

└ 000001 000 SLE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 11.00am (Sydney time) Monday 7 September 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sino-Excel Energy Limited hereby appoint



the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Sino-Excel Energy Limited to be held at The Offices of Minter Ellison Lawyers, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW on Wednesday, 9 September 2015 at 11.00am (Sydney time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1 by marking the appropriate box in step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 1	Non binding approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Election of Director - Richard Holstein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Election of Director - Heather Chong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Election of Director - Zhao Yan Shi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Removal of Director - Jia Ping Meng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

S L E

2 0 3 0 2 0 A

Computershare +

Sino-Excel Energy Limited

ACN 085 162 456

**Notice of
General Meeting
&
Explanatory Statement**

**The General Meeting to be held at
The Offices of Minter Ellison, Lawyers
Level 40, Governor Macquarie Tower, 1 Farrer Place, SYDNEY, NSW, 2000
on
9th September 2015 at 11.00 am (Sydney time).**

This Notice of General Meeting, Explanatory Statement and Proxy Form should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Notice of General Meeting

NOTICE IS HEREBY GIVEN that the General Meeting of Sino-Excel Energy Limited ACN 085 162 456 (the **Company**) will be convened at the offices of Minter Ellison, Level 40, 1 Farrer Place, SYDNEY, NSW, 2000, on 9th September 2015 at 11.00 am (Sydney time). If you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form. The completed Proxy Form must be received by the Company at least 48 hours before the commencement of the meeting.

An Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered.

Terms used in this Notice will, unless the context otherwise requires have the same meaning as explained in the Explanatory Statement.

AGENDA

Financial Statements and Reports

To receive and consider the Annual Financial Report of the Company, together with the Directors' Report and Auditor's Report for the period ending 31 December 2013.

Resolution 1 – Non binding approval of Remuneration Report

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That for all purposes, Shareholders adopt the Remuneration Report set out in the Directors' Report for the year ended 31 December 2013."

Notes:

- a) The vote on this resolution is advisory only and does not bind the Directors of the Company.
- b) The Company's key management personnel and their closely related parties must not cast a vote on the Remuneration Report unless they are appointed in writing as a proxy for a member eligible to vote on the resolution and that proxy specifies how to vote on the resolution.
- c) The Chairman will vote all undirected proxies in favour of this resolution.
- d) If you wish to vote "against" or "abstain" you should mark the relevant box on the attached Proxy Form.

Resolution 2 – Election of Director – Richard Holstein

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for all purposes, Mr. Richard Holstein, be appointed as a director of the Company with immediate effect."

Short Explanation: On the 10th July 2015 a Shareholder with more than 5% of the votes that may be cast at a General Meeting of the Company requested that this resolution be put to Shareholders at a General Meeting. Section 249D(1) of the Corporations Act 2001 (Cth) requires the Company put this resolution to Shareholders at a General Meeting.

Voting Exclusion Statement: No voting exclusion statement applies.

Resolution 3 – Election of Director – Heather Chong

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for all purposes, Ms. Heather Chong, be appointed as a director of the Company with immediate effect."

Short Explanation: On the 10th July 2015 a Shareholder with more than 5% of the votes that may be cast at a General Meeting of the Company requested that this resolution be put to Shareholders at a General Meeting. Section 249D(1) of the Corporations Act 2001 (Cth) requires the Company put this resolution to Shareholders at a General Meeting.

Voting Exclusion Statement: No voting exclusion statement applies.

Resolution 4 – Election of Director – Zhao Yan Shi

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for all purposes, Mr. Zhao Yan Shi, be appointed as a director of the Company with immediate effect."

Short Explanation: On the 10th July 2015 a Shareholder with more than 5% of the votes that may be cast at a General Meeting of the Company requested that this resolution be put to Shareholders at a General Meeting. Section 249D(1) of the Corporations Act 2001 (Cth) requires the Company put this resolution to Shareholders at a General Meeting.

Voting Exclusion Statement: No voting exclusion statement applies.

Resolution 5 – Removal of Director – Jia Ping Meng

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for all purposes, Ms. Jia Ping Meng, be removed as a director of the Company with immediate effect."

Short Explanation: On the 10th July 2015 a Shareholder with more than 5% of the votes that may be cast at a General Meeting of the Company requested that this resolution be put to Shareholders at a General Meeting. Section 249D(1) of the Corporations Act 2001 (Cth) requires the Company put this resolution to Shareholders at a General Meeting.

Voting Exclusion Statement: No voting exclusion statement applies.

By order of the Board of Directors

A handwritten signature in black ink, appearing to be 'Richard Holstein', with a stylized flourish at the end.

Richard Holstein
Company Secretary
4 August 2015

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting to be held on 9th September 2015 at the offices of Minter Ellison, Level 40, Governor Macquarie Tower, 1 Farrer Place, SYDNEY, NSW, 2000.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting.

The Explanatory Statement consists of the following sections:

1. Financial Statements and Reports
2. Resolution 1: Non-binding approval of Remuneration Report
3. Resolution 2 to 4: Election of Directors
4. Resolution 5: Removal of Director
5. Other information
6. Action to be taken by Shareholders
7. Annexure A - Questions from Shareholders
8. Annexure B – Appointment of Corporate Representative
9. Annexure C – Proxy and voting instructions

Enclosed is the Proxy Form.

Explanatory Statement

1. Financial Statements and Reports

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the period ending 31 December 2013 will be laid before the meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor may be made about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the Financial Statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to your questions please submit any questions you may have using the enclosed Question Form at **Annexure A** of the Explanatory Statement so that it is received no later than 48 hours before the commencement of the meeting and sent to:

Richard Holstein
Company Secretary
Sino-Excel Energy Limited
Level 40, 1 Farrer Place
SYDNEY, NSW, 2000

As required under the Corporations Act, at a General Meeting, the Company will distribute a list setting out the questions directed to the Auditor received in writing, being questions which the Auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the Financial Report for the period ended 31 December 2013. The Chairman will allow a reasonable opportunity to respond to the questions set out on this list.

2. Resolution 1: Adoption of Remuneration Report

The Corporations Act 2001 requires that the Company propose a resolution that the Remuneration Report of the Company be adopted. The Remuneration Report is set out in the Director's Report contained in the Company's 2013 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

A reasonable opportunity will be given for discussion of the Remuneration Report at the meeting. Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors.

The board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at this meeting when reviewing the Company's Remuneration policies. If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive General Meetings Shareholders will be required at the second of those General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors other than the Managing Director must stand for re-election.

Key management personnel (including Directors) and their closely related parties must not cast on the report on the Remuneration Report unless as holders of directed proxies for Shareholders eligible to vote on the resolution and that proxy specifies how to vote on the resolution.

The Company encourages all Shareholders to cast their votes on this resolution. The Chairman will vote all undirected proxies in favour of this resolution. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached Proxy Form.

Mr. Leo Peng intends to chair the meeting and on that basis intends to vote all undirected proxies in favour of resolution 1.

3. Resolutions 2 to 4: Election of Director

This Resolution deals with the election of Mr. Richard Holstein, Ms. Heather Chong and Mr. Zhao Yan Shi as Directors of the Company.

The Company received on the 10th July 2015 a requisition to call a General Meeting by Endless Adventure Limited a Shareholder which holds more than 5% of the votes that may be cast at a General Meeting of the Company.

Pursuant to section 249D(1) of the Corporations Act 2001 (Cth) and rule 30.3 of the Company's constitution the Directors are obliged to hold a General Meeting to propose resolutions 2 to 4.

The requisition has been included with this Notice of Meeting and includes details regarding the persons who have consented to act as Directors (resolutions 2 to 4) of the Company if the resolutions are approved.

Mr. Leo Peng intends to chair the meeting and on that basis intends to vote all undirected proxies in favour of resolutions 2 to 4.

4. Resolution 5: Removal of Director

This Resolution deals with the removal of Ms. Jia Ping Meng as Directors of the Company.

As mentioned above, the Company received on the 10th July 2015 a requisition to call a General Meeting by Endless Adventure Limited a Shareholder which holds more than 5% of the votes that may be cast at a General Meeting of the Company.

Pursuant to section 249D(1) of the Corporations Act 2001 (Cth) and rule 30.3 of the Company's constitution the Directors are obliged to hold a General Meeting to propose resolution 5.

Ms. Jia Ping has made no contact with the Company in a significant period of time despite numerous attempts at contact by the Company. Mr Leo Peng intends to chair the meeting and on that basis intends to vote all undirected proxies in favour of resolution 5.

5. Other Information

There is no other information known to the Company that is material to a shareholder's decision on how to vote on the resolutions set out in the Notice. However, should any shareholder be in doubt as to how they should vote on any resolution and/or as to how a resolution may affect them, they should seek advice from their accountant, solicitor or other professional adviser as soon as possible.

Queries as to the lodgement of proxies and other formalities in relation to the meeting should be directed to the Company Secretary.

6. Action to be taken by Shareholders

Enclosed with the Notice of Meeting and this Explanatory Statement is a Proxy Form for use by Shareholders. All Shareholders are invited and encouraged to attend the meeting or, if they are unable to attend in person and are eligible to vote, to complete, sign and return the Proxy Form to the Company in accordance with the instructions contained on the Proxy Form and the Notice of Meeting. Lodgment of a Proxy Form will not preclude a shareholder from attending and voting at the meeting in person.

ANNEXURE A

Questions from Shareholders

This form is provided with the notice of the General Meeting of Sino-Excel Energy Limited ACN 085 162 456 to be held at the offices of Minter Ellison, Level 40, Governor Macquarie Tower, 1 Farrer Place, SYDNEY, NSW, 2000, on 9th September 2015 at 11.00 a.m. (Sydney time), to assist Shareholders in asking questions of:

- the Directors of the Company in relation to the management of the Company.

The board of Directors will endeavour to respond to the questions received by Shareholders as the chair of the meeting determines is reasonable given the time available at the meeting.

Name of Shareholder/s:

Questions (please place an X in the box next to the question if your question is directed at the auditor)

☐

☐

Lodging this form

If you wish to ask questions using this form, you should submit this form as described below by no later than 48 hours before the commencement of the meeting.

By mail: Richard Holstein, Company Secretary,
Sino-Excel Energy Limited
Level 40, 1 Farrer Place
SYDNEY, NSW, 2000
Australia
- or -
Fax: +61 2 9921 8123

Please ensure there is a cover page.

ANNEXURE B

Sino-Excel Energy Limited

ACN 085 162 456

**Appointment of Corporate Representative
Section 250D of the Corporations Act 2001**

Shareholder Details

This is to certify that by a resolution of the Directors of:

.....

(Company),

Insert name of shareholder Company

the Company has appointed:

.....

.....

Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that Company at the meeting of the members of Sino-Excel Energy Limited to be held at the offices of Minter Ellison, Level 40, Governor Macquarie Tower, 1 Farrer Place, SYDNEY, NSW, 2000, on 9th September 2015 at 11.00 a.m. (Sydney time) and at any adjournments of that meeting.

DATED 2015

Please sign here

Executed by the Company)
in accordance with its constituent documents)
)

.....
Signed by Authorised Representative

.....
Signed by Authorised Representative

.....
Name of Authorised Representative (print)

.....
Name of Authorised Representative (print)

.....
Position of Authorised Representative (print)

.....
Position of Authorised Representative (print)

Instructions for Completion

1. Insert name of appointer Company and the name or position of the appointee (eg John Smith or each Director of the Company).
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (e.g. Director) of each Company officer who signs this Certificate on behalf of the Company.
4. Insert the date of execution where indicated.
Mail or Deliver the Certificate to the office at Sino-Excel Energy Limited, Level 40, Governor Macquarie Tower, 1 Farrer Place, SYDNEY, NSW, 2000, Australia - or - Fax: +61 2 9921 8123

ANNEXURE C

Proxy and Voting Entitlement Instructions

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be lodged:

In person or by Mail: or Fax: +61 3 9473 2555
Sino-Excel Energy Limited
C\ - Computershare Limited
Yarra Falls, 452 Johnston Street
ABBOTSFORD VIC 3067, Melbourne Australia

not later than 48 hours before the time for holding the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Voting Entitlement

The Company may specify a time, not more than 48 hours before the meeting, at which a "snapshot" of Shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company's Directors have determined that all shares of the Company that are held at 7.00 p.m. (Sydney Time) on 7th September 2015 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Appointment of a Proxy

A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy. The proxy may, but need not be, a member of the Company.

If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy. A proxy need not be a Shareholder of the Company.

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as he or she chooses. If you mark more than one box on a resolution your vote on that resolution will be invalid.

Proxy and Voting Entitlement Instructions

Signing Instructions

You must sign this form as follows in the spaces provided:

- | | |
|--------------------|--|
| Individual: | where the holding is in one name, the holder must sign. |
| Joint Holding: | where the holding is in more than one name, all of the Shareholders should sign. |
| Power of Attorney: | to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it. |
| Companies: | where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

If a Representative of the Corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice or may be obtained from the Company's Share Registry.

