

Sino-Excel Energy Limited

ACN 085 162 456

Results for Announcement to the Market

Appendix 4D – Half Year Report

Given to ASX under Listing Rule 4, 2A

Financial report for the half-year ended 30 June 2014

1. Results for announcement to market

Summary financial information for the company for the half year 30 June 2014 financial year is set out below. Full financial details and explanations of the figures are attached to this announcement.

Summary Information	30 Jun 2014 USD\$'000	Consolidated		Inc/(Dec) %
		6 months ended 30 Jun 2013 USD\$'000	Inc/(Dec) USD\$'000	
Revenue from Ordinary Activities	-	-	-	NA
Profit/(Loss) after Tax from Ordinary Activities	(988)	(526)	(462)	87.83%
Profits/(Loss) from others	-	-	-	NA
Net Profit/(Loss) after Tax Attributable to Members	(988)	(526)	(462)	245.06%
Basic Earnings – US Cents Per Share	(0.55)	(0.32)	(0.23)	(71.88)%
Dilute Earnings – US Cents Per Share	(0.55)	(0.30)	(0.25)	(71.88)%
Net Tangible Assets – US Cents Per Share	(1.58)	(1.02)	(0.56)	(54.90)%

*NA – not meaningful

Dividends (Distributions)	As per security – US Cents	Franked amount per security-US cents
Dividends Paid during Year	Nil	Nil
Proposed Final Dividend	Nil	Nil
Proposed payment date for final dividend	Nil	Nil

2. Modified conclusion to independent auditors review report

The independent auditors review report on page 8 of the half year-report includes a 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 half-year financial report to be prepared and reviewed for the period ended 30 June 2013.

Consequently, the auditors were unable to determine whether any adjustments to these amounts were necessary. They were unable to satisfy themselves by alternative means concerning the opening balances disclosed in the statement of financial position and statement of cash flows, as comparative figures. Whilst they were satisfied with the material accuracy of amounts recorded in the statement of financial position at 30 June 2014, the impact of opening balances on the current period financial performance and cash flows prevents them from forming an opinion on the financial report taken as a whole.

3. Significant changes in the state of affairs

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.

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.

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 AUD\$10,000,000. The Bonds are tranchised, with a first tranche of AUD\$2,000,000 and second tranche of AUD\$8,000,000.

The bonds’ proceeds of up to AUD\$10 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).

The Targets has defaulted the CB Deed as they are unable to subscribe the second tranche of AUD\$8,000,000 on the due date. The Company is seeking legal advice to take action on the material breach of the contract by the Target. Due to the breach by the Target, the Heads of Agreement will not materialise. The legal counsel has advised the Company that the CB is non-payable.

The Company has been approached by a few new Target for the potential of injection their business into the Company. The Company seek advice from the legal counsel to terminate all the contracts with the Target to move forward the company with the new Target. In the meantime, the Company is seeking liquidation of its subsidiaries in Hong Kong and Singapore.

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

Subsequent Events

On 21 August 2014 the group 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 AUD\$10,000,000. The Bonds are tranchised, with a first tranche of AUD\$2,000,000 and second tranche of AUD\$8,000,000.

The Target has defaulted to subscribe the Tranche 2 of AUD\$8,000,000 Convertible Bond and the potential injection of the Heads of the Agreement will not materialise. The Company is seeking legal advice on action for their breach of the contract and the legal counsel has advised that the Convertible Bond is not repayable by the Company.

On 5 September 2014, the Company entered into a Memorandum of Understanding to acquire 51% of Orchid Wine Estate Pty Ltd and 100% of Wright Bay Vineyard and had paid an Option Deposit of AUD\$800,000. On 9 October 2014 The Option Deposit was transferred from the Escrow Account to Ironbridge Wine Pty Ltd a company associated with former Directors of the Group but which the group does not have control over. Company has lodged a police report on the recovery of the Option deposit and in the process of seeking legal advices to recover the Option Deposit from Ironbridge Wine Pty Ltd. A provision for impairment was subsequently recorded.

The convertible notes issued to Immense Grow Investments Limited expired in December 2014. In September 2015 the Group has received advice from Immense Grow Investments Limited that it will convert the outstanding convertible note plus accrued interest of \$904,971 to ordinary shares when the company completes a reverse takeover and successfully relists on the ASX.

In September 2015 the Company commenced arranging the Singapore and Hong Kong subsidiaries for liquidation and strike off.

