in accordance with the ASIC instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

REMUNERATION REPORT (AUDITED)

Employment details of members of key management personnel

The remuneration report outlines the remuneration arrangements in place for the key management personnel, comprising Directors and senior executives of the Group.

The key management personnel of the Group consisted of the following Directors and senior executives of Health and Plant Protein Group Limited:

Directors	Position held
A Tse(1)	Executive Chair
Q Chen(2)	Non-Executive Director
H Robertson(3)	Non-Executive Director

Senior executives	Position held
A Tse(1)	Executive Chair
D Conway(4)	Company Secretary

*See footnotes at the end of this remuneration report for each of the key management personnel.

Board of Directors

The Board of Directors is collectively responsible for determining and reviewing compensation arrangements for the Directors, the Executive Director and the executive team. The Board of Directors assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team. The Board of Directors meet at least once a year and more often as required.

Voting and comments made at the last AGM

The remuneration report resolution in regards to the remuneration report for the 2023 financial year was carried at the 2023 AGM. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Link between remuneration and the Group's performance

The table below indicates the earnings and shareholder value against the remuneration of key management personnel:

	2024	2023	2022	2021	2020
Earnings/(losses) ($'000)	**(801)**	(16,829)	665	(10,112)	(7,566)
Basic earnings/(losses) per share (cents)	**(0.66)**	(13.70)	0.54	(9.45)	(8.80)
Dividend paid per share (cents)	**-**	-	-	-	-
Net asset value ($'000)	**6,151**	7,287	25,043	20,925	26,389
Net tangible asset backing per share (cents)	**5**	6	19	15	28
Share price (cents)	**4**	5	7	27	22
KMP remuneration ($)	**571,807**	1,835,820	841,147	1,032,797	916,840
KMP remuneration excluding long-term incentive and share-based payments ($)	**394,307**	1,835,820	841,147	1,032,797	916,840

*Comparative figures have been restated to present the impacts of the prior year discontinued operations.

Non-Executive Director remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. Non-Executive Directors do not receive any share-based remuneration.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 30 October 2015 when shareholders approved an aggregate remuneration of $300,000 per year. Actual fees paid to Non-Executive Directors during the year totalled $48,612 (2023: $95,922).

The amount of aggregate remuneration approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers external remuneration surveys as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

The normalised annual salary/fees for the year ended 30 June 2024, as compared with the year ended 30 June 2023, are outlined below:

	2024	2023
	$	$
Executive Chair	**141,525**	157,552
Non-Executive Director	**24,306**	31,974

Executive remuneration

Salary packages are measured by the Company as Total Employment Cost (TEC). TEC includes all costs associated with employment, which may include, but is not limited to, PAYG salary, FBT, superannuation, salary sacrifice arrangements, and any other approved expenditure, excluding employment oncosts such as payroll tax and workers compensation. Fringe benefits or non-deductible expenditure is grossed up to include the tax effect as part of the cost of providing such benefits in a salary package. The Group aims to reward executives with a level and mix of TEC remuneration commensurate with their position and responsibilities within the Group so as to:

- Reward executives for the Group and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

In determining the level and make-up of Executive TEC remuneration, the Board of Directors makes reference to external remuneration surveys detailing market levels of remuneration for comparable executive roles, and internal relativities.

Depending upon the particular role undertaken by Executives, remuneration can consist of one or all of the following key elements:

- Base salary and benefits;
- Short term incentives; and
- Long term incentives.

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board of Directors and the process consists of a review of Group and individual performance, relevant comparative remuneration in the market, internal relativities and, where appropriate, external advice on policies and practices. There is no guaranteed base remuneration increases included in contracts.

Variable Remuneration

The objective of a short-term incentive (STI) is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. STI's are payable at the Board's discretion.

No STI payments were made during the year ended 30 June 2024. During the year ended 30 June 2023, STI payments in the form of retention payments were offered to Australian based staff due to the divestment of the Macadamia division, as per ASX announcement dated 30 January 2023.

The objective of a long-term incentive (LTI) is to the achievement of the Group’s strategic goals and long-term value with the remuneration received by executives who can lead the business to achieve those goals and valuations. An LTI plan in the form of share options was made available to Directors during the year ended 30 June 2024 (2023: none). On 11 December 2023, the Company issued 15,000,000 share options to Mr Albert Tse (Executive Chair) and 10,000,000 share options to Mr Hugh Robertson (Director), at an exercise price of $0.06 (6 cents) each, as approved by the shareholders at the Annual General Meeting on 28 November 2023. The share options are not exercisable within the first 12 months of being issued and unexercised share options will expire on 11 December 2027. The Company will allot one Share for each share option exercised, accounted for as an equity-settled plan with no cash settlement alternatives. The full cost of the LTI was expensed on the grant date at a value of $177,500 (2023: $nil). Details of the Share-Based Payments are contained in note 26.

Service agreements

It is the Board of Director's policy that employment contracts are entered into with executives to protect the interests of both the Group and the employee. Details of the key terms of these agreements are as follows:

Executive	Position held	Term	Notice period
A Tse(1)	Executive Director	-	1 month
D Conway(4)	Company Secretary	-	4 weeks

*See footnotes at the end of this remuneration report for each of the key management personnel.

Amounts paid to key management personnel are disclosed in the relevant section below. Service agreements for key management personnel include statutory leave entitlements and redundancy payments for the notice periods outlined above.

Remuneration details for the year ended 30 June 2024

Details of the remuneration of the directors and other key management personnel are set out in the following tables. The amounts shown are equal to the amount expensed in the Group's financial statements:

2024	**Short Term Benefits**			**Post Employment Benefits**	**Long Term Benefits**		**Termination Benefits**	**Total**	***Proportion of remuneration that is performance-based***
	Salary and fees(10)	Short-term incentives	Non-monetary benefits(11)	Super-annuation	Long service leave	Long-term incentives	Redundancy benefits		
	$	$	$	$	$	$	$	$	*%*
Directors									
Q Chen(2)	-	-	-	-	-	-	-	-	
H Robertson(3)	43,794	-	-	4,817	-	71,000	-	119,611	*59.4%*
Total directors	**43,794**	**-**	**-**	**4,817**	**-**	**71,000**	**-**	**119,611**	
Executives									
A Tse(1)	127,500	-	-	14,025	-	106,500	-	248,025	*42.9%*
D Conway(4)	183,937	-	-	20,233	-	-	-	204,170	
Total executives	**311,437**	**-**	**-**	**34,258**	**-**	**106,500**	**-**	**452,195**	
Total remuneration	**355,231**	**-**	**-**	**39,075**	**-**	**177,500**	**-**	**571,807**	

2023	Short Term Benefits			Post Employment Benefits	Long Term Benefits		Termination Benefits	Total	*Proportion of remuneration that is performance-based*
	Salary and fees[10]	Short-term incentives	Non-monetary benefits[11]	Super-annuation	Long service leave	Long-term incentives	Redundancy benefits		
	$	$	$	$	$	$	$	$	*%*
Directors									
Q Chen[2]	-	-	-	-	-	-	-	-	
H Robertson[3]	41,675	-	-	4,376	-	-	-	46,051	
P O'Keeffe[5]	29,196	-	-	3,066	-	-	-	32,262	
A Bond[6]	15,936	-	-	1,673	-	-	-	17,609	
Total directors	**86,807**	**-**	**-**	**9,115**	**-**	**-**	**-**	**95,922**	
Executives									
A Tse[1]	121,331	363,586	-	17,947	-	-		502,864	*72.3%*
D Conway[4]	12,407	-	-	1,303	-	-	-	13,710	
D Lin[7]	21,250	-	-	-	-	-	-	21,250	
A Cunningham[8]	221,233	144,958	790	32,154	38,324	-	207,197	644,656	*22.5%*
L Davis[9]	218,125	144,958	-	35,789	-	-	158,546	557,418	*26.0%*
Total executives	**594,346**	**653,502**	**790**	**87,193**	**38,324**	**-**	**365,743**	**1,739,898**	
Total remuneration	**681,153**	**653,502**	**790**	**96,308**	**38,324**	**-**	**365,743**	**1,835,820**	

*See footnotes at the end of this remuneration report for each of the key management personnel.

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Share-based payments

At the 28 Nov 2023 AGM for the Company, shareholders approved the grant of 15,000,000 share options to Mr Albert Tse (Executive Chair) and 10,000,000 share options to Mr Hugh Robertson (Director), in both cases through their nominee trust companies. These share options were granted on 11 December 2023 at an exercise price of $0.06 (6 cents). The share options are not exercisable within the first 12 months of being issued and unexercised share options will expire on 11 December 2027. The Company will allot one Share for each share option exercised, accounted for as an equity-settled plan with no cash settlement alternatives.