Endless Adventure Limited

6 July 2015

The Directors
Sino-Excel Energy Limited
C/- Minter Ellison
'Rialto Towers'
Level 23, 525 Collins Street
Melbourne VIC 3000

Dear Sirs

Requisition to call a general meeting of Sino-Excel Energy Limited ACN 085 162 456 (Company)

Endless Adventure Limited (BVI Company Number 1543730) (**Endless Adventure**) is a shareholder of the Company, and holds more than 5% of the votes that may be cast at a general meeting of the Company.

Pursuant to section 249D(1) of the *Corporations Act 2001* (Cth) and rule 30.3 of the Company's constitution, Endless Adventure requiresr that you call and arrange to hold a general meeting of the Company.

Endless Adventure requests that the following resolutions be proposed at this meeting:

1. Appointment of Mr Richard Holstein as Director of the Company

To consider, and if thought fit, to pass as an ordinary resolution of the Company:

"That Mr Richard Holstein be appointed as a director of the Company with immediate effect."

2. Appointment of Ms Heather Chong as Director of the Company

To consider, and if thought fit, to pass as an ordinary resolution of the Company:

"That Ms Heather Chong be appointed as a director of the Company with immediate effect."

3. Appointment of Mr Zhao Yan Shi as Director of the Company

To consider, and if thought fit, to pass as an ordinary resolution of the Company:

"That Mr Zhao Yan Shi be appointed as a director of the Company with immediate effect."

4. Removal of Ms JiaPing Meng as Director of the Company

To consider, and if thought fit, to pass as an ordinary resolution of the Company:

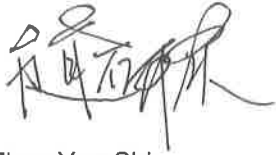
"That Ms JiaPing Meng be removed as a director of the Company with immediate effect."

Endless Adventure Limited

Pursuant to section 249P of the *Corporations Act 2001* (Cth), Endless Adventure requires you to distribute the **enclosed** statement at the same time and in the same way as the notice of general meeting.

Yours faithfully

Endless Adventure Limited

A handwritten signature in black ink, appearing to be 'Zhao Yan Shi' in Chinese characters, written in a cursive style.

Zhao Yan Shi

Director

Encl

Endless Adventure Limited

Statement to the shareholders of Sino-Excel Energy Limited ACN 085 162 456 (Company) pursuant to section 249P of the *Corporations Act 2001 (Cth)*

Dear Shareholder

As at the date of writing, the Company:

1. is suspended from trading on the ASX;
2. has not lodged its latest accounts as required by the *Corporations Act 2001 (Cth)*;
3. does not have the minimum two Australian resident directors required by law; and
4. does not have the minimum three directors on its board as required by law.

I have called this shareholder meeting to effect change by installing a new board of directors with a new direction, to create value for all shareholders. I am the sole director of Endless Adventure Limited, a shareholder with 50,000 shares, representing approximately 100% of the issued capital of the Company.

Enclosed with this statement are short biographies of each of the three proposed directors. Each has experience as director of an ASX listed company, and a track record of good corporate governance.

I hope you join me in supporting this renewal process focussed on creating value for all shareholders.

Yours faithfully

Endless Adventure Limited



Zhao Yan Shi
Director
Encl

Heather Chong



Heather is an accountant by profession and has significant board experience. She holds a number of offices in non-profit organisations, including NRM South and Asthma Australia.

Heather is a member of the Institute of Chartered Accountants of England and Wales, and a Fellow of the Australian Institute of Company Directors.

Richard Holstein



Richard has considerable experience in providing company secretarial, financial and corporate and other related services to listed and unlisted small and medium enterprises.

Richard Holstein has a Bachelor in Business (Accounting), FCPA, MBA (Macquarie Graduate School of Management) and is a member of the Governance Institute of Australia.

Consent to Act as a Director

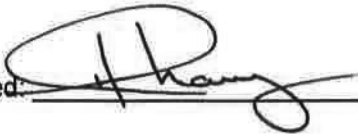
11. Consent

I, Heather Chong of 331 Finger Post Road, Richmond, Tasmania, 7025, consent to my appointment as a director of Sino-Excel Limited ACN 085 162 456 (**Company**), and in compliance with the requirements of the *Corporations Act 2001* (Cth), I set out hereunder the following information:

21. Personal details

Full name	Heather Chong
Former name (if applicable)	N/A
Residential address	331 Finger Post Road, Richmond, Tasmania, 7025
Date of birth	01-09-1958
Place of birth	Birmingham, UK

Signed: _____



Date: _____

15 July 2015

Consent to Act as a Director

1. Consent

I, Zhao Yan Shi of #1003, BLK 410-02, Hua Xin Condo. Hui Zhong Bei Street, Chao Yang Dist. Beijing, China consent to my appointment as a director of Sino-Excel Limited ACN 085 162 456 (**Company**), and in compliance with the requirements of the *Corporations Act 2001* (Cth), I set out hereunder the following information:

2. Personal details

Full name	Zhao Yan Shi
Former name (if applicable)	N/A
Residential address	#1003, BLK 410-02, Hua Xin Condo. Hui Zhong Bei Street, Chao Yang Dist. Beijing, China
Date of birth	18 Oct 1953
Place of birth	China



Signed: _____ Date: 6 July 2015

Consent to Act as a Director

1. Consent

I, Richard Holstein of 711 Bourke Street, SURRY HILLS NSW 2010, consent to my appointment as a director of Sino-Excel Limited ACN 085 162 456 (Company), and in compliance with the requirements of the *Corporations Act 2001* (Cth), I set out hereunder the following information:

2. Personal details

Full name	Richard Holstein
Former name (if applicable)	N/A
Residential address	711 Bourke Street, SURRY HILLS NSW 2010
Date of birth	23 September 1962
Place of birth	SYDNEY, AUSTRALIA

Signed:



Date:

15 . 7 . 15

ANNUAL REPORT
31 December 2013
SINO-EXCEL ENERGY LIMITED
A.C.N. 085 162 456

SINO-EXCEL ENERGY LIMITED

ANNUAL REPORT

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013

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SINO-EXCEL ENERGY LIMITED

CHAIRMAN'S REPORT

Dear Shareholder,

The Group had faced a very difficult year with the slowed down of the coal resource industries. In FY2013, the group had an operating loss of US\$2,055,613 (2012: US\$11,698,865). The group operations were not able to continued and the Board had source for potential business to inject into the company. The Company is currently in preparation of seeking approval from ASX and ASIC to inject winery business by acquiring retail business in PRC and Australia as well as acquisition of vineyards in Australia to partially provide its own operation for better value.

On 30 August 2013, the Company had entered into a Heads of Agreement to acquire Precious Area Investment Limited and Silver Mind Investment Limited (collectively the "Targets") to acquire a 100% interest in each of the Targets. The Targets are currently proposing and under negotiation to acquire certain assets in PRC and Australia, including producing vineyards located in Australia.

In accordance with the terms of the Agreement, the parties will enter into negotiations in relation to executing an agreement to effect the proposed transaction ("Proposed Transaction")

Under the Proposed Transaction, the Company will acquire all of the issued shares in the Targets. On satisfaction of the relevant conditions, the Shareholders will receive fully paid ordinary shares in the Company, representing approximately 68% of the fully diluted share capital of the Company. Conditions to the Proposed Transaction includes the completion of the acquisition, by the Targets, of assets valued at no less than an agreed amount, and the satisfaction and receipt of all necessary legal and regulatory approvals.

As part of the Proposed Transaction, it is intended that a capital raising will be undertaken by the Company, including for the purpose of satisfying the listing requirements of the ASX. Because the Proposed Transaction represents a new business activity, upon completion of due diligence, a prospectus will be circulated and an extraordinary general meeting held to approve the relevant resolutions required to implement the various aspects of the Proposed Transactions.

The Company believes that a change in activities is in the best interest of shareholders.

On 21 August 2014 has entered into a Convertible Bond Deed ("CB Deed") with the Targets. Under the CB Deed, the Targets have agreed to subscribe for and the Company has agreed to issue convertible unsecured bonds to the Targets in their Respective Proportions (being 50% each) of an amount of AUD10,000,000. The Bonds are tranching, with a first tranche of \$2,000,000 and second tranche of \$8,000,000.

The bonds' proceeds of up to AUD10 million are to be used by the Company to acquire vineyard in Australia and a multi-national group in the People's Republic of China known as Aohua Rong Chuang (Aohua). A potential vineyard in Australia has been shortlisted for acquisitions. Aohua is ultimately owned by the Targets. The acquisition is in the midst of negotiations.

Yours faithfully,



Director
Leo Peng

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT

The Board of Directors are responsible for protecting the rights and interests of the Shareholders through the implementation of sound strategies and action plans and the development of an integrated framework of controls over the Group's resources, functions and assets. The Board's role is to govern the Company and not to manage it. It is the role of senior management to manage the Company in accordance with the strategic goals set by the Board and under its direction. The Board does not have a management function.

Sino-Excel Energy Limited supports the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council in December 2007.

The Board, in supporting these principles and recommendations of corporate governance is mindful of its size and composition and, in some cases, the Company seeks to meet the "spirit" of the principles without being in full compliance with those principles.

The Company has yet to set up Audit Committee and a Nomination and Remuneration Committee. The Directors consider that the Company is not of a size nor are its affairs of such a nature as to currently justify the formation of additional committees. The Board will form other committees should the need arise.

The Board as a whole, together with the appointed committee, is able to address the governance aspects of the Company's activities and ensure that it adheres to appropriate ethical standards.

Detailed below are the Corporate Governance Principles and Recommendations and how the Company has complied or seeks to comply with them.

Principle One

Lay solid foundations for management and oversight

- 1.1 *Companies should establish the functions reserved to the board and those delegated to senior executives and disclose these functions.*

The Board has adopted a formal charter setting out the obligations and responsibilities of the Board of Directors.

It is the responsibility of the senior executives of the Company to manage the affairs of the Company in accordance with the strategic goals set by the Board and under its direction. The Executive Directors and Management team are primarily responsible for such management. Their responsibilities include implementing and monitoring (together with the Board) the strategic and financial plans for the Company and being the primary channel of communication and point of contact between the executive management and the Board.

As the Company is currently seeking approval for Reverse take over of a winery business, once approval and consent given by ASX and they will update the Company's Board Charter to be in line with the new operations.

- 1.2 *Companies should disclose the process for evaluating the performance of senior executives*

In accordance with the Board Charter, the directors' responsibilities include monitoring the performance of senior executives (including the chief executive officer). The Board has established a Nomination and Remuneration Committee which is responsible for reviewing and approving executive remuneration and incentive policies and practices; and ensuring that the policies and practices are performance based and aligned with the Company's vision, values and overall business objectives.

Further the Nomination and Remuneration Committee is responsible for annually reviewing the performance of the Chief Executive Officer, and reviews and approves, on the recommendation of the Chief Executive Officer, the total remuneration and terms of employment, and any subsequent changes thereto, of direct reports of the Chief Executive Officer.

The Committee has responsibility for fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executives and the general external pay environment.

In addition the Committee is responsible for reviewing and approving the design and total proposed payments from any executive incentive plan.

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

1.3 *Companies should provide the information indicated in the Guide to reporting on Principle 1.*

The Board and Nomination and Remuneration Committee will ensure that an evaluation of the senior management team is undertaken in accordance with its charters in future years.

The Company will provide details as to its compliance with these recommendations in its future annual reports.

As the Company is currently seeking approval for Reverse take over of a winery business, once approval and consent given by ASX and they will update the Nomination and Remuneration Charter to be in line with the new operations.

Principle Two

Structure the Board to Add Value

2.1 *A majority of the board should be independent directors.*

The ASX Corporate Governance Council has recognised that the range in size and diversity of companies is significant and that smaller companies (such as Sino-Excel) may face particular issues in attaining all its recommendations at the outset.

The Board, having regard to the Company's stage of development and the collective experience and expertise of the Directors, considers the current composition of the Board is appropriate.

2.2 *The chair should be an independent director. Currently the Chairman has not been appointed and the Board will appoint the Chairman once approval is granted by ASX for the Reverse take over for the injection of the winery project.*

2.3 *The roles of chair and chief executive officer should not be exercised by the same individual.*

2.4 *The Board should establish a nomination committee once they receive the in principle approval for the relisting on the injection of the winery project.*

2.5 *Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.*

As the Company is still in the early stage of development following its re-listing it has not yet undertaken a formal review of the Board's performance. Currently the Company is suspended and in the process of preparation of seeking approval to relisting by injection of winery project. Once approval is granted, after stabilising the operations, the board will consider to undertake a formal review of the Board's performance. However, the Nomination and Remuneration Committee is required to establish processes for evaluating the performance of the Board, both collectively and individually and to annually evaluate the performance of the Board, both collectively and individually.

2.6 *Companies should provide the information indicated in the Guide to Reporting on Principle 2.*

The names of the Directors of the Company in office are set out in the Director's Report contained in the Annual report of the Company.

For the purposes of the proper performance of their duties, Directors are entitled to seek independent professional advice at Sino-Excel's expense, unless the Board determines otherwise.

The Directors stand for re-election by shareholders in accordance with the requirements of the constitution and the ASX Listing Rules (i.e on a 3 year rotational basis).

