

ANNUAL REPORT
31 December 2014
SINO-EXCEL ENERGY LIMITED
A.C.N. 085 162 456

SINO-EXCEL ENERGY LIMITED

ANNUAL REPORT

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

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SINO-EXCEL ENERGY LIMITED

CHAIRMAN'S REPORT

Dear Shareholder,

The Group continued its suspension into FY 2014 as the vendor was arranging for acquisition of vineyards and winery business in Australia and PRC. In FY2014, the group had an operating loss of US\$1,771,581 (2013 loss: US\$2,055,613). The major contributing items to the loss provision for impairment of investment of \$508,050, provision for impairment of option deposit \$652,496, share based payments of \$621,187, restatement of financial liabilities of \$387,391, and net operating costs of \$323,661 offset by a capital distribution from Norwood Immunology Limited of \$721,204.

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 were to enter into negotiations in relation to executing an agreement to effect the proposed transaction ("Proposed Transaction")

Under the Proposed Transaction, the Company was to acquire all of the issued shares in the Targets. On satisfaction of the relevant conditions, the Shareholders were to 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 included 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 the Company entered into a Convertible Bond Deed ("CB Deed") with the Targets. Under the CB Deed, the Targets agreed to subscribe for and the Company 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 were tranchised, with a first tranche of AUD\$2,000,000 and second tranche of AUD\$8,000,000.

The bonds' proceeds of up to AUD10 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).

In April 2015 the Targets 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. Based on legal advice on the default by the CB holders, their CB is non-payable by the Company.

The Company has been approached by another new Target for the potential injection of their business into the Company. The Company will sort out required actions with the assistance of legal counsel to terminate all contracts with the Target to move forward the company with the new Target. In the meantime, the Company is also seeking advice to seek approval from the authorities concerned to lift the suspension of the trading of the shares.

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

Yours faithfully,



Director
Zhao Yan Shi

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT

The Company is a small company with limited operations. Accordingly the Board considers that certain of the corporate governance guidelines intended to apply to larger operating companies are not practical for the Company in its current circumstances. Where relevant, these instances are noted in the following table.

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Principle 1			
Principle 1 – Lay solid foundations for management and oversight. Companies should establish and disclose the respective roles and responsibilities of board and management.			
Recommendation 1.1: Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Comply	The Company has adopted a Board Charter. The Board is accountable to shareholders for the performance of the Company and has overall responsibility for its operations. The Board's primary objective is to protect and enhance shareholder value within a defined, informed structure which protects the rights and interests of shareholders and other stakeholders by ensuring that the Company and its controlled entities are properly managed. The Board, together with senior management, is responsible to shareholders and other stakeholders for the Company's total business performance. Management of the business of the Company is conducted by the Executive Chair as designated by the Board and by officers and consultants to whom the management function is delegated by the Executive Chair.	Not Applicable
Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.	Comply	The Board monitors the performance of senior officers of the Company in accordance with the principles set out in the Board Charter.	Not Applicable
Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1.	Comply	The Company provides details in its Annual Report.	Not Applicable

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CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Principle 2			
Principle 2 – Structure the board to add value Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.			
Recommendation 2.1: A majority of the board should be independent directors.	Comply	The Board is composed of four Directors the majority of which are independent.	Not Applicable
Recommendation 2.2: The chair should be an independent director.	Does not comply	The Executive Chairman is a significant shareholder.	The company is a small Company with limited operations. Accordingly, the Board considers that maintaining an Executive Chairman who is also not independent is appropriate to the Company's current circumstances.
Recommendation 2.3: The roles of chair and chief executive officer should not be exercised by the same individual.	Does not comply	The Executive Chairman and Chief Executive Officer are the same.	As above.
Recommendation 2.4: The board should establish a nomination committee.	Comply	The Board has established a Remuneration and Nomination Committee. The members of the committee are Mr Peng (Chair), Mr Holstein and Mrs Chong.	Not Applicable
Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Comply	In accordance with the principles set out in the Board Charter and the Nomination and Remuneration Committee Charter, the Board undertakes self assessment of its collective performance. Individual performance is evaluated by the full Board. Details of Directors' qualifications, experience, term of office and special responsibilities are in the Directors Report included in the Annual Report.	Not Applicable
Recommendation 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.	Comply	Information is included in the Annual Report.	Not Applicable