The share options are not proposed to be quoted on ASX, accordingly, they have no easily identifiable market value. Therefore the fair value of the share options was estimated at the grant date using a Black-Scholes option valuation model, taking into account the terms and conditions on which the share options were granted. This resulted in an estimated value per share option of $0.0071 (0.71 cents). The total fair value for the 25 million share options at grant date ($177,500) is expensed immediately.

The weighted average remaining contractual life for the share options outstanding at 30 June 2024 was 3.45 years (2023: n.a.). The weighted average fair value of each option granted during the year was 0.71 cents (2023: n.a.). The exercise price of each option outstanding at 30 June 2024 was 6.0 cents (2023: n.a.). Refer to note 26 for further details of the share-based payments and the valuation methodology.

Shareholdings of Directors

The number of ordinary shares held in Health and Plant Protein Group Limited during the financial year held by each Director and other members of key management personnel of the Group at 30 June 2024 is set out below:

30 June 2024

Directors	Interest	Balance at beginning of year	Received as part of remuneration	Market acquisition / (sale)	Other	Balance at end of year
A Tse[(1)]	Direct	50,000	-	-	-	50,000

30 June 2023

Directors	Interest	Balance at beginning of year	Received as part of remuneration	Market acquisition / (sale)	Other	Balance at end of year
A Tse[(1)]	Direct	50,000	-	-	-	50,000
A Bond[(6)]	Indirect	967,444	-	(967,444)	-	-
D Lin[(7)]	Direct	100,945	-	-	-	100,945

*See footnotes at the end of this remuneration report for each of the key management personnel.

All equity transactions with Directors and executives have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Other transactions and balances with directors and executives

Transactions between related Directors and executives are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Loans made to KMP

There were no loans made to key management personnel during the year or prior year and there were no loans outstanding as at 30 June 2024.

Footnotes:

(1) A Tse appointed 19 July 2022.
(2) Q Chen appointed 28 July 2017.
(3) H Robertson appointed 19 July 2022.
(4) D Conway appointed 19 June 2023.
(5) P O'Keeffe resigned effective 26 February 2023.
(6) A Bond resigned effective 11 November 2022.
(7) D Lin was appointed Executive Chair 4 August 2021. D Lin resigned as Executive Chair effective 30 June 2022 and as Director on 19 July 2022.
(8) A Cunningham resigned due to redundancy effective 19 June 2023.
(9) L Davis resigned due to redundancy effective 19 June 2023.
(10) 'Salary and fees' include annual leave entitlements taken during the reporting period.
(11) 'Non-monetary benefits' includes the value of any non-cash benefits provided, such as fully maintained motor vehicle, insurance and/or professional membership subscriptions.

END OF AUDITED REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

Health and Plant Protein Group Limited and its subsidiaries have entered into Deeds of Indemnity, Insurance and Access. These deeds provide that the company indemnify all current and future directors and secretaries in accordance with the provisions of the Corporations Act 2001, and provide them with access to the company books and records for a period of seven years after they cease to be a director or secretary of the company.

During the financial year, the Group has paid premiums in respect of a contract insuring all the directors and officers of Health and Plant Protein Group Limited against a liability incurred in their role as directors of the company, except where:

(a) the liability arises out of conduct involving a wilful breach of duty; or
(b) there has been a contravention of sections 232(5) or (6) of the Corporations Act 2001; and
(c) as permitted by section 199B of the Corporations Act 2001.

The Directors have not included details of the amount of the premium paid in respect of the Directors and Officers and Supplementary Legal Expenses policies as such disclosure is prohibited under the terms of the contract.

The Group has not, during or since the end of the financial year indemnified or agreed to indemnify the auditor of the Group against a liability incurred as auditor.

AUDITOR INDEPENDENCE

The auditor’s independence declaration in accordance with section 307C of the Corporations Act 2001 for the year ended 30 June 2024 can be found on page 12 of the consolidated financial report.

NON-AUDIT SERVICES

The non-audit services were provided by the entity’s auditor, Ernst & Young Australia. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young Australia received or are due to receive $15,000 (2023: $40,000) for the provision of non-audit services.

PROCEEDINGS ON BEHALF OF COMPANY

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

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Albert Tse
Executive Chair
Brisbane, 21 August 2024

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Auditor's independence declaration to the directors of Health and Plant Protein Group Limited

As lead auditor for the audit of the financial report of Health and Plant Protein Group Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Health and Plant Protein Group and the entities it controlled during the financial year.

Ernst & Young

Susie Kuo
Partner
21 August 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	CONSOLIDATED 2024 $'000	2023 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**1,288**	3,738
Trade and other receivables	8	**4,964**	4,816
Prepayments		**11**	3
TOTAL CURRENT ASSETS		**6,263**	8,557
TOTAL ASSETS		**6,263**	8,557
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**79**	1,258
Employee entitlements	15	**33**	12
TOTAL CURRENT LIABILITIES		**112**	1,270
TOTAL LIABILITIES		**112**	1,270
NET ASSETS		**6,151**	7,287
EQUITY			
Contributed equity	16	**60,100**	60,613
Reserves	17	**178**	-
Accumulated losses		**(54,127)**	(53,326)
TOTAL EQUITY		**6,151**	7,287

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2024

		CONSOLIDATED	
		2024	2023
	Note	**$'000**	$'000
INCOME			
Sale of goods from continuing operations	4	**-**	-
Cost of sales		**-**	-
Gross profit		**-**	-
Other income	4	**258**	1,318
Administration expenses		**(1,090)**	(4,670)
Impairment		**-**	(258)
Other expenses	5	**(28)**	(4)
LOSS BEFORE INCOME TAX AND FINANCE INCOME/(COSTS)		**(860)**	(3,614)
Finance income	4	**59**	698
Finance costs	5	**-**	(3,517)
PROFIT/(LOSS) BEFORE INCOME TAX		**(801)**	(6,433)
Income tax (expense)/benefit	6	**-**	-
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(801)**	(6,433)
Profit/(loss) from discontinued operations		**-**	(3,564)
Gain/(loss) on disposal of discontinued operations		**-**	(6,832)
Income tax (expense)/benefit from discontinued operations		**-**	-
NET PROFIT/(LOSS) FOR THE YEAR		**(801)**	(16,829)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations, net of tax		**-**	(928)
Total other comprehensive income for the year, net of tax		**-**	(928)
TOTAL COMPREHENSIVE INCOME/(LOSS)		**(801)**	(17,757)
Total profit/(loss) is attributable to:			
Equity holders of Health and Plant Protein Group Limited		**(801)**	(16,829)
		(801)	(16,829)
Total comprehensive income/(loss) attributable to:			
Equity holders of Health and Plant Protein Group Limited		**(801)**	(17,757)
		(801)	(17,757)

Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company:

Basic and diluted earnings per share from continuing operations (cents)	3	**(0.66)**	(5.24)
Basic and diluted earnings per share (cents)	3	**(0.66)**	(13.70)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2024

	Note	CONSOLIDATED	
		2024	2023
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers (inclusive of GST)		**-**	27,389
Payments to suppliers and employees (inclusive of GST)		**(1,345)**	(34,094)
Other receipts		**-**	114
Finance costs		**-**	(748)
Income taxes paid		**-**	-
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES	7	**(1,345)**	(7,339)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**-**	-
Proceeds from sale of plant and equipment		**-**	17
Acquisition of associates		**-**	-
Investment income		**57**	108
Proceeds/(outgoings) from sale of business, net of cash sold		**(649)**	16,586
NET CASH PROVIDED FROM/(USED IN) INVESTING ACTIVITIES		**(592)**	16,711
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares / options		**-**	-
Payment for buy-back of shares		**(393)**	-
Payment of transaction costs		**(120)**	-
Proceeds from borrowings		**-**	3,384
Repayment of borrowings		**-**	(12,043)
Principal elements of lease payments		**-**	(183)
NET CASH PROVIDED FROM/(USED IN) FINANCING ACTIVITIES		**(513)**	(8,842)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,450)**	530
Cash and cash equivalents at beginning of year		**3,738**	3,470
Cash transferred on disposal of business		**-**	(1,391)
Foreign exchange difference on cash holdings		**-**	1,129
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	7	**1,288**	3,738

The accompanying notes form
part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2024