The other matters required to be reported upon under this requirement are set out above.

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

Principle Three

Promote ethical and responsible decision-making

- 3.1 *Companies should establish a code of conduct and disclose the code or a summary of the code.*

The Company should establish a code of conduct and disclose the code or a summary of the code as to :

- The practices necessary to maintain confidence in the company's integrity;
- The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and
- The responsibility and accountability of individuals for reporting and investigating report of unethical practices.

The Company has adopted a Code of Conduct which applies to all directors and employees of the Company, as well as a Securities Trading Policy.

As the Company is currently seeking approval for Reverse take over of a winery business, once approval and consent given by ASX and they will update the Company Code of Conduct to be in line with the new operations.

- 3.2 *Companies should establish a policy concerning diversity and disclose the policy or a summary of the policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.*

The Company has adopted a Diversity Policy. The Diversity Policy confirms that the Company's operations are currently at an early stage of development since re-listing and it has only a small number of employees. It states that as the Company moves closer to achieving its goals and increases its number of employees, it will establish appropriate and measurable objectives for achieving gender diversity; and annually review and assess both the measurable objectives for achieving gender diversity and the Company's progress in achieving them.

As the Company is currently seeking approval for Reverse take over of a winery business, once approval and consent given by ASX and they will update the Company's Diversity Policy to be in line with the new operations.

- 3.3 *Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.*

The Company will provide details as to its compliance with these recommendations in its future annual reports.

- 3.4 *Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.*

Currently due to the small number of employees, there is one woman on the board and one woman in a senior executive position.

- 3.5 *Companies should provide the information indicated in the Guide to reporting on Principle 3.*

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

Principle Four

Safeguard Integrity in Financial Reporting

4.1 The board should establish an audit committee

Sino-Excel has established an Audit Committee once they receive the in principle approval for the relisting on the injection of the winery project.

The principal functions of the Audit Committee include :

- Helping the Board to achieve its objectives in relation to financial reporting, the application of accounting policies, business policies and practices, legal and regulatory compliance, and internal control and risk management systems;
- Promoting a culture of compliance; and
- Ensuring effective and external audit functions and communications between the Board and the external auditors.

The Audit Committee is also responsible for overseeing the establishment and implementation of risk management and internal compliance and control.

4.2 The audit committee should be structured so that it:

- *consists only of non-executive directors*
- *consists of a majority of independent directors*
- *is chaired by an independent chair, who is not the chair of the board*
- *has at least three members*

The Board having regard to the Company's stage of development and the collective experience and expertise of the members of the Audit Committee, considers the current composition of the Audit Committee is appropriate.

4.3 The audit committee should have a formal charter.

As the Company is currently seeking approval for Reverse take over of a winery business, once approval and consent given by ASX and they will update the Company's Audit Committee Charter to be in line with the new operations.

4.4 Companies should provide the information indicated in the Guide to reporting on Principle 4.

Principle Five

Make Timely and Balanced Disclosure

5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company has adopted a Continuous Disclosure Policy. This policy sets out the standards, protocols and the detailed requirements expected of all Directors, officers, senior management and employees of the Company for complying with the Listing Rules and Corporations Act relating to continuous disclosure.

The Continuous Disclosure Policy is designed to provide equal access to information and to promote quality communications between the Company and third parties such as shareholders, the investment community, the media and ASX.

As the Company is currently seeking approval for Reverse take over of a winery business, once approval and consent given by ASX and they will update the Company's Continuous Disclosure Policy to be in line with the new operations.

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

5.2 *Companies should provide the information indicated in the Guide to reporting on Principle 5.*

Principle Six

Respect the rights of shareholders

6.1 *Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.*

The Company has adopted a Shareholder Communications Policy for Shareholders wishing to communicate with the Board. Sino-Excel seeks to utilise numerous modes of communication, including electronic communication to ensure that its communication with Shareholders is frequent, clear and accessible. All shareholders are invited to attend Sino-Excel's annual general meeting, either in person or by representative, being the forum in which to discuss issues relevant to the Company. The Board accordingly encourages full participation by Shareholders. Shareholders will have an opportunity to submit questions to the Board and auditors.

As the Company is currently seeking approval for Reverse take over of a winery business, once approval and consent given by ASX and they will update the Company's Shareholder Communication Policy to be in line with the new operations.

6.2 *Companies should provide the information indicated in the Guide to reporting on Principle 6.*

Principle Seven

Recognise and Manage Risk

7.1 *Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.*

In conjunction with the Company's other corporate governance policies, the Company adopts various risk management policies, which are designed to assist the Company to identify, evaluate and mitigate technological, financial, economic, operational and other risks.

7.2 *The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.*

The Board is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed and maintained by management.

Management is responsible for designing and implementing risk management and internal compliance and control systems which identify material risks for the Company and aim to provide the Company with warnings of risks before they escalate. Management must implement the processes and risk plans developed to address the material business risks of the company.

The Board requires regular reporting on risk management from management to the Board.

7.3 *The board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.*

The Chief Executive Officer and the Chief Financial Officer (or equivalent) are required to make declarations to the Board in accordance with the requirements of section 295A of the Corporations Act.

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

7.4 *Companies should provide the information indicated in the Guide to reporting on Principle 7.*

Except that there is no stand alone risk management policy which can be publicly disclosed, the Company intends to comply with this recommendation.

Principle Eight

Remunerate Fairly and Responsibly

8.1 *The board should establish a remuneration committee*

The Board should establish a Nomination and Remuneration Committee once they receive the in principle approval for the relisting on the injection of the winery project.

Nomination

The objective of the Nomination and Remuneration Committee is to help the Board to achieve its objective to ensure Sino-Excel :

- has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- has coherent remuneration policies and practices to attract and retain executives and Directors who will create value for shareholders;
- observes those remuneration policies and practices; and
- fairly and responsibly rewards executives having regard to the performance of Sino-Excel, the performance of the executives and the general pay environment.

The Nomination and Remuneration Committee is responsible for matters including identifying and recommending to the Board nominees for membership of the Board including the Chief Executive Officer and ensuring succession plans are in place to maintain an appropriate balance of skills on the Board and reviewing those plans.

8.2 *The remuneration committee should be structured so that it :*

- consists of a majority of independent directors;
- is chaired by an independent chair; and
- has at least three members.

The Board, having regard to the Company's stage of development and the collective experience and expertise of the members of the Nomination and Remuneration Committee, considers the current composition of the Nomination and Remuneration Committee is appropriate.

8.3 *Companies should clearly distinguish the structure of non – executive directors' remuneration from that of executive directors and senior executives.*

In accordance with its Charter, the Nomination and Remuneration Committee clearly distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives. The Company will provide disclosure of its Directors' and executives' remuneration in its annual report and annual proxy statement.

8.4 *Companies should provide the information required in the Guide to reporting on Principle 8.*

Except to the extent that it relates to a separate remuneration committee, the Company considers it has met the recommendation as required.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT

The Directors of Sino-Excel Energy Limited submit herewith the annual financial report for the financial period ended 31 December 2013.

For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and particulars of the directors of the company during or since the end of the financial period are:

Name	Particulars
Ms Jia Ping Meng	Aged 53, joined the Board in September 2014 in a executive capacity.
Mr. Geng Li	Aged 37, joined the Board in September 2014 in a executive capacity.
Mr. Leo Peng	Aged 34, joined the Board in 2009 in a non-executive capacity, he was appointed Executive Director on 1 February 2012 and resigned on May 2014. He joined in September 2014 in executive capacity
Mr. Michael Bin Guo	Aged 33, joined the Board in September 2014 in a non-executive capacity.
Mr Si Yao Jiang	Aged 32, joined the Board in September 2014 in a non-executive capacity.
Mr. Spencer Chan	Chairman, aged 66, joined the Board in 2009 in a non-executive capacity, resigned in May 2014
Mr Rohan Boman	Aged 45, joined the Board in 2009 in a non-executive capacity, resigned in September 2014
Mr Wong Chin Hong	Aged 66, joined the Board in 2010 in a non-executive capacity, resigned in May 2014
Dr Charlie In	Aged 57, joined the Board in 2011 in an executive capacity, resigned in September 2014
Ms Lucy Zhang LiYing	Aged 30, joined the Board in 2011 in an executive capacity, resigned in September 2014
Mr Jiao ManHong	Aged 40, joined the Board in 2012 in an executive capacity and Group CEO (appointed 1 February 2012), resigned in May 2014

Mr. L. Peng Msc. Fin.

Appointed 29 September 2009, 1 February 2012 and 4 September 2014, Executive Director.

Mr. Peng was appointed as a Non-Executive Director on 29 September 2009. He has more than ten years of working experience in capital markets & management. He has served two listed companies as an executive director and has been appointed by several companies as external financial advisor, to provide strategic planning, financial structuring, listing and fund raising services during the past few years. He has been involved in a number of successful listings assisting Chinese companies being listed in Singapore, Hong Kong and Australia and has a very good network and in-depth knowledge of capital markets both on-shore and off-shore. He was with Deutsche Morgan Grenfell Securities Ltd, dealing with the Equity Capital Markets in Singapore.

Mr Peng holds a Masters degree in Finance from the National University of Ireland, Dublin; and a Diploma in Wealth Management from Wealth Management Institute of Singapore.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Ms Jia Ping Meng

Appointed 4 September 2014, Executive Director

Ms Jia Ping Meng holds a doctor's degree in Laws from Jilin University, and holds titles as Vice-president of China Unite Chamber of Commerce, Vice-president of Jilin University Alumni Association and Secretary General of Ecological China Working Committee.

Ms. Meng has had a significant business background with experience in corporate management and corporate operations. As a senior expert of China's wine industry, she has served as the president of Aohua Union International Foods (Beijing) Co., Ltd since 2006 and has successfully grown a small trading enterprise into a leading enterprise of the wine industry in China relying on her unique operations concept and a dozen years of experience in market operation in the wine industry.

Mr Geng Li

Appointed 4 September 2014, Executive Director

Mr Geng Li holds a Master of Finance from the University of International Business and Economics, has a Bachelor's degree in engineering (business administration) from Jilin University, and is a member of the Jiusan Society. Mr. Li has been involved in financing and investment fields over ten years, obtaining significant industrial experience, and is one of the few specialists in the red wine financing industry.

He has successively held the post of general manager of the financing investment department in the head office of Neusoft Group, a listed company on the Shanghai Stock Exchange, general manager of stock rights investments department of Goldwind joint-stock company, also a listed company on both the Shenzhen Stock Exchange and the Hong Kong Stock Exchange and general manager of institution department of Galaxy Futures. He was also a financial analyst with China State Information Center.

Mr Michael Bin Guo

Appointed 4 September 2014, Non-Executive Director

Mr Michael Bin Guo is an HNW and UHNW investment consultant with unique experience and insights in risk management, property and alternative investments. Mr Guo's vision is to create and add value to investors' wealth by providing the optimal asset allocation strategy with a diversified range of investment solutions backed by an echelon of experienced investment professionals. Prior to founding VIG, Mr. Guo worked as a senior consultant and head of training for Imagine Software, a Wall Street based global leader in providing state of the art risk and portfolio management solutions. With over 5 years of experience in risk management, Mr Guo has developed a unique view of investment risk, which is the key in finding the optimal balance between risk and return in investment projects.

Mr. Guo graduated from Macquarie University with a Master Degree of Economics, his GPA 4.0 out of 4.0 had won him the Award of Vice-Chancellor's Commendation for Academic Excellence and the University Merit Certificate for Outstanding Performance. Mr. Guo has a Bachelor Degree in Finance and Marketing from the University of California. Mr. Guo has also taught undergraduate Economics and Finance at Macquarie University. Mr. Guo currently holds senior positions at a number of non-for-profit international organisations, including member of the advisory board of the International Family Office Association; vice president of the Australia China Council for Cultural Exchange and Promotion; vice president of the Aus-Sino Council for Overseas Investment Promotion.

Mr Jiang Si Yao

Appointed 4 September 2014, Non-Executive Director

Mr Jiang Si Yao holds a Master of International Law from the University of Sydney, Faculty of Law. He also holds a first class honours degree in Economics from Macquarie University, Department of Economics and has a double degree Bachelor of Economics/Bachelor of Commerce-Actuarial Studies from Macquarie University.

Mr. Jiang is a legal expert, especially proficient in international law. He has expertise in wine, and is currently taking the WSET (Wine&Spirit Education Trust) Level 4 diploma exam. Mr. Jiang is a chartered FRM (Financial Risk Manager) and a CFA (Chartered Financial Analyst).

Mr. Jiang has had significant experience in banking, having worked for the Reserve Bank of Australia, investment banking with Macquarie Group Limited and commercial banking with Sumitomo Mitsui Banking Corporation in Australia.

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DIRECTORS' REPORT **(continued)**

Mr. S. Chan M.S.I.A.; B. Eng (Mech)

Appointed 29 September 2009 resigned in May 2014, Non-Executive Chairman, Member of Remuneration and Nomination Committee and Audit Committee.

Mr Spencer Chan Kum Ee, experienced marketing management executive who is currently Managing Consultant with SC Management Consulting Pte Ltd. Formerly vice-president and marketing director of Citibank's Global Consumer Banking in Singapore.