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Principle 3			
Principle 3 – Promote ethical and responsible decision-making. Companies should actively promote ethical and responsible decision-making.			
Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> • 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 • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	Comply	The Company has adopted a Code of Conduct.	Not Applicable
Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Comply	The Company has adopted a Diversity Policy. The Company intends to make each staff appointment after consideration of each candidate's qualifications, experience and proven competence, whilst conscientiously avoiding any discrimination on the basis of, but not limited to, race, creed, colour, gender, age, marital status, religion or physical impairment.	Not Applicable
Recommendation 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.	Does not comply	The Company does not set measurable objectives at present given the Company's circumstances including the very limited number of staff employed.	If measurable objectives for achieving gender diversity are set by the Board in accordance with the diversity policy, the Company will disclose those objectives in the Annual Report together with progress towards achieving them.
Recommendation 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.	Comply	The Company has two women in the organisation. One is the CFO and the other a Director.	Not Applicable

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CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 3.5: Companies should provide the information indicated in the Guide to reporting on Principle 3.	Comply	The information is provided in the Annual Report.	Not Applicable
Principle 4			
Principle 4 – Safeguard integrity in financial reporting Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.			
Recommendation 4.1: The board should establish an audit committee.	Comply		Not Applicable
Recommendation 4.2: The audit committee should be structured so that it: <ul style="list-style-type: none"> • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members. 	Comply	The Company has established an audit committee and has adopted an audit committee charter. The members of the audit committee are Mr Holstein (Chair), Mrs Chong and Mr Peng.	Not Applicable
Recommendation 4.3: The audit committee should have a formal charter.	Comply	The Company has a formal audit committee charter.	Not Applicable
Recommendation 4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4.	Comply	The information is provided in the Annual Report.	Not Applicable
Principle 5			
Principle 5 – Make timely and balanced disclosure. Companies should promote timely and balanced disclosure of all material matters concerning the company.			

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 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.	Comply	<p>The Board has adopted a Market Disclosure Policy.</p> <p>Detailed continuous disclosure policy is intended to maintain the market integrity and market efficiency of the Company's shares listed on the ASX. This policy sets out the requirements to report to the Executive Chair, any matter that may require disclosure under the Company's continuous disclosure obligations. The Executive Chair is also required to report at each Board meeting on this issue. The continuous disclosure process is intended to be consistent with the Australian Securities Exchange Listing Rules, and the Corporations Act 2001 (<i>Clth</i>).</p>	Not Applicable
Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5.	Comply	The information is provided in the Annual Report.	Not Applicable
Principle 6			
Principle 6 – Respect the rights of shareholders. Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.			

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 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.	Comply	<p>The Company has adopted a Communications Policy.</p> <p>The Company aims to convey to its shareholders pertinent information in an appropriate and timely manner.</p> <p>The annual report includes relevant information about the operations of the Company during the year, and changes in the state of affairs of the Company, in addition to the other disclosures required by the Corporations Act 2001.</p> <p>Information is communicated to shareholders by the Company through:</p> <ol style="list-style-type: none"> 1. Placement of market announcements on the ASX disclosure platform (with the view of setting up a corporate website shortly) 2. The annual and interim financial reports ; 3. Notices and explanatory of general meetings; and 4. All Shareholders are invited to attend and raise questions at the Annual General Meeting. <p>All shareholders are welcome to communicate directly with the Company.</p>	Not Applicable
Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.	Comply	The information is provided in the Annual Report.	Not Applicable
Principle 7			
Principle 7 – Recognise and manage risk Companies should establish a sound system of risk oversight and management and internal control.			