	CONSOLIDATED					
		Reserves				
	Contributed Equity $'000	Asset Revaluation $'000	Share-based Payments $'000	Foreign Currency Translation $'000	Accumu-lated Losses $'000	Total Equity $'000
Balance at 1 July 2023	**60,613**	**-**	**-**	**-**	**(53,326)**	**7,287**
Total comprehensive income/(loss) for the year						
Net profit/(loss) from operations	-	-	-	-	(801)	**(801)**
Other comprehensive income/(loss) for the year	-	-	-	-	-	**-**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**(801)**	**(801)**
Transactions with owners in their capacity as owners						
Share buy-backs with cancellation	(393)	-	-	-	-	**(393)**
Transaction costs	(120)	-	-	-	-	**(120)**
Share-based payments	-	-	178	-	-	**178**
Balance at 30 June 2024	**60,100**	**-**	**178**	**-**	**(54,127)**	**6,151**

	CONSOLIDATED					
		Reserves				
	Contributed Equity $'000	Asset Revaluation $'000	Share-based Payments $'000	Foreign Currency Translation $'000	Accumu-lated Losses $'000	Total Equity $'000
Balance at 1 July 2022	**60,613**	**14,966**	**-**	**928**	**(51,464)**	**25,043**
Total comprehensive income/(loss) for the year						
Net profit/(loss) from operations	-	-	-	-	(16,829)	**(16,829)**
Other comprehensive income/(loss) for the year						
Loss on land revaluation	-	(1,173)	-	-	1,173	**-**
FCTR recycling to profit and loss	-	-	-	(1,418)	-	**(1,418)**
FCTR movement to the date of disposal	-	-	-	490	-	**490**
Total comprehensive income/(loss) for the year	**-**	**(1,173)**	**-**	**(928)**	**(15,656)**	**(17,757)**
Transfer to retained earnings from reserves	-	(13,793)	-	-	13,793	**-**
Balance at 30 June 2023	**60,613**	**-**	**-**	**-**	**(53,326)**	**7,287**

NOTES TO THE FINANCIAL STATEMENTS

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1 BASIS OF PREPARATION

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial report of the Group also complies with the International Financial Reporting Standards ("IFRS") issued by the international Accounting Standards Board.

The consolidated financial statements have also been prepared on an accruals basis and are based on historical costs, except for investments, land, biological assets and derivative liabilities that have been measured at fair value. The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

GOING CONCERN

The aggregated financial statements have been prepared on the going concern basis, which assumes the Group will be able to realise its assets and settle its liabilities in the normal course of business and at amounts stated in the financial report.

As at 30 June 2024, the Group recorded a net loss of $0.8 million (2023: $16.8 million loss). The financial position and performance of the Group included the following events and transactions during the reporting period:

- On 1 August 2023 the Group finalised and paid the final working capital and price adjustments of US$430,000 (A$649,000) to the Buyer of the Macadamia division. On 28 March 2024, the outstanding monies of US$3.9 million (A$5.8 million), subject to relevant withholding taxes that had been escrowed awaiting clearance from the Internal Revenue Service (IRS) of the United States, were released from escrow and transferred to the IRS. The net amount owing by the IRS to the Group remains outstanding at the date of this report. See note 8 for more details.
- From close of business on 28 August 2023, trading in HPP's shares was suspended by ASX in accordance with listing rule 17.3.
- On 11 Dec 2023, 25 million share options were granted to Directors at an exercise price of $0.06 (6 cents). The share options are not exercisable within the first 12 months of being issued and unexercised share options will expire on 11 December 2027. The estimated value per share option of $0.0071 (0.71 cents) and the total fair value for the 25 million share options at grant date ($177,500) was expensed immediately. See note 26 for more details.
- On 25 March 2024 the Company announced that a total of 2,203,184 shares had been bought back and cancelled for a total consideration of $92,534 ($0.042 per share) under the Unmarketable Parcel (UMP) buy-back, a minimum holding buy-back for holders of 'unmarketable parcels' of shares[1]. On 12 April 2024 the Company announced that a total of 7,142,857 shares had been bought back and cancelled for a total consideration of $300,000 ($0.042 per share) under the Off-market buy-back, an equal access off-market share buy-back of less than 10% of the Company's shares on issue. See note 16 for more details.

The Directors, in their consideration of the appropriateness of the going concern basis for preparation of the financial statements, have prepared a cash flow forecast through to August 2025 which indicates the Group will have sufficient cash to continue as a going concern.

Accordingly, at the date of signing, the financial report has been prepared using the going concern basis of accounting. No adjustments have been made to the amounts and classifications of recorded assets and liabilities should the entity be unable to continue as a going concern.

BASIS OF CONSOLIDATION

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, excluding intercompany loans denominated in foreign currencies, have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

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[1] Under the ASX Listing Rules, a shareholding valued at less than $500 based on the company's last closing price is considered to be an 'unmarketable parcel' of shares.

OTHER ACCOUNTING POLICIES

Material and other accounting policies relevant to gaining an understanding of the financial statements have been grouped with the relevant notes to the financial statements.

KEY JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires the use of certain critical accounting estimates, judgements in the process of applying the Group's accounting policies. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are outlined in the following notes:

		PAGE
Note 1	Going Concern	18
Note 8	Trade and other receivables	25

2 SEGMENT INFORMATION

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Chair.

Description of segments

The reportable segment for the years ended 30 June 2024 and 30 June 2023 was as follows:

- **Corporate** – Australian Head Office, foreign exchange, investment in associates/subsidiaries, and leases recognised during the year ended 30 June 2024. This division is the only segment at year end.

The Chief Executive Officer reviews the segment's performance and is the Chief Operational Decision Maker (CODM).

The Group's main operating business prior to 14 April 2023 was the Macadamia segment run through the HPP America, Inc and MacFarms LLC subsidiaries. The Macadamia segment has been accounted for as discontinued operations in the comparative period, following its divestment by way of sale. The remaining division, labelled "Corporate" comprises the continuing operations of the Group after 14 April 2023. Segment accounting policies were the same as the Group's policies described in each note.

3 EARNINGS PER SHARE

Accounting Policy

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

The following reflects the income and share data used in the basic earnings/(losses) per share computations:

	CONSOLIDATED	
	2024	2023
Net profit/(loss) after tax attributable to ordinary shareholders of Health and Plant Protein Group Limited used in the calculation of basic and diluted earnings per share		
From continuing operations ($'000)	**(801)**	(6,433)
From discontinued operations ($'000)	**-**	(10,396)
Weighted average number of ordinary shares on issue used in calculation of basic and diluted earnings/(losses) per share	**120,695,070**	122,830,738
Basic and diluted earnings/(losses) per share attributable to ordinary shareholders of Health and Plant Protein Group Limited (cents per share)		
From continuing operations (cents per share)	**(0.66)**	(5.24)
From discontinued operations (cents per share)	**-**	(8.46)
Total (cents per share)	**(0.66)**	(13.70)

On 31 January 2024, the Company announced that, given the IRS delays in finalising the quantum and timing of US tax clearances, it was considering as an interim measure the following capital management initiative:

- Unmarketable Parcel (UMP) buy-back, a minimum holding buy-back for holders of 'unmarketable parcels' of shares;[1] and
- Off-market buy-back, an equal access off-market share buy-back of less than 10% of the Company's shares on issue.

Details of the UMP buy-back were released on 6 February 2024 and on 25 March 2024 the Company announced that a total of 2,203,184 shares bought back under the UMP buy-back for a total consideration of $92,534 ($0.042 per share) had been cancelled. Following completion of the UMP buy-back, HPP had 120,617,554 shares on issue.

Details of the Off-market buy-back were released on 23 February 2024 and on 12 April 2024 the Company announced that a total of 7,142,857 shares bought back under the Off-market buy-back for a total consideration of $300,000 ($0.042 per share) had been cancelled. Following completion of the Off-market buy-back, HPP had 113,474,697 shares on issue.

The Company had 25,000,000 potential ordinary shares at 30 June 2024 (2023: nil) in the form of Directors' options, which were antidilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of calculating diluted earnings per share. Refer to note 26 for further information.

	CONSOLIDATED	
	2024 Number	2023 Number
Directors' options issued on 11 December 2023	**25,000,000**	-

CEO options that had been issued in 2018 expired during December 2022, and Convertible Notes issued in prior years were repaid in April 2023.

4 REVENUE AND OTHER INCOME

Accounting Policy

Interest income

Revenue is recognised as the interest accrues using the effective interest method.

Rental income

Rental income is recognised on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

[1] Under the ASX Listing Rules, a shareholding valued at less than $500 based on the company's last closing price is considered to be an 'unmarketable parcel' of shares.