Mr. R. Boman B.Bus. (Acc) B.Bus (Mmt)

Appointed 4 November 2009, resigned in September 2014, Non-Executive, Member of Remuneration and Nomination Committee and Audit Committee.

Mr. Boman is a private investor with a particular interest in the resource industry. Mr. Boman has previously held the position of Director, Proprietary Trading for ING Securities (Hong Kong) prior to which he was Divisional Director and Head of Trading – Equity Markets at Macquarie Bank Limited (Sydney).

Mr. C.H. Wong FCCA ACMA

Appointed 22 November 2010, resigned in May 2014, Non-Executive, Chairman of Audit Committee, Member of Remuneration and Nomination Committee.

Mr. Wong gained in excess of 16 years' experience in senior finance, accounting and auditing positions with several multi-national companies in Singapore, including SGX-listed companies. Subsequently, Mr. Wong held senior management and director positions with several reputable financial institutions such as the Elders Finance Group (Australia), N.M. Rothschild & Sons and Deutsche Morgan Grenfell in Singapore.

Dr Charlie In

Appointed 15 August 2011, resigned in September 2014, Executive Director

Dr In's experience covers business management, capital sourcing, consulting, marketing, mergers and acquisitions. He was instrumental in arranging the public listing of several PRC Companies. He is currently the Chairman of Sino-Environment Technology Group Limited and advisor to the Talent Advisory Panel of the People's Association in Singapore.

Dr In was the Chairman of Direct Marketing Association of Singapore, an advisor to the Asia Pacific Management Institute, Sapphire China, Sky China Petroleum and Ying Li Property Development. He was also an adjunct faculty member of The Singapore Institute of Management for 20 years and for 17 years at The University of South Australia.

Dr In is the first Singaporean to be honoured with the Most Respected Financial Writer of the Year Award at the 2010 Golden Mulberry Award – Business/Finance sub-category of The Big Ben Award, organized by the British Chinese Youth Federation (BCYF).

Dr In has an extensive network in the China energy, mining and property industries. His immediate role is to formulate and execute a new corporate strategy for Sinox in making acquisitions for its long-term growth and expansion.

Ms Lucy Zhang LiYing

Appointed on 15 August 2011, resigned in September 2014, – Executive Director

Ms Lucy Zhang has been a Director of Marvel Earn Limited since August 2008. She has strong exposure in investments and advisory services to Chinese Companies seeking overseas listings, capital raisings and potential merger & acquisition opportunities. She works closely with investment bankers, auditors, lawyers, valuers and other professionals to enhance the position of the Companies to be ready for IPO/RTO or M&As. She has extensive experience working with the bio-tech, energy, mining, property and service industries. Lucy has hands-on China management experience and localized business relationships in the energy and mining sectors. Her primary role is to enhance the productivity and profitability of Sinox's trading and mining businesses.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Mr Jiao ManHong

Appointed on 1 February 2012, resigned in May 2014 – Group CEO/Executive Director

Mr Jiao brings to the Company over 16 years of knowledge in the coal industry. His expertise is in coal product processes, marketing and resource networks. From 1995 to 2001, Mr Jiao was the Vice President of Sales of Shanxi Coal International Energy Group Company Limited, a listed corporation in China. During his tenure at Shanxi Coal, that company brokered the sale of over 20 million tonnes supplied to major domestic industries – power, cement, steel, paper and ceramics industries.

Mr Jiao was with ZhaoQing Bohai Energy Co. Ltd. since 2003 to 2011 where he also was the controlling shareholder. His role and responsibilities were to oversee the management and operations and to formulate company policies and strategies. Mr Jiao has managed over 4 million tonnes per annum of coal in PRC market, ranking amongst the top in the coal industry.

Company Secretary

Mr. D.J. Semmens B.Bus.

Appointed 4 February 2011, resigned in October 2014, Mr Semmens aged 51, has significant experience in providing company secretarial, financial and corporate and other related services to organisations listed on ASX.

Mr. Richard Holestein

Appointed 15 October 2014, Mr Richard has significant experience in providing company secretarial, financial and corporate and other related services to organisations listed on ASX.

Directors' Shareholdings

The following table sets out each director's relevant interest in shares and options of the Company or a related body corporate as at the date of this report.

<i>Directors</i>	<i>Fully Paid Ordinary Shares</i>	<i>Options Over Fully Paid Ordinary Shares</i>
Mr S. Chan (appointed 29 September 2009, resigned 6 May 2014)	-	-
Mr L. Peng (appointed 29 September 2009, resigned 6 May 2014, appointed 4 September 2014)	11,112	-
Mr R. Boman (appointed 4 November 2009, resigned 4 September 2014)	923,516	1,535,750
Mr C.H. Wong (appointed 22 November 2010, resigned 6 May 2014)	-	115,385
Dr Charlie In (appointed 15 August 2011, resigned 4 September 2014)	39,250,217	-
Ms Lucy Zhang LiYing (appointed 15 August 2011, resigned 4 September 2014)	20,440,000	2,328,205
Mr Jiao ManHong (appointed 1 Feb 2012, resigned 6 May 2014)	-	-
Ms Jia Ping Meng (appointed 4 September 2014)	-	-
Mr Geng Li (appointed 4 September 2014)	12,500,000	-
Mr Michael Bin Guo	-	-
Mr Jiang Si Yao	-	-
	73,124,845	3,979,340

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Directorships of other listed companies

Directorships of other listed companies held by the Directors in the 3 years immediately before the end of the financial year are as follows:

<u>Name</u>	<u>Company</u>	<u>Period of directorship</u>
Dr Charlie In	Cedar Strategic Holdings Ltd.	Since 2010
Leo Peng	Cedar Strategic Holdings Ltd.	Since 2012
Mr S. Chan	Imagine Un Limited	Since 2011
Mr C.H. Wong	Imagine Un Limited	Since 2011
Ms Lucy Zhang LiYing	Imagine Un Limited	Since 2011

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of directors) held during the financial period and the number of meetings attended by each director (while they were a director or committee member). During the financial period, three Board meetings, one remuneration and nomination committee meeting and one audit committee meeting were held.

<i>Directors</i>	<i>Board of Directors</i>		<i>Remuneration and Nomination Committee</i>		<i>Audit Committee</i>	
	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>
S. Chan	1	1	-	-	-	-
L. Peng	1	1	-	-	-	-
C.H. Wong	1	1	-	-	-	-
R. Boman	1	1	-	-	-	-
Jiao ManHong	1	1	-	-	-	-
C. In	1	1	-	-	-	-
L.L. Zhang	1	1	-	-	-	-

Indemnification of Officers and Auditors

During the financial period, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the company secretaries and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Company has not otherwise, during or since the financial period, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Principal Activities

The Company is currently suspended and in the preparation to seek approval for a reverse take over of a winery industrial business in PRC and Australia.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT

(continued)

Review of Operations

The consolidated loss after income tax attributable to the members of the parent entity for the financial period ended 31 December 2013 was US\$(2,360,528) (31 December 2012 losses: \$11,698,865). This included a full provision of doubtful debts and investments US\$518,027.

The group sustained a consolidated loss, SINOX had stopped its operation due to the downtrend of the coal industries.

It is currently working with a vendor to seek approval for a reverse take over a project on winery industries in PRC and Australia acquiring vineyards to produce wine for PRC and Australia market.

Subsequent Events

On 30 August 2013, the Company had entered into a Heads of Agreement to acquire Precious Area Investment Limited and Silver Mind Investment Limited (collectively the "Targets") to acquire a 100% interest in each of the Targets. The Targets are currently proposing and under negotiation to acquire certain assets in PRC and Australia, including producing vineyards located in Australia.

In accordance with the terms of the Agreement, the parties will enter into negotiations in relation to executing an agreement to effect the proposed transaction ("Proposed Transaction")

Under the Proposed Transaction, the Company will acquire all of the issued shares in the Targets. On satisfaction of the relevant conditions, the Shareholders will receive fully paid ordinary shares in the Company, representing approximately 68% of the fully diluted share capital of the Company. Conditions to the Proposed Transaction includes the completion of the acquisition, by the Targets, of assets valued at no less than an agreed amount, and the satisfaction and receipt of all necessary legal and regulatory approvals.

As part of the Proposed Transaction, it is intended that a capital raising will be undertaken by the Company, including for the purpose of satisfying the listing requirements of the ASX. Because the Proposed Transaction represents a new business activity, upon completion of due diligence, a prospectus will be circulated and an extraordinary general meeting held to approve the relevant resolutions required to implement the various aspects of the Proposed Transactions.

The Company believes that a change in activities is in the best interest of shareholders.

On 21 August 2014 has entered into a Convertible Bond Deed ("CB Deed") with the Targets. Under the CB Deed, the Targets have agreed to subscribe for and the Company has agreed to issue convertible unsecured bonds to the Targets in their Respective Proportions (being 50% each) of an amount of AUD10,000,000. The Bonds are tranching, with a first tranche of \$2,000,000 and second tranche of \$8,000,000.

The bonds' proceeds of up to AUD10 million are to be used by the Company to acquire vineyard in Australia and a multi-national group in the People's Republic of China known as Aohua Rong Chuang (Aohua). A potential vineyard in Australia has been shortlisted for acquisitions. Aohua is ultimately owned by the Targets. The acquisition is in the midst of negotiations.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Proceedings on Behalf of the Company

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

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.

Changes in State of Affairs

During the financial period there was a significant change in the state of affairs of the consolidated entity. The consolidated entity started its principal activities that are referred to in the financial statements or notes thereto. Refer to Review of Operations within this report for further details.

Future Developments

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Dividends

No dividends were paid or declared since the start of the financial period and the Directors do not recommend the payment of a dividend in respect of its current financial period.

Share Options

Share Options Granted

During and since the end of the financial period no ordinary shares were issued to Directors of the Company as a result of the exercise of options held by Directors. No shares were issued during or since the end of the financial period as a result of the exercise of options.

Details of unissued shares or interests under options as at the date of this report are:

Directors and Senior Management	Number of shares under Option	Issuing entity	Exercise price of option	Expiry date of Options
Ms Lucy Zhang	666,667	Sino-Excel Energy Limited	A\$0.30	30 June 2014
Ms Lucy Zhang	1,661,538	Sino-Excel Energy Limited	A\$0.13	30 September 2017
Mr. R. Boman	923,516	Sino-Excel Energy Limited	A\$0.45	30 June 2014
Mr. R. Boman	612,234	Sino-Excel Energy Limited	A\$0.13	30 September 2017
Mr. Wong Chin Hong	115,385	Sino-Excel Energy Limited	A\$0.13	30 September 2017
Other Option Holders	2,536,333	Sino-Excel Energy Limited	A\$0.30	30 June 2014
Other Option Holders	3,483,333	Sino-Excel Energy Limited	A\$0.45	30 June 2014
Other Option Holders	166,667	Sino-Excel Energy Limited	A\$0.45	31 December 2014
Other Option Holders	227,770	Sino-Excel Energy Limited	A\$0.13	30 September 2017

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Non-audit services

The Directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

- All non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence, as set out by the Institute of Chartered Accountants in Australia.

Details of the amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in Note 25 to the financial statements.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 24 of the financial report.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Remuneration report (Audited)

The remuneration report, which forms part of the directors' report, sets out information about the remuneration of Sino-Excel Energy Limited's directors and senior management for the financial year ended 31 December 2013. The prescribed details for each person covered by this report are detailed below.

Directors and senior management details

The following persons acted as Directors of the Company during or since the end of the financial period:

Mr. Leo Peng
Ms Jia Ping Meng
Mr Geng Li
Mr Michael Bin Guo
Mr Jiang Si Yao
Mr Spencer Chan
Mr Rohan Boman
Mr Wong Chin Hong
Dr Charlie In
Ms Lucy Zhang LiYing
Mr Jiao ManHong

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial period and since the end of the financial period:

Mr. Richard Holestein (Company Secretary)
Ms Alice Chong (Chief Financial Officer).

Remuneration Policy and relationship to company performance

Remuneration is assessed for directors and senior executives with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality executive team. The appropriateness and nature of emoluments is assessed by reference to employment market conditions. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Sino-Excel Energy Limited, however, during the financial year and up to the date of this report, directors and senior executive annual remuneration have no variable elements that are directly linked to company performance. The remuneration committee has approved the implementation of incentive based remuneration for all staff including senior executives which will require each member of staff to be reviewed with regard to individual and corporate objectives. Any increases in executive compensation will correlate with achievement of individual and corporate objectives. The remuneration committee has not dictated what form the incentives for each member of staff will take. During the financial period and up to the date of this report no payments had been made to executives based on performance criteria, nor were there any entitlements thereto. The fixed bonus payable in both current and prior year was based on the service agreements.

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the four years to December 2013. The consolidated entity changed its balance date from June to December in 2011. No information is provided for the year ended 30 June 2010 as the consolidated entity was under the preparation of a reverse takeover so the results do not reflect those of the current entity.