Financial report for the half-year ended 30 June 2014

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Directors' report

The Directors of Sino-Excel Energy Limited ("SLE") submit herewith the financial report of Sino-Excel Energy Limited and its subsidiaries for the half-year ended 30 June 2014. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Mr Zhao Yan Shi (appointed on September 2015)	Executive Director
Mr Richard Holstein (appointed on September 2015)	Independent Director
Mrs Heather J Chong (appointed on September 2015)	Independent Director
Ms Meng Jia Ping (removed on September 2015)	Executive Director
M Li Geng (resigned on January 2015)	Executive Director
Mr Leo Peng Wei Le	Executive Director
Mr Michael Bin Guo (resigned on June 2015)	Independent Director
Mr Jiang Si Yao (resigned on June 2015)	Independent Director
Mr Spencer Chan – resigned May 2014	Chairman, Independent Director
Mr Rohan Boman – resigned September 2014	Independent Director
Mr Wong Chin Hong – resigned May 2014	Independent Director
Dr Charlie In – resigned September 2014	Executive Director
Ms Lucy Zhang LiYing – resigned September 2014	Executive Director
Mr Jiao ManHong – resigned May 2014	Executive Director

Review of operations

Sino-Excel Energy Limited's ("SLE") net operating losses of US\$988,000 for the current six months against the loss of US\$526,000 of the previous six months ended 30 June 2013. This included a share capital distribution from Norwood Immunology Pty Ltd of \$721,000, offset by share base payment expenses of \$621,000, impairment of unlisted investments of \$508,000, and a write back of loans of \$387,000. Due to the dampening of the coal business the company and the operations ceased trading and the company was suspended on 2 September 2013. The Company had entered into agreements to acquire Target Companies and purchase a vineyard and wine distribution business. The Targets have defaulted to subscribe the Tranche 2 of AUD\$8,000,000 Convertible Bond and the potential injection of their business will not materialise. The Company is seeking legal advice on action for their breach of the contract. In the meantime a new potential target has approached the Company with interest to inject their businesses to the Company subject to negotiation and resolving the material breach by the Target.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 7 of the half-year report.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors

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

Zhao Yan Shi
Executive Director
13 October 2015



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

As lead auditor for the review of Sino-Excel Energy Limited for the half-year ended 30 June 2014, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 13 October 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sino-Excel Energy Limited

We were engaged to review the accompanying half-year financial report of Sino-Excel Energy Limited and Controlled Entities, which comprises the condensed consolidated statement of financial position as at 30 June 2014, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, 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 half-year's end of from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on conducting a review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, however, we were not able to obtain sufficient appropriate evidence as a basis for expressing a conclusion on the half-year financial report.

Independence

In conducting our review, 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, would be in the same terms if given to the directors as at the time of this auditor's review report.

Basis for Disclaimer of Conclusion

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 reviewed for the period ended 30 June 2013.

Consequently, we were unable to determine whether any adjustments to these amounts were necessary. We were unable to satisfy ourselves by alternative means concerning the opening balances disclosed in the statement of financial position and statement of cash flows, as comparative figures. Whilst we were satisfied with the material accuracy of amounts recorded in the statement of financial position at 30 June 2014, the impact of opening balances on the current period financial performance and cash flows prevents us from forming a conclusion on the financial report taken as a whole.

Disclaimer of Conclusion

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we were unable to obtain sufficient appropriate evidence to form a conclusion on the accompanying half-year financial report. Accordingly, we do not express a conclusion on the half-year financial report.



BDO Audit (NTH QLD) Pty Ltd



Greg Mitchell

Director

Cairns, 13 October 2015

Directors' declaration

The Directors of Sino-Excel Energy Limited declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached half-year financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - i) compliance with Australian Accounting Standard AASB 134 – *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - ii) giving a true and fair view of the financial position as at 30 June 2014 and the performance of the consolidated entity for the half year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Zhao Yan Shi
Executive Director
13 October 2015

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 June 2014

	<u>Note</u>	Consolidated	
		Half-year ended	
		30 Jun 2014 US\$'000	30 Jun 2013 US\$'000
Continuing Operations			
Revenue		-	-
Other income	4	726	-
Administration expenses		(149)	(439)
Finance costs		(49)	(58)
Impairment expense		(508)	-
Write-back of financial liabilities		(387)	-
Share based payments		(621)	-
Other expenses		-	(29)
Profit (loss) before income tax expense		(988)	(526)
Income tax benefit		-	-
Profit (loss) for the half year		(988)	(526)
Other comprehensive income		-	-
Total comprehensive income for the period		(988)	(526)
Earnings per share:			
Basic (cents per share)		(0.55)	(0.32)
Diluted (cents per share)		(0.55)	(0.30)