Revenue from continuing operations

	CONSOLIDATED	
Finance income	**2024 $'000**	2023 $'000
Interest income	**59**	-
Gain on extinguishment adjustment of host liability	**-**	698
Total finance income	**59**	698
Other income		
Net loss on disposal of property, plant and equipment (excluding property, plant and equipment sold as part of the discontinued operation)	**-**	3
Net foreign exchange gains	**1**	599
Rental and sub-lease rental income	**-**	4
Fair value gain on derivative financial liabilities	**-**	328
Sundry income	**257**	384
Total other income	**258**	1,318

5 RESULT FOR THE YEAR

The result for the year includes the following specific expenses:

	CONSOLIDATED	
	2024 $'000	2023 $'000
(a) Other expenses		
Unrealised foreign exchange losses	**27**	4
Total other expenses	**27**	4
(b) Depreciation		
Property, plant and equipment	**-**	53
Right-of-use assets	**-**	78
Total depreciation	**-**	131
(c) Finance costs		
Convertible notes	**-**	3,494
Interest on lease liabilities	**-**	23
Total finance costs	**-**	3,517
(d) Employee benefit expenses		
Employee benefit expensed (excluding superannuation expenses)	**554**	2,302
Superannuation expenses	**39**	147
Total employee benefit expenses	**593**	2,449

6 INCOME TAX

Accounting Policy

Current tax assets and liabilities

Current tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss (except for transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as recognition of an ROU Asset and a lease liability);
- when the taxable temporary differences are associated with investments in subsidiaries, associates and interest in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax losses and unused tax credits can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss (except for transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as recognition of an ROU Asset and a lease liability); or
- when the deductible temporary differences are associated with investments in subsidiaries, associates and interest in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Current and deferred tax is recognised in profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Tax consolidation

Health and Plant Protein Group Limited and its wholly owned Australian resident subsidiaries are a tax consolidated group. All members of the tax consolidated group are taxed as a single entity from the date they enter the group. Members of the group apply the group allocation approach in determining the amount of current tax and deferred taxes recognised by members of the tax consolidation group. The head entity and other members of the tax consolidated group have entered into a tax sharing agreement. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement. At the balance date, the possibility of default is remote. The head entity of the tax consolidated group is Health and Plant Protein Group Limited.

No income tax expense or benefit is recognised for the years ended 30 June 2024 and 30 June 2023. A reconciliation of income tax expense/(benefit) to accounting loss before income tax at the statutory rate for the years ended 30 June 2024 and 30 June 2023 is as follows:

	CONSOLIDATED	
	2024 $'000	2023 $'000
Accounting loss before tax from continuing operations	**(801)**	(6,433)
Accounting profit/(loss) before tax from discontinued operations	**-**	(3,564)
	(801)	(9,997)
At the statutory income tax rate of 25% (2023: 25%)	**(200)**	(2,499)
Deferred tax assets recognised in the year	**-**	-
Deferred tax assets not brought to account for the year	**(200)**	(2,499)
Other	**-**	-
Tax (expense)/benefit	**-**	-

No movement in deferred tax balance is recognised for the year ended 30 June 2024. The movement for the year ended 30 June 2023 is:

	CONSOLIDATED					
	Revaluation of Land $'000	**Accelerated Depreciation $'000**	**Employment Benefits $'000**	**Accruals and Provisions $'000**	**Tax Losses to Offset / Other $'000**	**Total $'000**
Deferred tax assets						
As at 1 July 2022	-	-	265	688	2,735	**3,688**
Recognised in profit/(loss)	-	-	-	-	-	**-**
Transferred to assets held for sale	-	-	(265)	(688)	(2,735)	**(3,688)**
As at 30 June 2023 and 30 June 2024	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax liabilities						
As at 1 July 2022	(6,867)	(635)	-	-	(672)	**(8,174)**
Recognised in equity	-	-	-	-	-	**-**
Recognised in profit/(loss)	-	-	-	-	-	**-**
Transferred to assets held for sale	6,867	635	-	-	672	**8,174**
As at 30 June 2023 and 30 June 2024	**-**	**-**	**-**	**-**	**-**	**-**
Set-off deferred tax assets pursuant to set-off provisions	-	-	-	-	-	**-**
Net deferred tax liabilities at 30 June 2023 and 30 June 2024						**-**

Unrecognised deferred tax assets

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account is as follows:

	CONSOLIDATED	
Tax losses	**2024 $'000**	2023 $'000
Temporary differences from operating losses	**1,501**	49,103

The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility occur. These amounts have no expiry date.

7 CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand including deposits with an original maturity of three months or less. Short-deposits consists of deposits with an original maturity of more than three months.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. All cash and cash equivalents are categorised as financial assets as amortised cost. They are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Cash at bank earns interest at floating rates based on daily bank deposit rates. The cash balance comprises:

	CONSOLIDATED	
	2024 $'000	2023 $'000
Cash at bank and in hand	**1,288**	3,738
Total cash and cash equivalents	**1,288**	3,738

Reconciliation of net income to net cash provided by operating activities:

	CONSOLIDATED	
	2024 $'000	2023 $'000
Net profit/(loss)	**(801)**	(16,829)
Share-based payments	**178**	1,220
Depreciation and amortisation	**-**	1,220
Impairment expenses	**-**	980
Interest income	**(57)**	-
(Proceeds)/outgoings from sale of business, net of cash sold	**649**	-
Interest expense on convertible notes debt-host liability	**-**	917
Modification on convertible note debt-host liability	**-**	1,857
Change in fair value of biological assets	**-**	(3,298)
Fair value (gain)/loss on derivative financial liabilities	**-**	(328)
Net (profit)/loss on disposal	**-**	6,832
Net exchange differences	**-**	(1,509)
Inventory (reversal)/write downs	**-**	1,627
Amount withheld subject to US taxes	**-**	(5,719)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**(148)**	(2,633)
(Increase)/decrease in inventories	**-**	16,262
(Increase)/decrease in prepayments	**(8)**	1,251
(Increase)/decrease in biological assets	**-**	355
(Increase)/decrease in current tax asset	**-**	-
Increase/(decrease) in income tax provisions	**-**	-
Increase/(decrease) in trade and other payables	**(1,179)**	(2,849)
Increase/(decrease) in employee benefits	**21**	(985)
Increase/(decrease) in deferred tax liability	**-**	(3)
Increase/(decrease) in other provisions	**-**	(4,487)
Net cashflows from operating activities	**(1,345)**	(7,339)

Changes in liabilities arising from financing activities:

	CONSOLIDATED			
	Other assets	Liabilities from financing activities		
	Cash / bank overdraft $'000	Borrowings due within 1 year $'000	Borrowings due after 1 year $'000	Total $'000
Net cash/(debt) as at 1 July 2023	3,738	-	-	**3,738**
Cash flows	(2,450)	-	-	**(2,450)**
Foreign exchange adjustments	-	-	-	**-**
Other non-cash movements	-	-	-	**-**
Net cash/(debt) as at 30 June 2024	**1,288**	**-**	**-**	**1,288**

	CONSOLIDATED			
	Other assets	Liabilities from financing activities		
	Cash / bank overdraft $'000	Borrowings due within 1 year $'000	Borrowings due after 1 year $'000	Total $'000
Net cash/(debt) as at 1 July 2022	3,470	(1,363)	(18,573)	**(16,466)**
Cash flows	(861)	1,353	5,862	**6,354**
Foreign exchange adjustments	1,129	(8)	(200)	**921**
Other non-cash movements	-	18	12,911(1)	**12,929**
Net cash/(debt) as at 30 June 2023	**3,738**	**-**	**-**	**3,738**

(1) During the year ended 30 June 2023, as part of the disposal of the Macadamia division, $1.4 million of cash (shown under cash flows) and $14.8 million of borrowings (shown under non-cash movements) was transferred out at 14 April 2023. There was also a $1.9 million loss on the convertible notes within the continuing operations.

8 TRADE AND OTHER RECEIVABLES

Accounting Policy

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group's principal financial assets comprise cash and short-term deposits and receivables, which meet the conditions for classification and measurement at amortised cost. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Group's financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method. The Group has no trade receivables.

The derecognition of a financial asset takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the contractual rights to the cash flow expire, the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party and the relevant derecognition criteria are satisfied.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

On 22 February 2023 a Share Sale and Purchase agreement for Hawaiian Host LLC and HPP Acquisition LLC (together the "Buyer") to acquire HPP America, Inc. (the United States-based holding company of MacFarms, LLC) was signed for consideration of US$26 million (A$38 million at that time) gross of debt. This sale was completed on 14 April 2023 and net funds of US$3.7 million was received from the buyer on 18 April 2023. On 1 August 2023 the Group finalised and paid the final working capital and price adjustments of US$430,000 (A$649,000) of the sale with the Buyer.