	12 months ended 31 December 2013 US\$	12 months ended 31 December 2012 US\$	12 months ended 31 December 2011 US\$	12 months ended 30 June 2011 US\$
Revenue	-	4,460,887	7,022,503	-
Profit/(Loss) before tax	(2,055,613)	(11,253,521)	6,286,703	(2,425)
Profit/(Loss) after tax	(2,055,613)	(11,698,865)	4,947,375	(2,425)

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

	12 months ended 31 December 2013	12 months ended 31 December 2012	12 months ended 31 December 2011	12 months ended 30 June 2011
			US\$	US\$
Share price at start of year	A\$0.04	A\$0.12	A\$0.006	NA
Share price at end of year *	A\$0.028	A\$0.04	A\$0.12	A\$0.006
Interim dividend	-	-	-	-
Final dividend	-	-	-	-
Basic earnings cents per share	(1.20)	(7.61)	3.90	(3,031.25)
Diluted earnings cents per share	(1.20)	(7.61)	3.48	(3,031.25)

In June 2013, the Board has requested for the suspended of the trading due to the Company requires to source for a new business for the continuous of the operations. This was due to the downturn of the coal industries worldwide. Currently the a company is in the preparation for a reverse take over of a winery business in PRC and Australia which they are taking over a retail wine business in PRC and acquiring vineyards with production capacities to self support to increase value for the shareholders and reduce cost as well as acquiring retail wines business in Australia.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT (continued)

The following table discloses the compensation of the key management personnel:

12 months ended 31 December 2013	Position	Short term employee benefits				Post Employment Benefits			Termination benefits US\$	Shares Issued US\$	Other benefits US\$	Total US\$
		Cash salary & fees US\$	Bonus US\$ (1)	Non-monetary US\$	Super-annuation US\$	Prescribed benefits US\$						
Spencer Chan (resigned May 2014)	Non-executive Chairman	26,618	-	-	-	-	-	-	-	-	-	26,618
Wong Chin Hong (resigned May 2014)	Non-executive Director	26,618	-	-	-	-	-	-	-	-	-	26,618
Rohan Boman (resigned September 2014)	Non-executive Director	17,745	-	-	-	-	-	-	-	-	-	17,745
Leo Peng (resigned May 2014, reappointed September 2014)	Executive Director	-	-	-	-	-	-	-	-	-	-	-
Dr Charlie In (resigned September 2014)	Executive Director	185,242	30,955	-	-	-	-	92,866	-	-	-	309,063
Lucy Zhang (resigned September 2014)	Executive Director	154,676	25,806	-	-	-	-	77,418	-	-	-	257,900
Jiao ManHong (resigned May 2014)	Chief Executive Officer/Executive Director	-	-	-	-	-	-	-	-	-	-	-
David Semmens (resigned October 2014)	Company Secretary	38,548	-	-	-	-	-	-	-	-	-	38,548
Alice Chong	Chief Financial Officer	124,509	-	-	7,356	-	-	-	-	-	-	131,865
Total		573,956	56,761	-	7,356	-	-	170,284	-	-	-	808,357

(1) The bonuses are fixed at two months salary and are not subject to performance conditions. The bonus were paid to the Directors in December 2013.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT

(continued)

The following table discloses the compensation of the key management personnel:

12 months ended 31 December 2012	Position	Short term employee benefits			Post employment benefits				Termination n benefits US\$	Share Based Payments US\$	Other benefits US\$	Total US\$	Percentage of remuneration paid in shares or options
		Salary & fees US\$	Bonus US\$ (1)	Non- monetary US\$	Super- annuation US\$	Prescribed benefits US\$	Other long term employee benefits US\$						
Spencer Chan	Non-executive Chairman	31,422	-	-	-	-	-	-	-	43,403	-	74,825	58%
Wong Chin Hong	Non-executive Director	31,422	-	-	-	-	-	-	-	43,403	-	74,825	58%
Leo Peng	Non-executive Director	26,184	-	-	-	-	-	-	-	43,403	-	69,587	62%
Rohan Boman	Non-executive Director	26,184	-	-	-	-	-	-	-	43,403	-	69,587	62%
Dr Charlie In (2)	Executive Director	74,391	12,848	-	-	311	-	-	-	39,062	-	126,612	31%
Lucy Zhang (2)	Executive Director	74,391	12,848	-	-	-	-	-	-	39,062	-	126,301	31%
David Semmens	Company Secretary	20,947	-	-	-	-	-	-	-	-	-	20,947	-
Alice Chong	Chief Financial Officer	55,950	7,748	-	3,453	-	-	-	-	43,403	-	110,554	39%
Total		340,891	33,444	-	3,453	311	-	-	-	295,139	-	673,238	44%

(2) Appointed as executives 1 July 2011

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Remuneration Report (cont'd)

Remuneration and Nomination Committee

The Remuneration and Nomination Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and senior Executives.

The Remuneration and Nomination Committee assesses the appropriateness of the nature and amount of emoluments 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 executive team.

Remuneration Structure

In accordance with best practice corporate governance, the remuneration structure for non-executive directors and senior management are separate and distinct.

Non-executive director remuneration

The Constitution of the Company and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by 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 the 27 November, 2003 when the shareholders approved an aggregate remuneration of \$500,000.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is appropriate amongst directors is reviewed periodically.

Each non-executive director is entitled to receive a fee for being a director of the company. An additional fee is also paid for each board committee on which a director sits and for each Committee Chairperson the director is appointed. The payment of additional fees for serving on a committee recognises the additional time commitment required by non-executive directors who serve on one or more sub committees.

Executive and senior executive remuneration

The Remuneration and Nomination Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the senior Executives. The Remuneration and Nomination Committee assesses the appropriateness of the nature and amount of emoluments 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 executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as the use of motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

Employment Contracts

It is Remuneration and Nomination Committee policy that employment agreements are entered into with each of the Executives. It is also policy that contracts for service between the Company and the executives are for undefined lengths. The period of notice required to terminate the contract is six months. Termination benefits are payable including any outstanding Directors fees or bonuses. Salary packages are reviewed on a periodic basis and set with reference to employment market conditions with the overall objective of ensuring maximum stakeholder benefit.

Bonus provisions are included in selected executives' contracts. The bonuses are fixed at two months salary and are not subject to performance conditions.

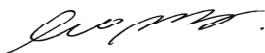
End of Audited Remuneration Report

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT
(continued)

The Directors' report is signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors



.....
LeoPeng Wei Le

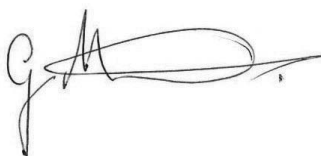
18 December 2014

DECLARATION OF INDEPENDENCE BY GREG MITCHELL TO THE DIRECTORS OF SINO-EXCEL ENERGY LIMITED

As lead auditor of Sino-Excel Energy Limited for the year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

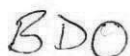
1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sino-Excel Energy Limited and the entities it controlled during the period.



Greg Mitchell

Director



BDO Audit (NTH QLD) Pty Ltd

Cairns, 22 December 2014



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INDEPENDENT AUDITOR'S REPORT

To the members of Sino-Excel Energy Limited and Controlled Entities

Report on the Financial Report

We were engaged to audit the accompanying financial report of Sino-Excel Energy Limited and Controlled Entities, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on conducting the audit in accordance with Australian Auditing Standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Sino-Excel Energy Limited and Controlled Entities, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Disclaimer of Opinion

The Directors of the company did not keep written financial records that correctly record and explain the transactions and financial position of the company which enable the financial report to be prepared and audited for the year ended 31 December 2013.

Consequently, we were unable to determine whether any adjustments to these amounts were necessary.



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Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

Report on the Remuneration Report

We were engaged to audit the Remuneration Report included in pages 18 to 22 of the directors' report for the year ended 31 December 2013. 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. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The Directors of the company did not keep written financial records that correctly record and explain the transactions included in the Remuneration Report for the year ended 31 December 2013.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the Remuneration Report.

BDO Audit (NTH QLD) Pty Ltd

Greg Mitchell

Director

Cairns, 22 December 2014

SINO-EXCEL ENERGY LIMITED

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The remuneration disclosures included in pages 18 to 22 of the directors' report (as part of audited Remuneration Report), for the year ended 31 December 2013, comply with section 300A of the *Corporations Act 2001*.
5. The directors have been given the declarations by chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



.....
Leo Peng Wei Le

18 December 2014

SINO-EXCEL ENERGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated	
		12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
Revenue from continuing operations	4	-	4,460,887
Other income	6	-	819,360
Employee benefits expense	6	(926,657)	(1,397,450)
Finance costs	5	(107,631)	(117,024)
Other expenses		(710,732)	(568,444)
Share based expenses		(310,593)	-
Provision for impairment of option deposit		-	(14,450,850)
Profit/(loss) before income tax expense		(2,055,613)	(11,253,521)
Income tax expense	7	-	(445,344)
 Profit/(Loss) for the year from continuing operations		 (1,758,599)	 (11,698,865)
Profit/(Loss) for the year from discontinued operations		(297,014)	-
 Other comprehensive income		 -	 -
Total comprehensive income/ (loss) for the year		(2,055,613)	(11,698,865)
 Earnings per share from continuing operations :			
Basic (cents per share)	17	(1.03)	(7.61)
Diluted (cents per share)	17	(1.03)	(7.61)
 Earnings per share from discontinued operations			
Basic (cents per share)	17	(0.17)	-
Diluted (cents per share)	17	(0.17)	-
 Total earnings per share:			
Basic (cents per share)	17	(1.20)	(7.61)
Diluted (cents per share)	17	(1.20)	(7.61)

Notes to the financial statements are included on pages 32 to 63.

SINO-EXCEL ENERGY LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2013**

	Note	Consolidated	
		Dec 2013 US\$	Dec 2012 US\$
CURRENT ASSETS			
Cash and cash equivalents	20	540,207	837,788
Trade and other receivables	8	92,951	2,086,198
Option deposit	9	-	-
TOTAL CURRENT ASSETS		633,158	2,923,986
NON-CURRENT ASSETS			
Available-for-sale financial assets	10	508,050	12,880
TOTAL NON-CURRENT ASSETS		508,050	12,880
TOTAL ASSETS		1,141,208	2,936,866
CURRENT LIABILITIES			
Trade and other payables	11	755,263	1,089,598
Income tax	7	1,768,075	1,711,539
Employee benefits	13	-	76,311
TOTAL CURRENT LIABILITIES		2,523,338	2,877,448
NON-CURRENT LIABILITIES			
Borrowings	12	1,089,524	1,230,957
TOTAL NON-CURRENT LIABILITIES		1,089,524	1,230,957
TOTAL LIABILITIES		3,612,862	4,108,405
NET ASSETS		(2,471,654)	(1,171,539)
EQUITY			
Issued capital	14	5,189,306	4,744,401
Other equity (convertible note)	16	494,765	494,765
Retained earnings/(accumulated losses)		(8,813,540)	(6,757,927)
			-
Reserves	15	657,815	347,222
TOTAL EQUITY/(DEFICIENCY)		(2,471,654)	(1,171,539)

Notes to the financial statements are included on pages 32 to 63.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	CONSOLIDATED 12 months Ended 31 December 2013					CONSOLIDATED 12 months Ended 31 December 2012				
	Issued capital	Retained earnings/(Accumulated losses)	Reserves	Other equity (convertible notes)	Total	Issued capital	Retained earnings/(Accumulated losses)	Reserves	Other equity (convertible notes)	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	4,744,401	(6,757,927)	347,222	494,765	(1,171,539)	2,575,503	4,940,938	347,222	494,765	8,358,428
Total comprehensive income										
Profit/(loss) for the period	-	(2,055,613)	-	-	(2,055,613)	-	(11,698,865)	-	-	(11,698,865)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	(2,055,613)	-	-	(2,055,613)	-	(11,698,865)	-	-	(11,698,865)
Transactions with owners in their capacity as owners										
Capital raising costs	-	-	-	-	-	-	-	-	-	-
Issue of new shares	444,905	-	-	-	444,905	-	-	-	-	-
Issue of earn out shares						1,639,793				1,639,793
Share Based Payments	-	-	310,593	-	310,593	-	-	-	-	-
Other Equity (Convertible Notes)	-	-	-	-	-	529,105	-	-	-	529,105
Closing balance	5,189,306	(8,813,540)	657,815	494,765	(2,471,654)	4,744,401	(6,757,927)	347,222	494,765	(1,171,539)

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SINO-EXCEL ENERGY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated	
		12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
Cash flows from operating activities			
Receipts from customers		1,993,247	3,630,598
Payments to suppliers and employees		(2,123,191)	(2,792,567)
Interest received		-	7,442
Interest paid		(104,492)	(112,378)
Net cash provided by operating activities	20(b)	(234,436)	733,095
Cash flows from investing activities			
Payment for plant and equipment		-	-
Net cash inflow on acquisition of subsidiaries		-	-
Payment for acquisition other investments		(508,050)	(12,880)
Option deposits paid			(1,575,209)
Net cash used in investing activities		(508,050)	(1,588,089)
Cash flows from financing activities			
Proceeds from borrowings		-	1,530,450
Repayment of borrowings		-	-
Issue of share capital		444,905	-
Net cash provided by financing activities		444,905	1,530,450
Net increase in cash and cash equivalents		(297,581)	675,456
Cash and cash equivalents at the beginning of the financial year		837,788	162,332
Cash and cash equivalents at the end of the financial year	20(a)	540,207	837,788

Notes to the financial statements are included on pages 32 to 63.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1. GENERAL INFORMATION

Sino-Excel Energy Limited, (the Company) is a listed public company, incorporated in Australia and operating in Australia, Singapore, Hong Kong, and People's Republic of China. The Company is listed on the Australian Securities Exchange (ASX code: SLE).