Notes to the financial statements are included on pages 16 to 19

Condensed consolidated statement of financial position as at 30 June 2014

		Consolidated	
		30 Jun 2014 US\$'000	31 Dec 2013 US\$'000
	<u>Note</u>		
Current assets			
Cash and cash equivalents		233	540
Trade and other receivables		-	93
Available for sale financial assets	6	-	508
Total current assets		233	1,141
Total assets		233	1,141
Current liabilities			
Trade and Other Payables		300	755
Provision for taxation		1,751	1,768
Borrowings		1,021	1,089
Total current liabilities		3,072	3,612
Total liabilities		3,072	3,612
Net liabilities		(2,839)	(2,471)
Equity			
Issued capital	5	5,189	5,189
Equity (Convertible Note)		495	495
Retained Profits		(9,802)	(8,813)
Reserves		1,279	658
Total equity		(2,839)	(2,471)

Notes to the financial statements are included on pages 16 to 19

Condensed Consolidated Statement of changes in equity for the half-year ended 30 June 2014

	Issued Capital	Capital Reserves	Equity Convertible Notes	Retained Profits	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Consolidated					
Opening balance at 1 January 2013	4,744	347	495	(6,758)	(1,172)
Total comprehensive income					
Profit for the period	-	-	-	(526)	(526)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(526)	(526)
Transactions with owners in their capacity as owners					
Conversion of Convertible Notes	-	-	-	-	-
Closing balance at 30 June 2013	4,744	347	495	(7,284)	(1,698)
Opening balance at 1 January 2014	5,189	658	495	(8,814)	(2,472)
Total comprehensive income					
Profit for the period	-	-	-	(988)	(988)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(988)	(988)
Share Based Payment	-	621	-	-	621
Conversion of Convertible Notes	-	-	-	-	-
Balance at 30 June 2014	5,189	1,279	495	(9,802)	(2,839)

Notes to the financial statements are included on pages 16 to 19

Condensed consolidated statement of cash flows for the half-year ended 30 June 2014

	Consolidated	
	Half-year ended	
Note	30 Jun 2014 US\$'000	30 Jun 2013 US\$'000
Cash flows from operating activities		
Receipts from customers	-	1,766
Payments to suppliers and employees	(414)	(670)
Interest received	-	-
Interest paid	(46)	(56)
Net cash from operating activities	(460)	1,040
Cash flows from investing activities		
Marketable Securities	-	(594)
Refunds from Norwood Immunology	721	-
Net cash used in investing activities	721	(594)
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of Convertible Bonds	(568)	-
Net cash from financing activities	(568)	-
Net increase in cash and cash equivalents	(307)	446
Cash and cash equivalents at the beginning of the half year	540	838
Cash and cash equivalents at the end of the half year	233	1,284

Notes to the financial statements are included on pages 16 to 19

Notes to the condensed consolidated financial statements

1. Basis of preparation

These general purpose financial statements for the half-year reporting period ended 30 June 2014 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001. The historical cost basis has been used except for financial liabilities and derivatives which have been measured at fair value.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 31 December 2013 and any public announcements made by Sino-Excel Energy Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements.

Going concern

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.

Subsequent to the period end, on 21 August 2014 the group 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 AUD\$10,000,000. The Bonds are tranchised, with a first tranche of AUD\$2,000,000 and second tranche of AUD\$8,000,000.

The bonds' proceeds of up to AUD\$10 million were 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).

Subsequent to year end the CB Holder (Precious Area Investment Limited and Silver Mind Investment Limited) was unable to subscribe the Tranche 2 of AUD\$8,000,000 of the Convertible Bond and has defaulted Convertible Bond with a material breach of the agreement. The Company is seeking legal advices on actions for their breach of the contract and the Head of Agreement will not materialise. Due to the default, the Convertible Bonds of AUD\$2,000,000 is not payable by the Company as advised by the legal counsel.

Due to their default, the Group might not be able to have business activities for the continuation of the business. There is a material uncertainty that may cast significant doubt over the ability of the company to continue operating as a going concern. In the meantime a new potential target has approached the Company keen to inject their businesses to the Company subject to negotiation and sorting out the material breach by the Target.

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.

2. 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:

The Directors have determined that the investment in Primary Food Company is impaired. The provision for impairment assessment requires a degree of estimation and judgement. The company is in the very early stage of development and is trying to obtain finance. The Directors consider that it is appropriate to make provision for the impairment of the investment.

Provision for tax.

A provision for income tax of \$1,750,995 is recorded in relation to the Hong Kong based subsidiary, Sinox Energy Limited. Income tax returns have been lodged which indicate that tax is not payable. The Hong Kong Inland Revenue Department has yet to finalised the tax returns lodged. The Directors have determined it is appropriate to retain the liability in the financial statements until the dispute is resolved.

3. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Director, decision maker in order to allocate resources to the segment and to assess its performance. SLE management's internal operating segment disclosures are consistent with financial information presented in the financial reports. SLE reports only one reportable segment being the trading and providing service in mining related industry to the People's Republic of China's market but due to the downtrend of the mining related industry, SLE has not able to operate in this industry.

4. Other income

Profit for the period has been arrived at after crediting/charging the following gains and losses from continued operations:

Share capital distribution – Norwood Immunology Pty Ltd
Interest received

Consolidated	
Half-year ended	
30 Jun 2014	30 Jun 2013
US\$'000	US\$'000
721	-
5	-
726	

5. Issued capital

Fully paid ordinary shares

5,189	4,744
5,189	4,744

Movements in share capital are as follows:

Balance at 31 December 2013

Balance at 30 June 2014

No.	US\$'000
179,503,062	5,189
179,503,062	5,189

Consolidated Half-year ended	
30 Jun 2014 US\$'000	30 Jun 2013 US\$'000

6. Available for sale financial assets

Unlisted shares

Less Provision for Impairment

508	508
(508)	-
-	508

Available for sale financial assets are recorded at cost because the fair value can't be reasonably determined. A provision for impairment was posted in the current period as the company invested in is currently not generating any income and has no contracts in place to generate income in the future. The Board have considered it prudent to fully impair its investment as at this stage there is no indication their investment will be returned.

7. Subsequent events

On 21 August 2014 the group 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 AUD\$10,000,000. The Bonds are tranching, with a first tranche of AUD\$2,000,000 and second tranche of AUD\$8,000,000.

The Target has defaulted to subscribe the Tranche 2 of AUD\$8,000,000 Convertible Bond and the potential injection of the Heads of the Agreement will not materialise. The Company is seeking legal advice on action for their breach of the contract and the legal counsel has advised that the Convertible Bond is not repayable by the Company.

On 5 September 2014, the Company entered into a Memorandum of Understanding to acquire 51% of Orchid Wine Estate Pty Ltd and 100% of Wright Bay Vineyard and had paid an Option Deposit of AUD\$800,000. On 9 October 2014 The Option Deposit was transferred from the Escrow Account to

Ironbridge Wine Pty Ltd a company associated with former Directors of the Group but which the group does not have control over. Company has lodged a police report on the recovery of the Option deposit and in the process of seeking legal advices to recover the Option Deposit from Ironbridge Wine Pty Ltd. A provision for impairment was subsequently recorded.

The convertible notes issued to Immense Grow Investments Limited expired in December 2014. In September 2015 the Group has received advice from Immense Grow Investments Limited that it will convert the outstanding convertible note plus accrued interest of \$904,971 to ordinary shares when the company completes a reverse takeover and successfully relists on the ASX.

In September 2015 the Company commenced arranging the Singapore and Hong Kong subsidiaries for liquidation and strike off.

8. Related party transactions

Transactions with related parties:

- Subsequent to year end ,under the terms of the proposed RTO the wages of the company totalling \$161,493 were to be reimbursed by AoHua, a company associated with Ms Jia Meng. The balance outstanding at year end is \$161,493. Subsequent to year end the amount receivable was impaired.
- Subsequent to year end, on 5 September 2014, the Company has entered into a Memorandum of Understanding to acquire 51% of Orchid Wine Estate Pty Ltd and 100% of Wright Bay Vineyard and had paid an Option Deposit of AUD\$800,000. On 9 October 2014 The Option Deposit was transferred from the Escrow Account to Ironbridge Wine Pty Ltd a company associated with former Directors of the Group, Mr Geng Li and Ms Jia Meng but which the group does not have control over. Company has lodged a police report on the recovery of the Option deposit and is in the process of seeking legal advices to recover the Option Deposit from Ironbridge Wine Pty Ltd.
- Subsequent to year end a Director, Dr Charlie In, advanced \$38,670 to the Group. The balance owing is still outstanding at year end.
- Subsequent to year end, in April 2015 the Targets, companies associated with Ms Jia Meng defaulted the CB Deed as they are unable to subscribe the second tranche of AUD\$8,000,000 on the due date.
- In the 2013 year the Group advanced funds totalling \$888,296 to Trechance Holdings Limited, a company associated with Leo Peng and former Director Dr Charlie In. The advance was also written off as unrecoverable in the 2013 year.
- In the 2013 year \$AUD85,000 was paid to the convertible note holders of Imagine Un Limited, a company associated former Directors Spencer Chan, Lucy Zhang, and Wong Chin Hong.
- In the 2013 year the PRC subsidiary Guizhou Sino-Excel Investment Management Ltd was sold to Treechance Holdings Limited, a company associated with Leo Peng and former Director Dr Charlie In for \$160.