Of the receivables outstanding at 30 June 2024, A$5.8 million relates to the amount held in the USA (US$3.9 million) gross of relevant withholding taxes awaiting clearance from the Internal Revenue Service (IRS) of the United States. The amount withheld by the IRS is 15% of the gross consideration (US$26 million, A$38 million) noted above and will be used to offset the withholding tax calculated by the IRS before the net amount is returned to the Group. An unrealised foreign exchange loss of A$27,000 was recognised against this receivable during the year.

	CONSOLIDATED	
	2024 $'000	2023 $'000
Deposits and other loans	**8**	7
US dollar receivable on sale of assets		4,809
Withheld for IRS in the US (US$3.9 million, being 15% of gross consideration)	**5,850**	5,882
Estimated withholding taxes and costs to recover	**(900)**	(1,139)
Other receivables	**6**	66
Total trade and other receivables	**4,964**	4,816

9 TRADE AND OTHER PAYABLES

Accounting Policy

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position. Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows. Commitments and contingencies are disclosed net of the amounts of GST recoverable from, or payable to, the taxation authority.

	CONSOLIDATED	
	2024 $'000	2023 $'000
Trade payables	**-**	-
Other payables	**79**	1,258
Total trade and other payables	**79**	1,258

- Trade and other payables are non-interest bearing and are normally settled on 30-45 day terms. The net of GST payable and GST received is remitted to the appropriate tax body on a monthly basis.
- The carrying amounts of trade and other payables are assumed to approximate their fair values due to their short term nature.
- All trade and other payables are categorised as “other financial liabilities”. They are initially recognised and subsequently carried at amortised cost using the effective interest method.
- For terms and conditions relating to related parties refer to note 27.

10 BIOLOGICAL ASSETS

Accounting Policy

During the year ended 30 June 2023, the Group disposed of all assets relating to the Macadamia division, which included all biological assets. Until the divestment of the Macadamia division on 14 April 2023, the Group grew, harvested, processed and sold macadamia nuts as part of its operations. As at 30 June 2024, the Group owns no macadamia orchards (2023: nil).

	CONSOLIDATED	
	2024 $'000	2023 $'000
Balance at 1 July	**-**	355
Change in fair value due to biological transformation	**-**	-
Transfer of harvested Macadamia nuts to inventory	**-**	(341)
Disposal of inventory by way of asset sale	**-**	(14)
Balance as at 30 June	**-**	-

11 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Land

For the basis of valuations, land is measured at fair value.

Increases in carrying amounts arising on revaluation of land are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increases reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the land are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the land; all other decreases are charged to profit or loss. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the lands’ fair value at the reporting date. Upon disposal, any revaluation reserve relating to the land being sold is transferred to retained earnings.

Buildings, plant and equipment

Buildings, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.
Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, over the estimated useful life of the assets as follows:

- Fixed asset class Useful life
- Freehold buildings 50 years
- Plant and equipment 3 – 20 years
- Bearer plants 65 years

The asset’s residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each financial year end. The useful lives of assets and major depreciation periods in each year are consistent with those used in the prior year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

Right-of-use assets

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, lease incentives and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the right-of-use asset, unless those costs are incurred to produce inventories.

The Group recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprises of the initial lease liability amount, initial direct costs incurred when entering in the lease less lease incentives received and an estimate of the costs to be incurred in dismantling and removing the underlying asset and restoring the site on which it is located, to the condition required by the terms and conditions of the lease. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are amortised on a straight-line basis over the shorter of its estimated useful life and the lease term.

Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An assets recoverable amount is the higher of its fair value less cost of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash generating unit is considered impaired and is written down to its recoverable amount. An assessment is made at each reporting date as to whether a previously recognised impairment loss in respect of non-financial assets other than goodwill, can be reversed. The Group held no property, plant and equipment at 30 June 2024 (2023: nil).

Reconciliation of the book amounts of each class of property, plant and equipment between the beginning and the end of the financial year is set out below:

	CONSOLIDATED						
	Freehold land $'000	**Buildings on freehold land $'000**	**Plant and equipment $'000**	**Capital works in progress $'000**	**Bearer Plants $'000**	**Right-of-use Assets $'000**	**Total $'000**
Net book amount: 1 July 2022	**23,220**	**1,272**	**2,598**	**12**	**3,526**	**1,232**	**31,860**
Exchange differences	317	18	33	-	48	6	**422**
Revaluation increase/(decrease)	(1,173)	-	-	-	-	-	**(1,173)**
Additions	-	-	-	-	-	-	**-**
Disposals	-	-	(4)	(12)	-	(685)	**(701)**
Transfers	-	-	-	-	-	-	**-**
Other adjustment	-	-	(258)	-	-	-	**(258)**
Depreciation expense	-	(54)	(491)	-	(151)	(160)	**(856)**
Discontinued operations	(22,364)	(1,236)	(1,878)	-	(3,423)	(393)	**(29,294)**
Net book amount: 30 June 2023 and 30 June 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(A) Fair value of leasehold and freehold land

The Group has no leasehold or freehold land at 30 June 2024 (2023: nil).

(B) Right-of-use assets

The Group has no right-of-use assets at 30 June 2024 (2023: nil). The Group leased various properties, equipment and vehicles prior to the divestment of the Macadamia division. The right-of-use assets related to the following types of assets:

	CONSOLIDATED		
	Buildings on leasehold land $'000	**Plant and equipment $'000**	**Total $'000**
Net book amount: 1 July 2022	**922**	**310**	**1,232**
Exchange differences	(1)	8	**7**
Additions	-	-	**-**
Disposals net of accumulated depreciation	(685)	-	**(685)**
Transfers	-	-	**-**
Other adjustment	-	-	**-**
Depreciation	(134)	(27)	**(161)**
Discontinued operations	(102)	(291)	**(393)**
Net book amount: 30 June 2023 and 30 June 2024	**-**	**-**	**-**

Information about the Group's leases are provided in note 14.

(C) Assets pledged as security

At 30 June 2024 the Group held no assets pledged as security (2023: nil). Until 14 April 2023, American AGCredit, FLCA held a first ranking mortgage over the Group's property assets in Hawaii. The terms of this first mortgage precluded the assets being sold or being used as security for further mortgages without the permission of the first mortgage holder. The mortgage also required buildings that form part of the security to be fully insured at all times. The convertible noteholders held a second mortgage over the Group's assets in Hawaii.

(D) Impairment testing

Information about impairment testing of property, plant and equipment is provided in note 12.

12 INTANGIBLE ASSETS

Accounting Policy

Customer relationships

Customer relationships are carried at cost, less any accumulated impairment losses and amortisation. Customer relationships have been assessed as having a finite life from the date of business acquisition and are amortised over a period of between 5 - 8 years.

Trademarks

Trademarks are recognised at cost, less any accumulated losses and amortisation. Separately acquired trademarks and licences through a business combination are recognised at fair value at the acquisition date, they have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Trademarks are assessed for impairment at least annually and is allocated to the cash-generating unit for which they relate. Trademarks are amortised over a period of between 5 - 8 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised. Impairment testing is performed annually for intangible assets where any impairment indicators exist.

The Group has no intangible assets at 30 June 2024 (2023: nil). Movement in carrying amounts of intangible assets during the year ended 30 June 2023:

	CONSOLIDATED		
	Brand names $'000	Relationships $'000	Total $'000
Net book amount: 1 July 2022	**375**	**378**	**753**
Exchange differences	6	6	**12**
Additions/(Disposals)	-	-	**-**
Amortisation	(176)	(187)	**(363)**
Discontinued operations	(205)	(197)	**(402)**
Net book amount: 30 June 2023 and 30 June 2024	**-**	**-**	**-**

(A) Assets pledged as security

Information about assets pledged as security is provided in note 11.

(B) Impairment testing

The Group is required to test its intangible assets annually for impairment, along with its other non-financial assets when indications of impairment are identified. The Group had no intangible assets at 30 June 2024 (2023: nil). Prior to the divestment of the Macadamia division, the nature of the assets held by the Group, including intangible assets and factory plant and equipment which do not generate cash inflows that are largely independent of other assets, meant that the Group had to determine the recoverable amount for the cash-generating unit (CGU) to which the assets belonged.