Sino-Excel Energy Limited's registered office and its principal place of business are as follows:

Registered office

c/- Minter Ellison
Rialto Towers, Level 23
525 Collins Street
MELBOURNE VIC 3000

Principal place of business (TBA)

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries) referred to as 'the Group' in these financial statements. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Board on 18 December 2014.

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

New or revised Standards and Interpretations that are first effective in the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. . It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company's business and, therefore, no change is necessary to Company accounting policies.

Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations most relevant to the Company, are set out below:

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2013**

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (cont'd)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<i>AASB 9 Financial Instruments</i> (December 2010) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2018	31 December 2018
<i>AASB 9 Financial Instruments</i> (December 2010), <i>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2015	31 December 2015
<i>AASB 10 Consolidated Financial Statements</i> The adoption of the revised standard is not expected to have a material impact on the consolidated entity.	1 January 2013*	31 December 2013
<i>AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i> (July 2011) The impact of adoption of this standard will have a disclosure impact only on the consolidated entity	1 July 2013	31 December 2014
<i>AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i> (June 2012) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2014	31 December 2014
<i>AASB 2014-1 Australian Accounting Standards (Part E – Financial Instruments)</i> (June 2014) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2015	31 December 2015
<i>AASB 2014-1 Australian Accounting Standards (Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles)</i> (June 2014) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 July 2014	31 December 2015

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (cont'd)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<i>IFRS 15 Revenue From Contracts With Customers (April 2014)</i>	1 January 2017	31 December 2017
The impact of adoption of this standard has not yet been assessed by the consolidated entity.		
<i>AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (August 2014)</i>	1 January 2016	31 December 2016
The impact of adoption of this standard has not yet been assessed by the consolidated entity.		

** Entities early adopting this standard must also adopt the other standards included in the 'suite of six'*

3. SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board. For the purposes of preparing the financial report the Group is a for-profit entity.

The financial report comprises the consolidated financial statements of the Group.

Compliance with the Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars unless otherwise stated.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for impairment of financial assets:

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

The provision for impairment of the option deposit assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the financial position and performance of the option deposit holder, the future prospects of that entity, and the likelihood of recovering the deposit. In 2013 the Option deposit had been written off.

Classification and valuation of compound instruments:

The classification and valuation of convertible notes and attaching options also requires a degree of estimation and judgement. Convertible notes are classified separately as liabilities, equity, and derivatives in accordance with the substance of the contractual arrangement. The fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible debt. The equity component initially brought to account is determined by deducting the amount of the liability component from the amount of the compound instrument as a whole. The derivative component is estimated using the Black-Scholes model taking into account the terms and conditions upon which the instrument was granted and relevant market data.

Going concern basis

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Statement of Financial Position of the Group shows negative net assets of \$2,471,654. The Statement of Profit or Loss and Other Comprehensive Income shows that the Group has incurred a loss after tax for the year ended 31 December 2013 of \$2,055,613 after taking into consideration the provision for doubtful debts and investments of \$636,736.

The ability of the Group to continue to adopt the going concern assumption will depend on successful negotiations with potential partners in regard to proposed future projects, and the financial success of those future projects. Should the Group not be successful in its proposed future projects, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Currently, Management is in advanced discussions and negotiations with selected parties on the acquisition of retailers of wine in PRC and Australia and vineyards to partial self sustained its product for the markets in PRC and Australia.

The vendor has subscribed to Convertible Notes of A\$2 million in September 2014 and additional A\$8 million by mid 2015 for the winery project.

The Directors believe these steps will see the Group improve its financial performance and reduce its negative equity. On this basis the financial report has been prepared on a going concern basis.

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

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the company (its subsidiaries) referred to as 'the Group' in these financial statements. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the financial year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income.

b) Borrowings Cost

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

d) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

Ex-Gratia Payment plans

The Board has approved an Ex-Gratia Payment Plan for management and staff based on the performance of the staff and Group. The rewards are by either cash or issuance of "SLE" shares.

e) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

f) Financial instruments issued

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Compound instruments

The component parts of compound instruments are classified separately as liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible debt. The equity component initially brought to account is determined by deducting the amount of the liability component from the amount of the compound instrument as a whole.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments. Interest is accrued at the effective interest rate on the carrying value of the debt.

g) Foreign currency

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars, which is the functional currency of Sino-Excel Energy Limited and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

h) Goods and services tax

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

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. 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.

i) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

j) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

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

The carrying value of deferred tax assets is reviewed at each balance 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 tax asset to be realised.

Unrecognised deferred tax assets are reassessed at each balance 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.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

k) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

l) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Rendering of Services

Revenue from a contract to provide services is recognised on an accruals basis in accordance with the substance of the relevant agreement. Revenue from the rendering of services that is based on production, sales and other measures is recognised by reference to satisfaction of the underlying services.

Sale of goods

Revenue from the sale of goods is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

m) Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts. An allowance for a doubtful debt is made when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified.

n) Available for sale financial assets

All available for sale financial assets are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, available for sale assets are measured at fair value, unless fair value cannot be reliably measured in which case they are recorded at cost. Gains or losses on investments held for trading are recognised in profit or loss.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2013**

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business at the end of the reporting period.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, being the date that the Group commits to purchase the asset.

o) Discontinued operations

A discontinued operation is a component of the business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

Results from operations qualifying as discontinued operations are presented separately as a single amount on the income statement. Results from operations qualifying as discontinued operations as of the balance sheet date for the latest period presented, that have previously been presented as results from continuing operations, are represented as results from discontinued operations for all periods presented.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2013**

		<u>CONSOLIDATED</u>	
		12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
4. REVENUE			
Rendering of services			
Revenue from Technical Services Agreement (TSA)	-	4,453,445	
Revenue from 3M-Coal Services	-	-	
	-	4,453,445	
Other revenue			
Interest	-	7,442	
	-	7,442	
Total revenue	-	4,460,887	
5. FINANCE COSTS			
Interest on obligations under loan	-	-	
Interest on convertible notes	(104,492)	(112,378)	
Other finance costs	(3,139)	(4,646)	
	(107,631)	(117,024)	
6. OTHER INCOME/EXPENSES			
(a) Other income			
Other income from Technical Services Agreement (i)	-	-	
Gain on issue of earn-out liability shares (refer note 28)	-	438,826	
Gain on change in fair value of financial liabilities	-	62,543	
Net foreign exchange gains	-	155,424	
Gain on extinguishing debt	-	162,567	
	-	819,360	
(b) Other expenses			
Loss for the year includes the following expenses:			
Loss on of property, plant & equipment	-	(6,326)	
Employee benefits expense:			
- Post employment benefits:			
Defined contribution plans	(11,273)	(22,115)	
- Other employee benefits	(915,384)	(1,375,335)	
	(926,657)	(1,397,450)	

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

7. INCOME TAX

		<u>CONSOLIDATED</u>	
		12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
(a)	Components		
	Current tax on profit/(losses) for the financial year	-	445,344
	Deferred tax	-	-
	Income tax expense	-	445,344
(b)	The prima facie expense/(benefit) on pre tax accounting profit/(loss) from operations is reconciled to the income tax expense in the financial statements as follows:		
	Prima facie tax expense/(benefit) on profit/(loss) from ordinary activities at 30% (31 December 2012: 30%)	(616,684)	(3,376,056)
	Add tax effect of:		
	- Temporary difference and losses not recognised	616,684	4,361,786
	- Non-deductible expenses	-	350,303
	- Effects of different tax rates of subsidiaries operating in other jurisdiction	-	(890,689)
		-	3,821,400
		-	445,344
(c)	Recognised deferred taxes net of recognised losses:		
	Tax losses recognised as an offset	-	-
(d)	Income tax payable		
	Opening balance	1,711,539	1,339,328
	Income tax expense	-	445,344
	Income tax paid	-	-
	Foreign exchange movements	56,536	(73,133)
	Closing balance	1,768,075	1,711,539

Deferred income tax assets are recognised to the extent that the realisation or the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of \$1,338,706 (2012 \$1,877,168) in respect of losses, and other temporary differences of \$14,153,205 (2012 \$14,682,779). At the tax rate of 30% the total deferred tax asset not recognised is \$5,584,668 (2012 \$4,967,984).

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

8. CURRENT TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	Dec 2013	Dec 2012
	US\$	US\$
Trade receivables (i)	-	1,683,013
Goods and services tax (GST) recoverable	2,975	101,247
Other receivables	89,976	301,938
	<u>92,951</u>	<u>2,086,198</u>

(i) The normal credit period on provision of services is 90 days. No interest is charged on outstanding trade receivable balances. The Group does not use any external scoring systems to determine the credit quality of new customers. New customers are required to pay for services upon provision of the services. Subsequent transactions with new customers are assessed on a case-by-case basis as to credit limits.

Included in the Group's trade receivables balance are debtors with a carrying value of \$0 (31 Dec 2012:\$1,683,013)

The ageing of the past due but not impaired receivables are as follows:

	Dec 2013	Dec 2012
	US\$	US\$
0 to 3 months overdue	-	-
3 to 6 months overdue	-	146,179
Over 6 months overdue	-	1,536,834
	<u>-</u>	<u>1,683,013</u>

Movement in the allowance for doubtful debts

Balance at the beginning of the year	-	-
Impairment losses/(reversals) recognised on receivables	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the directors believe that there is no impairment provision required.

9. OPTION DEPOSIT

Option deposit	-	14,450,850
Less: Provision for impairment	-	(14,450,850)
	<u>-</u>	<u>-</u>

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	CONSOLIDATED	
	Dec 2013	Dec 2012
	US\$	US\$
Equity securities *	508,050	12,880
	<u>508,050</u>	<u>12,880</u>

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2013**

	<u>CONSOLIDATED</u>	
	Dec 2013	Dec 2012
	US\$	US\$
Movements in AFS assets		
Opening Balance	12,880	-
Additions	508,050	12,880
Impairment	(12,880)	-
	<u>508,050</u>	<u>12,880</u>

*The equity securities invested are recorded at cost and not fair value because they are unlisted so fair value can't be determined.

	<u>CONSOLIDATED</u>	
	Dec 2013	Dec 2012
	US\$	US\$
11. <u>CURRENT TRADE AND OTHER PAYABLES</u>		
Trade payables	-	52,451
Deposit payable	-	-
Accrued payables	755,263	1,037,147
	<u>755,263</u>	<u>1,089,598</u>

Terms of payment for payables range from 30 to 60 days from the date of invoice. No interest is charged on payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

	<u>CONSOLIDATED</u>	
	Dec 2013	Dec 2012
	US\$	US\$
12. <u>NON-CURRENT BORROWINGS</u>		
Convertible notes – liability component	1,089,524	1,230,699
Convertible notes – derivative financial instrument	-	258
	<u>1,089,524</u>	<u>1,230,957</u>

The convertible notes remaining entitle the holder to redeem shares in the Company at strike prices of A\$0.13 and A\$0.15 per share. Conversion may occur at any time between issue date and 30 September 2017. Interest of 5% and 10% is payable on the notes biannually.

The net proceeds received from the issue of the convertible notes have been split between the financial liability element and a derivative component, representing the residual attributable to the option to convert the financial liability into equity of the Company. The liability component is measured at amortised cost. The derivative component is measured at fair value.

13. <u>EMPLOYEE BENEFITS</u>		
Employee benefits	-	76,311

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

14. <u>ISSUED CAPITAL</u>	<u>CONSOLIDATED</u>	
	<u>Dec 2013</u> <u>US\$</u>	<u>Dec 2012</u> <u>US\$</u>
<i>Fully paid ordinary shares</i>		
179,503,062 fully paid ordinary shares (2012: 167,003,062)	<u>5,189,306</u>	<u>4,744,401</u>

	<u>CONSOLIDATED</u> <u>12 months ended Dec 2013</u>		<u>CONSOLIDATED</u> <u>12 months ended Dec 2012</u>	
	<u>No.</u>	<u>US\$</u>	<u>No.</u>	<u>US\$</u>
<u>Fully Paid Ordinary Shares</u>				
Balance at beginning of financial year	167,003,062	4,744,401	144,255,738	2,575,503
Issuance of earn out shares (note 28)			19,447,324	1,639,793
Shares issued				
- Cash	12,500,000	444,905	-	-
- Non-cash on reorganisation (note 28)			-	-
- Notes converted (note 13)			3,300,000	529,105
Capital raising costs	-	-	-	-
Balance at end of financial year	<u>179,503,062</u>	<u>5,189,306</u>	<u>167,003,062</u>	<u>4,744,401</u>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Dividends

No dividends were declared or paid in respect of the year ended 31 December 2013 (31 December 2013: nil). The group does not have any franking credits available for subsequent financial years at 31 December 2013 (31 December 2012: Nil).

The reconciliation of movements in options outstanding at the end of each year including weighted average exercise price (WAEP) is described in the table below.

	<u>CONSOLIDATED</u> <u>12 months ended Dec 2013</u>		<u>CONSOLIDATED</u> <u>12 months ended Dec 2012</u>	
	<u>No.</u>	<u>WAEP (cents)</u>	<u>No.</u>	<u>WAEP (cents)</u>
<u>Options Outstanding</u>				
Balance at beginning of financial year	10,393,443	32.2	10,393,443	32.2
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options expiring during the year	-	-	-	-
Balance at end of financial year	<u>10,393,443</u>	<u>32.2</u>	<u>10,393,443</u>	<u>32.2</u>

SINO-EXCEL ENERGY LIMITED

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The terms of options outstanding at 31 December 2013 and 31 December 2012 are as follows:

Number outstanding	Exercise price	Expiry Date
3,203,000	\$0.30	30 June 2014
4,406,849	\$0.45	30 June 2014
166,667	\$0.45	31 December 2014
2,616,927	\$0.13	30 September 2017
<u>10,393,443</u>		

<u>CONSOLIDATED</u>	
Dec 2013	Dec 2012
US\$	US\$

15. RESERVES

Share based payments reserve

Opening balance

Share-based payments

Closing balance

347,222	347,222
310,593	-
<u>657,815</u>	<u>347,222</u>

Share based payment reserve: The reserve represents share-based payments made for commission to be payable once reverse take over is successful. The shares will not be issued if the RTO is not successful. The shares will be issued @0.025 per share. The value of the shares is based on the estimated value of the contract.

<u>CONSOLIDATED</u>	
12 months ended Dec 2013	12 months ended Dec 2012
US\$	US\$

16. OTHER EQUITY CONVERTIBLE NOTES

Opening balance

Notes converted to equity

494,765	494,765
-	-
<u>494,765</u>	<u>494,765</u>

17. EARNINGS PER SHARE

Basic earnings per share

Diluted earnings per share

12 months ended Dec 2013	12 months ended Dec 2012
Cents per share	Cents per share
(1.20)	(7.61)
<u>(1.20)</u>	<u>(7.61)</u>

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2013**

	12 months ended Dec 2013 No.	12 months ended Dec 2012 No.
The weighted average number of ordinary shares on issue during the financial year used in the calculation of basic earnings per share.	172,071,555	153,758,671

The weighted average number of ordinary shares on issue during the financial year used in the calculation of diluted earnings per share	172,071,555	153,758,671
Shares deemed to be issued for no consideration in respect of -		
- Earn out consideration	-	-
	172,071,555	153,758,671

All options on issue during the year are considered potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share.

All options on issue during the year are considered potential ordinary shares for the purposes of calculating diluted earnings per share. Potential ordinary shares that are not dilutive are excluded from the calculation of weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share.

	12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
Earnings used in the calculation of basic earnings per share and diluted earnings per share reconciles to the net profit/(loss) as follows:		
Net profit /(loss)	(2,055,613)	(11,698,865)
Net profit /(loss) used in the calculation of basic earnings per share and diluted earnings per share	(2,055,613)	(11,698,865)

	12 months ended Dec 2013 No	12 months ended Dec 2012 No
The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share:		
Options – Ordinary shares	10,393,443	10,393,443

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

18. SUBSEQUENT EVENTS

On 30 August 2013, the Company had entered into a Heads of Agreement to acquire Precious Area Investment Limited and Silver Mind Investment Limited (collectively the "Targets") to acquire a 100% interest in each of the Targets. The Targets are currently proposing and under negotiation to acquire certain assets in PRC and Australia, including producing vineyards located in Australia.

In accordance with the terms of the Agreement, the parties will enter into negotiations in relation to executing an agreement to effect the proposed transaction ("Proposed Transaction")

Under the Proposed Transaction, the Company will acquire all of the issued shares in the Targets. On satisfaction of the relevant conditions, the Shareholders will receive fully paid ordinary shares in the Company, representing approximately 68% of the fully diluted share capital of the Company. Conditions to the Proposed Transaction includes the completion of the acquisition, by the Targets, of assets valued at no less than an agreed amount, and the satisfaction and receipt of all necessary legal and regulatory approvals.

As part of the Proposed Transaction, it is intended that a capital raising will be undertaken by the Company, including for the purpose of satisfying the listing requirements of the ASX. Because the Proposed Transaction represents a new business activity, upon completion of due diligence, a prospectus will be circulated and an extraordinary general meeting held to approve the relevant resolutions required to implement the various aspects of the Proposed Transactions.

The Company believes that a change in activities is in the best interest of shareholders.

On 21 August 2014 has entered into a Convertible Bond Deed ("CB Deed") with the Targets. Under the CB Deed, the Targets have agreed to subscribe for and the Company has agreed to issue convertible unsecured bonds to the Targets in their Respective Proportions (being 50% each) of an amount of AUD10,000,000. The Bonds are tranching, with a first tranche of \$2,000,000 and second tranche of \$8,000,000.

The bonds' proceeds of up to AUD10 million are to be used by the Company to acquire vineyard in Australia and a multi-national group in the People's Republic of China known as Aohua Rong Chuang (Aohua). A potential vineyard in Australia has been shortlisted for acquisitions. Aohua is ultimately owned by the Targets. The acquisition is in the midst of negotiations.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

19. SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker of Sino-Excel Energy Limited is its Board of Directors, and the system of internal reporting is such that there is only one reportable segment, being the provision of advisory and management services to the coal resource industry in People's Republic of China. The Company has been suspended due to the downtrend of the coal resource industry and currently in preparation to seek approval for a reverse take over to inject in winery businesses in PRC and acquisition of wine retail sector and vineyards with production capacities.

In the year ended 31 December 2013, no revenue was recorded.

The Group operates in four principal geographical areas – Australia (country of domicile), Singapore (head office), Hong Kong and People's Republic of China (principal operations).

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2013**

		CONSOLIDATED	
		12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
20. <u>NOTES TO THE CASH FLOW STATEMENT</u>			
(a) Reconciliation of cash			
For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:			
Cash on hand and in banks		540,207	837,788
(b) Reconciliation of profit/(loss) from ordinary activities after related income tax to net cash flows from operating activities			
Profit /(loss) from ordinary activities after related income tax – continuing operations		(1,758,599)	(11,698,865)
Profit/(loss) from ordinary activities after related income tax – discontinuing operations		(297,014)	
Write off of receivables		636,736	
Write back of investments		(205,077)	
Income tax expense recognised in profit and loss		-	445,344
Loss on disposal of fixed assets		-	6,326
Depreciation		-	551
Unrealised foreign exchange (gain)/loss		(22,164)	(257,978)
(Gain on movement of derivative		(49,418)	(162,567)
Provision for impairment of option deposit		-	14,450,850
Share Based Expenses		310,593	-
Gain on issue of earn-out shares		-	(438,826)
Gain on change in fair value of financial liabilities		-	(62,543)
Other non-cash transactions		104,492	-
Changes in operating assets and liabilities, net of the effects of purchase of subsidiaries:			
(Increase)/decrease in trade and other receivables		1,456,661	(1,089,871)
(Increase)/decrease in current prepayments		-	-
Increase/(decrease) in current payables		(334,335)	(485,386)
Increase/(decrease) in employee benefits		(76,311)	26,060
Net cash generated from/(used in) operating activities		(234,436)	733,095

(c) Non- cash transactions

The group had provided for write off of investments and doubtful debts of \$431,659

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

21. SUBSIDIARIES

Name of Entity	Country Of Incorporation	Ownership Interest	
		Dec 2013 %	Dec 2012 %
<i>Legal Parent Entity</i> Sino-Excel Energy Limited	Australia		
<i>Legal Subsidiaries (Active)</i> Sino-Excel Energy Pte. Ltd. SINOX Energy Limited Guizhou Sino-Excel Investment Management Ltd	Singapore Hong Kong P.R.C.	100 100 -	100 100 100

Guizhou Sino-Excel Investment Management Ltd was disposed in July 2013 as it was dormant and all operations had ceased due to the downturn of the coal resources industries.

<u>Profit and Loss account as of 30 June 2013</u>		<u>6 months ended 30 June 2013</u>	<u>12 months ended 31 December 2012</u>
		<u>US\$</u>	<u>US\$</u>
<u>Other Expenses</u>		<u>(297,014)</u>	<u>(14,449,922)</u>
<u>Loss Before Income Tax</u>		<u>(297,014)</u>	<u>(14,449,922)</u>
<u>Income Tax Expense</u>		<u>-</u>	<u>-</u>
<u>Loss After Tax Expense</u>		<u>(297,014)</u>	<u>(14,449,922)</u>
<u>Balance Sheet as of 30 June 2013</u>			
<u>Current Assets</u>			
<u>Cash In Hand</u>		<u>178</u>	<u>223,802</u>
<u>Other Receivables</u>		<u>714,663</u>	<u>476,573</u>
		<u>714,841</u>	<u>700,375</u>
<u>Current Liabilities</u>			
<u>Other Payables & Accruals</u>		<u>15,392,975</u>	<u>15,081,495</u>
<u>Net Current Liabilities</u>		<u>(14,678,134)</u>	<u>(14,381,120)</u>
<u>Equity & Reserves</u>			
<u>Share capital</u>		<u>157,344</u>	<u>157,344</u>
<u>Retained Earnings</u>		<u>(14,844,159)</u>	<u>(14,547,145)</u>
<u>Reserves</u>		<u>8,681</u>	<u>8,681</u>
		<u>(14,676,134)</u>	<u>(14,381,120)</u>

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Cash Flow Statements

	<u>6 months ended 30 June 2013</u>	<u>12 months ended 31 December 2012</u>
Cash flows from operating activities		
Receipts from customers	(223,624)	1,716,715
Payments to suppliers and employees	-	-
Interest received	-	-
Interest paid	-	-
	<hr/>	<hr/>
Net cash provided by operating activities	(223,624)	1,716,715
	<hr/>	<hr/>
Cash flows from investing activities		
Payment for plant and equipment	-	-
Net cash inflow on acquisition of subsidiaries	-	-
Payment for acquisition other investments	-	-
Option deposits paid		(1,575,209)
	<hr/>	<hr/>
Net cash used in investing activities	-	(1,575,209)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Issue of share capital	-	-
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	(223,624)	141,506
Cash and cash equivalents at the beginning of the financial year	223,802	82,296
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	178	223,802
	<hr/>	<hr/>

The Group had make a profit on disposal of investment of US\$164.

22. FINANCIAL INSTRUMENTS

a) Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

b) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The Group has adopted the policy of only dealing with creditworthy counterparties. New counterparties are required to remit cleared funds to the Company in advance of committing to transactions as a means of mitigating the risk of financial loss from default.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

The following banking institutions are used by the Group: Oversea-Chinese Banking Corporation Limited, Australia and New Zealand Banking Group Limited, and Hong Kong and Shanghai Banking Corporation Limited.

c) Capital risk management

The Group maintains its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes borrowings disclosed in note 12, cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital and reserves and accumulated losses as disclosed in the Statement of Changes in Equity. The group is not subject to any capital restrictions.

Operating cash flows are used to maintain and expand the Group's assets as well as to make routine outflows. The Group's policy is to borrow centrally, using a variety of capital market issues and borrowing facilities to meet anticipated funding requirements.

		12 months ended 31 Dec 2013 US\$	12 months ended 31 Dec 2012 US\$
Gearing Ratio		1.06	3.51

d) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 23(e)). The Group holds certain foreign currency denominated monetary assets to mitigate the effects of foreign currency fluctuations.