13 INTEREST-BEARING LIABILITIES

Accounting Policy

Financial liabilities, including all loans and borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised if the Group’s obligations specified in the contract expire or are discharged, cancelled or if the terms are modified resulting in the present value of future cash flow being modified more than 10%. Under the circumstances of modification resulting in derecognition of the liability is recognised at the new present value of the future cash flows under the modified terms. Where the modification results in the present value of future cash flows being modified by less than 10%, any gains or losses on modification are recognised in profit or loss for the period in which the modification occurs.

The Group has no interest-bearing liabilities at 30 June 2024 (2023: nil).

Summary of borrowings

A. Bank loans and working capital financing facilities

As a result of the divestment of the Macadamia division on 14 April 2023, the Group holds no bank loans or financing facilities at 30 June 2024 (2023: nil).

B. Convertible notes

As a result of the divestment of the Macadamia division on 14 April 2023, the Group holds no convertible notes at 30 June 2024 (2023: nil). As part of the divestment of the Macadamia division, the convertible notes were repaid on 18 April 2023. The early repayment resulted in contract modification of $2,548,089 recognised as finance cost under *AASB 9 Financial Instruments*.

The initial fair value of the host debt liability portion of the convertible notes was determined as the residual balance between the face value of the notes issued, being $15,000,000, and the fair value of the derivative liability recognised. The derivative liability represented the value attributable to the potential adjustment to the conversion ratio on the conversion of the notes. They were initially recognised at fair value and subsequently remeasured at each reporting date. The Group was required to measure its other financial liabilities, being the derivative liability component of the convertible notes issued at fair value.

The fair value recognised at 30 June 2024 was nil (2023: nil) resulting in no fair value gain (2023: $327,000) recognised during the year in the consolidated statement of profit or loss and other comprehensive income.

	CONSOLIDATED	
	2024 $'000	2023 $'000
Opening balance at 1 July	**-**	8,022
Fair value (gain)/loss on derivative	**-**	(327)
Interest expense	**-**	917
Interest paid	**-**	(469)
Modification adjustment on host liability portion	**-**	1,857
Redemption	**-**	(10,000)
Closing balance at 30 June	**-**	-
Current liability	**-**	-
Non-current liability	**-**	-
Total liability	**-**	-

- The table above includes the debt host liability and the derivative component of the convertible note.
- The interest expense in the year ended 30 June 2023 was calculated by applying the effective interest rate of 14.45% to the host debt liability component.

14 LEASES LIABILITIES

Accounting Policy

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognises the lease liabilities measured at the present value of the lease payments that are not paid at the commencement date, discounted using either the rate implicit in the lease, or if that rate is not readily determined, the Group uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments for penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. For leases which contain a lease and a non-lease component, such as maintenance or charges, these are required to be accounted for separately.

After the commencement date, the amount of the lease liability is increased to reflect interest on the lease liability and reduced for the lease payments made. The Group remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- The lease payments change due to changes in an index or rate of a change in expected payments under guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised rate is used); and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Refer to note 11 for the accounting policy for right-of-use assets.

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group has no lease liabilities or right-of-use assets at 30 June 2024 (2023: nil). During the year ended 30 June 2023, the total cash outflow for leases was $146,000. The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

		CONSOLIDATED	
Depreciation charge of right-of-use assets	**Notes**	**2024 $'000**	2023 $'000
Buildings	11	-	78
Plant and equipment	11	-	-
		-	78
Interest expense (included in finance costs)		-	22
Expenses relating to short term lease (included in cost of sales)		-	-

15 EMPLOYEE ENTITLEMENTS

Accounting Policy

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and vesting sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using high quality corporate bond rates.

	CONSOLIDATED	
Employee benefits	**2024 $'000**	2023 $'000
Current	**33**	12
Non-current	**-**	-
Total employee benefits	**33**	12

The employee benefits cover the Group's liability for annual leave, sick leave and long service leave. The current portion of this liability includes all accrued annual leave, sick leave and unconditional entitlements to long service leave where employees have completed the required period of service and those where employees are entitled to pro-rata payments.

16 CONTRIBUTED EQUITY

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

	CONSOLIDATED	
	2024 **$'000**	2023 $'000
Issued and paid up capital		
Fully paid ordinary shares	**60,100**	60,613

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On 31 January 2024, the Company announced that, given the IRS delays in finalising the quantum and timing of US tax clearances, it was considering as an interim measure the following capital management initiative:

- Unmarketable Parcel (UMP) buy-back, a minimum holding buy-back for holders of 'unmarketable parcels' of shares;[1] and
- Off-market buy-back, an equal access off-market share buy-back of less than 10% of the Company's shares on issue.

Details of the UMP buy-back were released on 6 February 2024 and on 25 March 2024 the Company announced that a total of 2,203,184 shares bought back under the UMP buy-back for a total consideration of $92,534 ($0.042 per share) had been cancelled. Following completion of the UMP buy-back, HPP had 120,617,554 shares on issue.

Details of the Off-market buy-back were released on 23 February 2024 and on 12 April 2024 the Company announced that a total of 7,142,857 shares bought back under the Off-market buy-back for a total consideration of $300,000 ($0.042 per share) had been cancelled. Following completion of the Off-market buy-back, HPP had 113,474,697 shares on issue.

MOVEMENT IN ORDINARY SHARES ON ISSUE	Date	Issue Price	Number of shares	$'000
Balance as at 1 July 2023			122,820,738	60,613
Share buy-backs with cancellation			(9,346,041)	(393)
Transaction costs			-	(120)
Balance as at 30 June 2024			**113,474,697**	**60,100**

MOVEMENT IN ORDINARY SHARES ON ISSUE	Date	Issue Price	Number of shares	$'000
Balance as at 1 July 2022			122,820,738	60,613
Balance as at 30 June 2023			**122,820,738**	**60,613**

The Company had 25,000,000 potential ordinary shares at 30 June 2024 in the form of Directors' options (2023: nil). Refer to note 26 for further information.

Capital Risk Management

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

[1] Under the ASX Listing Rules, a shareholding valued at less than $500 based on the company's last closing price is considered to be an 'unmarketable parcel' of shares.

The capital structure of the Group from time to time consists of debt, cash and cash equivalents, and equity attributable to the equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 16 and 17 and on the face of the Consolidated Statement of Changes in Equity. There are no externally imposed capital requirements. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

17 RESERVES

Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to directors and employees as part of their remuneration. The reserve can only be used to pay dividends in limited circumstances. Refer to note 26 for further details.

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements in the fair value of non-current assets. The reserve can only be used to pay dividends in limited circumstances. With the divestment of the Macadamia division in April 2023, the Group's Asset Revaluation Reserve was transferred to Retained Earnings.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. With the divestment of the Macadamia division in April 2023, the Group's Foreign Currency Translation Reserve was transferred to Retained Earnings.

18 DIVIDENDS OR PROPOSED

No dividends have been paid during the year ended 30 June 2024 (2023: nil). No dividend has been declared for the year ended 30 June 2024 (2023: nil).

19 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

General objectives, policies and processes

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The Group's risk management policies and objectives are established to minimise the potential impacts of these risks to the Group where such impacts may be material. The effectiveness of the processes put in place and the appropriateness of the objectives and policies are discussed regularly at Board level. Management also reviews the risk management policies and processes and reports their findings to the Board.

The overall objective of the Board is to set policies that seek to reduce risk, without unduly affecting the Group's competitiveness and flexibility.

The Group's principal financial instruments comprise payables, cash and short-term deposits and receivables. The main purpose of these financial instruments is to raise finance for the Group's operations. It is, and has been throughout the reporting period, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are market risks including interest rate risk and foreign currency risk. Other risks include liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

(A) Interest rate risk

The Group's exposure to market risk for changes in interest rates primarily relates to the Group's term debt obligations, if any.

The Group has no borrowings at 30 June 2024 (2023: nil). At reporting date, the effect on profit and equity as a result of a 100 basis points change in the interest rate, with all other variables remaining consistent, would be an increase/decrease by $nil (2023: nil).

(B) Foreign currency risk

As a result of the Group's transactional currency exposures it is affected by movements in USD/AUD exchange rates. Since the divestment of the Macadamia division, such exposures arise from the holding of foreign currency reserves and receivables in USD.

As at 30 June 2024, the effect on profit and equity as a result of changes in exchange rates between the AUD/USD currencies, with all other variables remaining constant would be as follows:

	2024			2023		
	Exposure A$'000	**+10% A$'000**	**-10% A$'000**	Exposure A$'000	+10% A$'000	-10% A$'000
Balances held in USD	**4,950**	**(425)**	**581**	4,743	(431)	527

(C) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations to the Group. Since the divestment of the Macadamia division, credit risk arises principally from monies held in the USA by the Internal Revenue Service (IRS).

The object of the Group is to minimise risk of loss from credit risk exposure. The Group's maximum exposure to credit risk at reporting date in relation to each class of recognised financial asset, is the carrying amount of each asset as indicated in the consolidated statement of financial position.

(D) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group has established a number of policies and processes for managing liquidity risk, these include:

- Monitoring weekly cash flows of all Group entities;
- Monitoring long-term forecast cash flow requirements of the Group each month; and
- Working to finalise the return of monies from the IRS as quickly and efficiently as possible.

The Group has no access to debt facilities (2023: nil).

Financiers

Westpac Banking Corporation supplies the Group's continuing operations with retail banking facilities such as general operating, dividend, share purchase plan accounts, credit cards, business and corporate on-line facilities.

Prior to the divestment of the Macadamia division in the prior financial year, American AGCredit, FLCA was the Group's principal financier while Bank of Hawaii and Key Bank also supplied retail banking facilities to entities within the Group.

2024	**Carrying amount $'000**	**Contractual cash flows $'000**	**<6 months $'000**	**6 – 12 months $'000**	**1 – 3 years $'000**	**>3 years $'000**
Non-derivatives						
Trade and other payables	79	79	64	15	-	-
Total Non-derivatives	**79**	**79**	**64**	**15**	**-**	**-**

2023	Carrying amount $'000	Contractual cash flows $'000	<6 months $'000	6 – 12 months $'000	1 – 3 years $'000	>3 years $'000
Non-derivatives						
Trade and other payables	1,258	1,258	1,258	-	-	-
Total Non-derivatives	**1,258**	**1,258**	**1,258**	**-**	**-**	**-**

(E) Foreign currency translation

The functional currency of each entity of the Group is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian Dollars (AUD, or $ or A$), which is the Group's functional and presentational currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of transaction. Foreign monetary assets and liabilities are translated using the exchange rates prevailing as at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate as at the date of the fair value determination.

Exchange differences arising from the translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income. Exchange differences arising from the translation of non-monetary items are recognised in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in profit or loss.

20 FAIR VALUE

Accounting Policy

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

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

Assets and liabilities measured at fair value are classified into three levels using fair value hierarchy that reflects the significant of the inputs used in making the measurements, being:

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

Classifications are reviewed each reporting period and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

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

Fair value hierarchy

The Group had no assets or liabilities measured or disclosed at fair value using the three-level hierarchy at 30 June 2024 (2023: nil).

Transfers between fair value

There were no movements between any of the three-level hierarchy classifications during the year ended 30 June 2024 (2023: nil).

Fair value measurements using significant unobservable inputs (Level 3)

The following table present the changes in Level 3 items for the years ended 30 June 2024 and 30 June 2023 for recurring fair value measurements:

	TOTAL OPERATIONS	
	2024 $'000	2023 $'000
Macadamia nuts growing on trees		
Balance at 1 July	**-**	355
Reclassification to inventory	**-**	(355)
Balance at 30 June	**-**	-
Derivative component of the convertible note		
Balance at 1 July	**-**	328
Fair value gain recognised in profit or loss	**-**	(328)
Balance at 30 June	**-**	-

21 COMMITMENTS AND CONTINGENCIES

At 30 June 2024 the Group has no commitments or contingencies (2023: nil).

22 INVESTMENT IN ASSOCIATES

Accounting Policy

Interest in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with *AASB 128 Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

Goodwill forms part of the carrying amount of an investment in equity accounted investees and is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investments is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

Associates

The Group had no associates during the year ended 30 June 2024 (2023: nil).

23 INVESTMENT IN CONTROLLED ENTITIES

Health and Plant Protein Group Limited	**Country of Incorporation**	**Percentage held by Group 2024**	2023
Invested in: HPP Group (Overseas) Holdings Pty Ltd	Australia	***100%***	*100%*

24 PARENT ENTITY INFORMATION

The Corporations Act 2001 requirement to prepare parent entity financial statements where consolidated financial statements are prepared has been removed and replaced by the regulation 2M.3.01 which requires the following limited disclosure in regards to the parent entity (Health and Plant Protein Group Limited). The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the accounting policy described throughout this report.

	PARENT ENTITY	
	2024 $'000	2023 $'000
Current assets	**6,263**	8,557
Non-current assets	**-**	-
Total Assets	**6,263**	8,557
Current liabilities	**112**	1,270
Non-current liabilities	**-**	-
Total Liabilities	**112**	1,270
Net Assets	**6,151**	7,287
Issued capital	**60,100**	60,613
Reserves	**178**	-
Accumulated losses	**(54,127)**	(53,326)
Total shareholder's equity	**6,151**	7,287
Net profit/(loss) for the year	**(801)**	(16,829)
Total comprehensive profit/(loss) for the year	**(801)**	(17,757)

Guarantees

The parent entity has guaranteed under the terms of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 any deficiency of funds if HPP Group (Overseas) Holdings Pty Ltd is wound up.

Contractual commitments

The parent entity has no contractual commitments that have not already been provided for (2023: $nil).

Contingent liabilities

The parent entity has no contingent liabilities, other than the guarantees detailed above (2023: $nil).

Intercompany loan forgiveness

There has been no loan forgiveness in the current year (2023: $nil).

25 DIRECTORS AND EXECUTIVE DISCLOSURES

Details of Compensation of Key Management Personnel

Details of the nature and amount of each element of the remuneration of Key Management Personnel (KMP) of the company and the Group for the financial year can be found in the remuneration report in the director's report. Refer to note 27 for other KMP transactions.

	CONSOLIDATED	
	2024	2023
	$	$
Short-term employee benefits		
Cash salary and fees	**355,231**	681,153
Short-term incentives	**-**	653,502
Non-monetary benefits	**-**	790
Post-employment benefits		
Redundancy	**-**	365,743
Superannuation	**39,075**	96,308
Other long-term employment benefits		
Long-term incentives – Options	**177,500**	-
Long service leave	**-**	38,324
	571,807	1,835,820

26 SHARE-BASED PAYMENTS

At the 28 Nov 2023 AGM for the Company, shareholders approved the grant of 15,000,000 share options to Mr Albert Tse (Executive Chair) and 10,000,000 share options to Mr Hugh Robertson (Director), in both cases through their nominee trust companies. These share options were granted on 11 December 2023 at an exercise price of $0.06 (6 cents). The share options are not exercisable within the first 12 months of being issued and unexercised share options will expire on 11 December 2027. The Company will allot one Share for each share option exercised, accounted for as an equity-settled plan with no cash settlement alternatives.

The share options are not proposed to be quoted on ASX, accordingly, they have no easily identifiable market value. Therefore the fair value of the share options was estimated at the grant date using a Black-Scholes option valuation model, taking into account the terms and conditions on which the share options were granted. This resulted in an estimated value per share option of $0.0071 (0.71 cents). The total fair value for the 25 million share options at grant date ($177,500) is expensed immediately (2023: nil). The share-based payments recognised during the period are as follows:

	CONSOLIDATED	
	2024	2023
	$'000	$'000
Expense recognised for services during the period		
Expense arising from equity-settled share-based payment transactions	**178**	-
Total expense arising from share-based payment transactions	**178**	-

The following table illustrates the number, weighted average exercise price (WAEP), and movements in share options during the period:

	CONSOLIDATED			
Movements during the year	**2024 Number ('000)**	**2024 WAEP (cents)**	2023 Number ('000)	2023 WAEP (cents)
Outstanding at 1 July	**-**	**-**	-	-
Granted during the year	**25,000**	**6.0**	-	-
Forfeited during the year	**-**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Outstanding at 30 June	**25,000**	**6.0**	-	-
Exercisable at 30 June	**-**	**-**	-	-

The weighted average remaining contractual life for the share options outstanding at 30 June 2024 was 3.45 years (2023: n.a.). The weighted average fair value of each option granted during the year was 0.71 cents (2023: n.a.). The exercise price of each option outstanding at 30 June 2024 was 6.0 cents (2023: n.a.).

The following table summarises the inputs of the model used to price each share option at the grant date:

Prices (cents)		**Key dates**		**Rates (%)**		**Model details**	
Fair value	*0.71c*	Grant date	*11 December 2023*	Dividend yield	*Nil*	Model used	*Black-Scholes*
Spot price	*4.20c*	Vesting date	*11 December 2024*	Expected volatility	*30.0%*	Option style	*American vanilla*
Exercise price	*6.00c*	Expiry date	*11 December 2027*	Risk-free rate	*4.13%*	Source	*Bloomberg*

The expected life of the share options is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the Company's historical volatility is not indicative of future trends and that an estimated market volatility is more likely to represent the future volatility of the Shares, which may not necessarily be the actual outcome.