There has been no change to the Group's exposure to market risks or the manner in which it manages the risk from the previous period.

e) Foreign currency

The following table details the Group's sensitivity to a 10% increase and decrease in the US dollar against the foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit or loss where the US dollar strengthens against the respective currency. For a weakening of the US dollar against the respective currency, there would be an equal and opposite impact on the loss and the balances below would be negative.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Total Cash Balances in US Dollars

		12 months ended 31 Dec 2013 US\$	12 months ended 31 Dec 2012 US\$
Australia Dollars		526,691	157,992
Hong Kong Dollars		12,984	391,393
United States Dollars		532	532
Singapore Dollars		-	64,069
Renminbi		-	223,802
Total		540,207	837,788

Movement in exchange rate

Net Impact

	<u>Consolidated Profit and Loss</u>	
	12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
Renminbi	-	59,377
AUD dollars	(297,836)	(380,813)

f) Interest rate risk management

The Group is not exposed to interest rate risk as funds borrowed are either on an interest free basis or at fixed rates.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

g) Categories of financial instruments

	31 Dec 2013 US\$	31 Dec 2012 US\$
Financial Assets		
Cash and bank balances	540,207	837,788
Loans and receivables	92,951	2,086,198
Marketable Securities	508,050	-
Financial Liabilities		
Derivative instruments at fair value through profit or loss	-	258
Amortised cost	-	2,320,297

h) Financial risk management objectives

The Group's treasury function co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

i) **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, and by monitoring forecast and actual cash flows.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	Weighted average effective interest rate	Less than 1 month US\$	1-3 month s US\$	3 months to 1 year US\$	1-5 years US\$	5+ years US\$	Total US\$
31 Dec 2013							
Non-interest bearing	-	755,263					755,263
Fixed interest rate instruments	5.9%	7,169	14,338	86,026	1,694,639	-	1,802,172
		<u>762,432</u>	<u>14,338</u>	<u>86,026</u>	<u>1,694,639</u>	<u>-</u>	<u>2,557,435</u>
31 Dec 2012							
Non-interest bearing	-	1,165,909	-	-	-	-	1,165,909
Fixed interest rate instruments	5.9%	9,011	18,024	81,103	1,940,616	-	2,048,754
		<u>1,174,920</u>	<u>18,024</u>	<u>81,103</u>	<u>1,940,616</u>	<u>-</u>	<u>3,214,662</u>

j) **Fair value of financial instruments**

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Specifically, significant assumptions used in determining the fair value of the following financial assets and liabilities are set out below.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Convertible notes

The fair value of the liability component of convertible notes is determined assuming redemption in September 2017 and using a 10% interest rate.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<u>Level 1</u> <u>US\$</u>	<u>Level 2</u> <u>US\$</u>	<u>Level 3</u> <u>US\$</u>	<u>Total</u> <u>US\$</u>
31 Dec 2013				
<i>Financial liabilities at FVTPL</i>				
Derivative financial liabilities	-	-	-	-
	-	-	-	-
31 Dec 2012				
<i>Financial liabilities at FVTPL</i>				
Derivative financial liabilities	-	-	258	258
Non-derivative financial liabilities	-	-	-	-
	-	-	258	258

Reconciliation of Level 3 fair value measurements of financial liabilities

	<u>FVTPL</u> <u>US\$</u>	<u>Total</u> <u>US\$</u>
Opening balance	258	258
Exchange rate movement		
Total gains or losses in profit or loss	(258)	(258)
Closing balance	-	-

In valuing the Options at 31 December 2013, we used the Black-Scholes Option Pricing methodology. The key inputs used in the valuation of the Options are:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Stock Price AUD 0.028 (based on the most recently available closing share price for the Company)

Exercise Price AUD 0.130

Time to Expiry (yrs) 3.75

Risk-free rate of interest (AUS) 3.10%

Dividend Yield 0.00%

Volatility 26.81%*

Spot AUD / USD AUD 1 / USD 0.894

Risk-free rate of interest (USA) 1.14%

AUD / USD volatility 9.82%

* we used the Capital Goods Sector value rather than the Company's share price as it is currently suspended from quotation.

The Black Scholes Option Pricing ("BSOP") methodology is a widely used methodology for pricing, among other things, call options on stocks that pay no dividends, as is the case with the Company.

The BSOP methodology assumes that: stock prices follow a log-normal distribution; that asset prices adjust to prevent arbitrage; that stock prices change continuously; and that interest rates and stock volatility remain constant over the life of the option.

23. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation of the key management personnel of the consolidated entity is set out below:

	<u>CONSOLIDATED</u>	
	12 months ended Dec 2013 \$	12 months ended Dec 2012 \$
Short-term employee benefits	630,717	1,069,007
Post-employment benefits	7,356	5,178
Other long term employee benefits	-	-
Termination benefits	170,284	-
Share-based payment	-	-
Other benefits	-	-
Total	808,357	1,074,185

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

24. RELATED PARTY DISCLOSURES

a) Equity Interests in Subsidiaries

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 22 to the financial statements.

b) Key Management Personnel Remuneration

Details of key management personnel remuneration are disclosed in the remuneration report contained within the Directors' report accompanying the financial statements.

c) Key Management Personnel Equity Holdings

Ordinary shares

	Balance @ 1 Jan 2013	Granted as remuneration No.	Received on exercise of options No.	Net Other change No.	Balance @ 31 December 2013	Balance held nominally
Directors						
S. Chan	-	-	-	-	-	-
J. ManHong	-	-	-	-	-	-
L. Peng	11,112	-	-	-	11,112	-
R. Boman	923,516	-	-	-	923,516	-
C.H. Wong	-	-	-	-	-	-
Zhang LiYing	20,440,000	-	-	-	20,440,000	-
Charlie In	39,250,217	-	-	-	39,250,217	-
Geng Li	-	-	-	12,500,000	12,500,000	-
Jia Ping Meng	-	-	-	-	-	-
Michael Bin Guo	-	-	-	-	-	-
Jiang Si Yao	-	-	-	-	-	-
Total	60,624,845	-	-	12,500,000	73,124,845	
Executives						
A Chong	-	-	-	-	-	-
D Semmens	-	-	-	-	-	-
	60,624,845	-	-	12,500,000	73,124,845	-

Ordinary shares

	Balance @ 1 January 2012	Granted as remuneration No.	Received on exercise of options No.	Net Other change No.	Balance @ 31 December 2012	Balance held nominally
Directors						
S. Chan	-	-	-	-	-	-
J. ManHong	-	-	-	-	-	-
L. Peng	11,112	-	-	-	11,112	-
R. Boman	923,516	-	-	-	923,516	-
C.H. Wong	-	-	-	-	-	-
Zhang LiYing	20,428,000	-	-	12,000	20,440,000	-
Charlie In	19,802,893	-	-	(i) 19,447,324	39,250,217	-
Total	41,165,521	-	-	19,459,324	60,624,845	
Executives						
A Chong	-	-	-	-	-	-
D Semmens	-	-	-	-	-	-
	41,165,521	-	-	19,459,324	60,624,845	-

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The other change is to record shares issued to shareholders of Sino-Excel Energy Pte Ltd.

Share Options

	Bal @ 1 Jan 2013	Granted as remun- eration	Exercised	Other change	Bal @ 31 December 2013
	No.	No.	No.	No.	No.
Directors					
S. Chan	-	-	-	-	-
L. Peng	-	-	-	-	-
J. ManHong	-	-	-	-	-
Charlie In	-	-	-	-	-
R. Boman	1,535,750	-	-	-	1,535,750
C.H. Wong	115,385	-	-	-	115,385
Zhang LiYing	2,328,205	-	-	-	2,328,205
	3,979,340	-	-	-	3,979,340
Executives					
A Chong	-	-	-	-	-
D Semmens	-	-	-	-	-
	3,979,340	-	-	-	3,979,340

The other change is to correct an error in the amount of options issued in the prior year.

Share Options

	Bal @ 1 January 2012	Granted as remun- eration	Exercised	Other change	Bal @ 31 December 2012
	No.	No.	No.	No.	No.
Directors					
S. Chan	-	-	-	-	-
L. Peng	-	-	-	-	-
J. ManHong	-	-	-	-	-
Charlie In	-	-	-	-	-
R. Boman	1,548,106	-	-	(12,356)	1,535,750
C.H. Wong	118,293	-	-	(2,908)	115,385
Zhang LiYing	2,370,085	-	-	(41,880)	2,328,205
	4,036,484	-	-	(57,144)	3,979,340
Executives					
Alice Chong	-	-	-	-	-
D Semmens	-	-	-	-	-
	4,036,484	-	-	(57,144)	3,979,340

d) Parent Entity

The ultimate Australian parent entity and ultimate parent entity in the consolidated entity and the wholly-owned group is Sino-Excel Energy Limited.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

e) Trading transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. During the year, group entities entered into the following trading transactions with Director related entities of the Group that are not members of the Group:

	<u>Sales of goods and services</u>		<u>Purchases of goods and services</u>	
	12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$	12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
Revenue from the provision of services	-	4,453,445	-	--
Other income	-	-	-	--
	-	4,453,445	-	--
			12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
Expenses incurred on behalf of Related Companies			-	69,032
			-	69,032

f) Others

					12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
	Expenses paid on behalf of Related Companies				888,296	-
					888,296	-

The payment was made to Trechance Holdings Limited for offsetting the amount paid by BoHai in 2012.

The following balances were outstanding at the end of the reporting period:

	12 months ended Dec 2013 US\$	12 months ended Dec 2012 US\$
Zhao Qing Bohai Energy Co. Ltd. (refer note 8)	-	1,683,013
Other Related Parties	-	106,698
(i)	-	918,454

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

- (i) The loans are interest free and repayable on demand. The amounts outstanding are unsecured and will be settled in cash. No interest expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

25. REMUNERATION OF AUDITORS

Audit of the parent entity

Audit or review of the financial report – BDO Audit (NTH QLD) Pty Ltd
 Audit or review of the financial report - Deloitte Australia
 Audit or review of the financial report – Deloitte Singapore and Deloitte Beijing

<u>CONSOLIDATED</u>	
12 months ended Dec 2013 \$	6 months ended Dec 2012 \$
65,000	125,000
-	-
-	-
65,000	125,000

The auditor of Sino-Excel Energy Limited is BDO Audit (NTH QLD) Pty Ltd.
 No non- audit services have been provided by the auditor.

26. PARENT ENTITY DISCLOSURES

Financial position

Assets

Current assets
 Non-current assets
 Total assets

<u>COMPANY</u>	
Dec 2013 US\$	Dec 2012 US\$
550,644	458,451
-	565,208
550,644	1,023,659

Liabilities

Current liabilities
 Non-current liabilities
 Total liabilities

725,300	964,241
1,138,941	1,230,957
1,864,241	2,195,198

Equity

Issued capital
 Equity (Convertible Note)
 Accumulated losses
 Reserves
 Total assets/(deficiency)

184,312,208	183,867,303
494,765	494,765
(190,686,512)	(189,788,956)
4,565,942	4,255,349
(1,313,597)	(1,171,539)

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2013**

Financial performance

Profit/(Loss) for the year	(897,556)	(66,479,029)
Other comprehensive income	-	-
Total comprehensive income	<u>(897,556)</u>	<u>(66,479,029)</u>

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

The parent entity has not entered into guarantees in relation to the debts of its subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2013 and 31 December 2012.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2013 and 31 December 2012.

SINO-EXCEL ENERGY LIMITED

ADDITIONAL SECURITIES EXCHANGE INFORMATION

(AS AT 26 NOVEMBER 2014)

Fully Paid Ordinary Shares

- 179,503,062 fully paid ordinary shares are held by 3,412 individual shareholders.

All issued ordinary shares carry one vote per share.

Options

- 10,393,443 options are held by 14 option holders.

Options do not carry a right to vote.

Distribution Of Holders Of Equity Securities

			Fully Paid Ordinary Shares	Options
1	-	10,000	3,233	-
10,001	-	20,000	67	-
20,001	-	50,000	47	-
50,001	-	9,999,999,999	65	14
			3,412	14

Substantial Shareholders

Ordinary Shareholders	Fully Paid	
	Number	Percentage
MAJESTIC FAITH LIMITED	60,000,000	33.43%
NEW INSPIRATION LIMITED	20,000,000	11.14%
SWIFT CHINA LIMITED	39,055,167	21.76%

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

SINO-EXCEL ENERGY LIMITED

ADDITIONAL SECURITIES EXCHANGE INFORMATION

(AS AT 26 NOVEMBER 2014)

Twenty Largest Holders Of Quoted Equity Securities

Ordinary Shareholders	Fully Paid	
	Number	Percentage
MAJESTIC FAITH LIMITED	60,000,000	33.43%
SWIFT CHINA LIMITED	39,055,167	21.76%
NEW INSPIRATION LIMITED	20,000,000	11.14%
ENDLESS ADVENTURE LIMITED	18,039,216	10.50%
MR LI GENG	12,500,000	6.96%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,304,244	1.84%
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	2,000,005	1.11%
BLAMNCO TRADING PTY LTD	1,686,587	0.94%
TISSUE ENGINEERING REFRACTION INC	1,519,964	0.85%
MR ZHENG SHI WU	1,480,364	0.82%
UOB KAY HIAN PRIVATE LIMITED <CLIENTS A/C>	1,386,833	0.77%
MR ZHOU WEI JIAN	1,313,230	0.73%
MS XIN LI XIANG	1,258,297	0.70%
BOMAN ASSET PTY LTD	923,516	0.51%
MR XIN ZHI RUI	839,137	0.47%
DMG & PARTNERS SECURITIES PTY LTD <CLIENTS A/C>	673,508	0.38%
BARLOMA NOMINEES PTY LTD	606,667	0.34%
MS LI YING ZHANG	440,000	0.25%
MR JOHN RICHARD HABIB + DR JANE FRANCIS HABIB <MUNGO SUPER FUND A/C>	340,000	0.19%
PETER HANSEN	333,333	0.19%
	167,700,067	93.42%

Company Secretaries

Mr. D. Semmens

Principal Registered Office

Level 23,
525 Collins Street
MELBOURNE VIC 3000
Tel: (03) 8608 2000

Principal Administration Office

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
ABBOTSFORD VIC 3067
Tel: (03) 9415 5000

Stock Exchange Listings

Sino-Excel Energy Limited's ordinary shares are quoted by the Australian Securities Exchange Limited.