27 RELATED PARTY

Entities subject to class order relief

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief has been granted to certain controlled entities of Health and Plant Protein Group Limited from the Corporations Act 2001 requirements for preparation, audit, publication and lodgement of their financial reports. As a condition of the ASIC Instrument, Health and Plant Protein Group Limited and the controlled entities, subject to the ASIC Instrument, entered into a Deed of Indemnity on 22 March 2019.

Members of the closed group include Health and Plant Protein Group Limited and HPP Group (Overseas) Holdings Pty Ltd. The effect of the deed is that Health and Plant Protein Group Limited has guaranteed to pay any deficiency in the event of winding up of the members of the closed group. The members of the closed group have also given a similar guarantee in the event that Health and Plant Protein Group Limited is wound up.

After the divestment of the Macadamia division in April 2023, the "Closed Group" results and financial position are the same as that of the continuing operations.

Subsidiaries

Interest in subsidiaries is set out in note 23.

Key Management Personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the Directors' report.

Transactions with other 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.

Other than the share buy-backs detailed in note 16, no transactions occurred with related parties during the year ended 30 June 2024.

Auditors Remuneration

During the year, the following fees were paid or payable for services provided by the Lead Auditor of the consolidated entity:

Fees to Ernst & Young (Australia)	CONSOLIDATED	
	2024 **$**	2023 $
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**101,000**	194,000
Fees for other services	**15,000**	40,000
	116,000	234,000

28 EVENTS OCCURRING AFTER THE REPORTING DATE

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

DIRECTORS' DECLARATION

The directors of the Company declare that:

(a) the attached financial statements and notes, and the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001 and:

  (i) comply with Accounting Standards and the Corporations Regulations 2001; and

  (ii) give a true and fair view of the Group's financial position as at 30 June 2024 and of the performance for the year ended on that date;

(b) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024;

(c) in the opinion of the Directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(d) the Directors, confirm that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;

(e) in the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the closed group identified in note 27 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 27; and

(f) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act 2001 is true and correct.

Signed in accordance with a resolution of the Directors.

Albert Tse
Executive Chair

Brisbane, 21 August 2024

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Independent auditor's report to the members of Health and Plant Protein Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Health and Plant Protein Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, 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 consolidated financial position of the Group as 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Internal Revenue Service Receivable

Why significant	How our audit addressed the key audit matter
On 14 April 2023, the Group completed the sale of its wholly owned subsidiary, HPP America Inc for sale consideration of USD $26.0 million (A$38.0 million) gross of debt to Hawaiian Host LLC and HPP Acquisition LLC (together the "Buyer"). As HPP America Inc. was a United States (US) real property holding company ("USRPHC"), the Group is subject to net basis US federal income tax on any gain recognised on the HPP America, Inc. stock under the US Foreign Investment in US Real Property Tax Act ("FIRPTA") rules. In order to enforce the payment of the net basis US federal income tax, the FIRPTA rules generally require the Buyer to withhold 15% of the gross proceeds. Consistent with the above, the Buyer withheld 15% of the gross sale proceeds, being US$3.9 million (A$5.8 million). During the 2023 financial year, the Group submitted an exemption certificate with the US Internal Revenue Service ("IRS") to request a variation to the withholding percentage to 0%. During the 2024 financial year, the IRS advised that the application could not be processed, requiring the escrowed funds to be transferred by the Buyer to the IRS and for the Group to file a US income tax return. The withheld funds have been remitted to the IRS as the Group is currently having a US income tax return prepared. As detailed in note 8 to the financial statements, the Group has recorded a withholding tax receivable of A$4.9 million at 30 June 2024. This amount represents the 15% withholding tax less the Group's current estimate of tax payable on the disposal transaction. The net amount is expected to be received following the submission and IRS processing of the US income tax return by the Group. This is a key audit matter due to the judgement involved in assessing the recoverability of the withholding tax receivable.	In assessing the Group's withholding tax receivable, our procedures included the following: ► We obtained and read the Group's correspondence with the IRS, including its lodged withholding tax exemption certificate and correspondence from the IRS acknowledging the receipt of the exemption certificate. ► With the assistance from our income tax specialists, we evaluated the Group's tax calculations for the disposal transaction. ► We considered the Group's assessment as to the recoverability of the withholding tax receivable based on applicable tax law. ► We assessed the adequacy 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 Company's 2024 annual report, 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, with the exception of the Remuneration Report and our related assurance opinion.

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 that is true and correct in accordance with 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 that is 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, 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 judgment and maintain professional scepticism throughout the audit. We also:

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- 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 to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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 audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 10 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Health and Plant Protein Group 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.

Ernst & Young

Susie Kuo
Partner
Brisbane
21 August 2024

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

For the Year Ended 30 June 2024

Additional information required by the Australian Stock Exchange Ltd or Corporations Act 2001 and not disclosed elsewhere in this report is set out below. This information is current as at 21 August 2024.

(A) CONSOLIDATED ENTITY DISCLOSURE STATEMENT

	Entity Type	Country of Incorporation	% of Shares held	Country of Tax Residency
Health and Plant Protein Group Limited	Body Corporate	Australia	100	Australia
HPP Group (Overseas) Holdings Pty Ltd	Body Corporate	Australia	100	Australia

(B) SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders are set out below:

	ORDINARY SHARES	
	Number of Shares	% of Issued Shares
Asia Mark Development Limited	42,844,007	37.76%
Mr John Cheadle	13,845,137	12.20%
Mr Jimmy Wai Hung Pong	6,128,627	5.40%

All ordinary shares (all fully paid) carry one vote per share without restriction.

(C) DISTRIBUTION OF EQUITY SECURITIES

The number of shareholders, by size of holding, in each class are:

	ORDINARY SHARES	
	Number of Holders	Number of Shares
1 - 1,000	27	7,505
1,001 - 5,000	21	62,625
5,001 - 10,000	9	66,410
10,001 - 100,000	201	6,933,258
100,000 and over	71	106,404,899
	329	**113,474,697**
The number of shareholders holding less than a marketable parcel of shares are:	61	178,814

(D) TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares are:

		ORDINARY SHARES	
		Number of Shares	**% of Issued Shares**
1	Asia Mark Development Limited	42,844,007	37.76%
2	Mr John Cheadle	13,845,137	12.20%
3	Mr Jimmy Wai Hung Pong	6,128,627	5.40%
4	Ace Property Holdings Pty Ltd	4,100,000	3.61%
5	Rubicon Family Office Pty Limited	3,332,508	2.94%
6	Randell Management Services Pty Ltd	3,144,459	2.77%
7	Hinh Pty Ltd	3,141,729	2.77%
8	Mr Anthony Lam	2,944,911	2.60%
9	Bundaberg Sugar Group Ltd	2,291,261	2.02%
10	Melbourne Securities Corporation Limited	2,164,706	1.91%
11	Burton Investment Pty Limited	1,400,000	1.23%
12	Shadbolt Future Fund (Tottenham) Pty Ltd	1,224,723	1.08%
13	Shane Templeton	1,194,710	1.05%
14	Mr Tony Chi Hung Hinh	1,156,425	1.02%
15	Mr Robert Thomas Virgona	1,092,117	0.96%
16	Dawney & Co Ltd	1,000,000	0.88%
17	MFA Capital Pty Ltd	992,980	0.88%
18	Mr Philip Bomford	751,256	0.66%
19	Mr David Hinh + Ms Thi Ha Tran	648,798	0.57%
20	Burton Holdings (Qld) Pty Ltd	640,513	0.56%
	Report Total	94,038,867	82.87%
	Remainder	19,435,830	17.13%
	Grand total	113,474,697	100%

CORPORATE INFORMATION

Contact details

Registered address: Level 28, 1 Eagle Street, Brisbane QLD 4000
Postal Address: PO Box 2225, Milton, QLD 4064
Phone Number: 07 3067 4828
Website: www.hppgroup.com
Email: corporate@hppgroup.com
ABN 68 010 978 800

Board of Directors

Albert Tse (Executive Chair)
Christina Chen
Hugh Robertson

Company Secretary

Deane Conway

Security Exchange Listing

ASX Limited, Code: HPP

Bankers and Financiers

Westpac Banking Corporation

Solicitors

Thomson Geer Lawyers
Level 28,1 Eagle Street
Brisbane QLD 4000
Telephone: (07) 3085 7000

Auditors

Ernst & Young
111 Eagle Street
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Share Registry

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