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CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Comply	<p>The Board intends to meet regularly to evaluate, control, review and implement the Company's operations and objectives including risk management policies.</p> <p>Regular controls to be established by the Board include:</p> <ul style="list-style-type: none"> • Delegated authority to the Executive Chair to ensure approval of expenditure; and • Procedures allowing Directors to seek independent professional advice by utilising various external technical consultants. <p>The Board recognises the need to identify areas of significant business risk and to develop and implement strategies to investigate these risks.</p>	Not Applicable
Recommendation 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.	Comply	<p>The Executive Chair and CFO manage the Company's material business risks and report to the Board.</p> <p>Materiality thresholds</p> <p>The Company regularly reviews procedures, and ensures timely identification of disclosure material and materiality thresholds.</p> <p>Materiality judgments can only be made on a case by case basis, when all the facts are available. The Board would consider an amount which is:</p> <ol style="list-style-type: none"> 1. Equal to or greater than 10 per cent of the appropriate base amount as material, unless there is evidence or convincing argument to the contrary; and 2. Equal to or less than 5 per cent of the appropriate base amount not to be material unless there is evidence, or convincing argument, to the contrary. 	Not Applicable

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CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 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 2001 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.	Comply	The Company requires that these statements are certified by the Executive Chair, as chief executive officer, and chief financial officer.	Not Applicable
Recommendation 7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.	Comply	The information is provided in the Annual Report.	Not Applicable
Principle 8			
Principle 8 – Remunerate fairly and responsibly. Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.			
• Recommendation 8.1: The board should establish a remuneration committee.	Comply	The Board has established a Nomination and Remuneration Committee and has adopted a Nomination and Remuneration Committee Charter. The members of the Committee are Mr Peng (Chair), Mr Holstein and Mrs Chong.	Not Applicable
Recommendation 8.2: The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members.	Comply	As above	Not Applicable

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
<ul style="list-style-type: none"> • Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. 	Comply	<p>Non-executive Directors' fees are determined by the Board within the aggregate amount approved by shareholders.</p> <p>Any structure for equity based executive remuneration must be commercially cost effective, and appropriate to the Company's size and structure.</p> <p>The Board has regard to certain published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share option schemes which the Board considers relevant or appropriate.</p> <p>Fees for non-executive directors reflect the demands on and responsibilities of our Directors.</p> <p>Non-executive Directors are remunerated by way of base fees and statutory superannuation contributions and do not participate in schemes designed for the remuneration of executives. Non-executive directors do not receive any bonus payments nor are they provided with retirement benefits other than statutory superannuation.</p> <p>There are no schemes for retirement benefits, other than statutory superannuation, for non-executive directors.</p>	Not Applicable
<ul style="list-style-type: none"> • Recommendation 8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8. 	Comply	The information is provided in the Annual Report.	Not Applicable

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 2014.

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
Mr Zhao Yan Shi	Age 62, joined the Board in September 2015 as an executive capacity
Mr Richard Holstein	Age 53, joined the Board in September 2015 as a non-executive capacity
Mrs Heather J Chong	Age 57, joined the Board in September 2015 as a non-executive capacity
Ms Jia Ping Meng	Aged 53, joined the Board in September 2014 as an executive capacity, removed on 9 September 2015
Mr. Geng Li	Aged 37, joined the Board in September 2014 as an executive capacity, resigned on 13 January 2015.
Mr. Leo Peng	Aged 34, joined the Board in 2009 as a non-executive capacity, he was appointed Executive Director on 1 February 2012 and resigned in May 2014. He joined the Board again in September 2014 as executive capacity, on 9 September 2015 changed to a non-executive capacity
Mr. Michael Bin Guo	Aged 33, joined the Board in September 2014 as a non-executive capacity, resigned on 12 June 2015
Mr Si Yao Jiang	Aged 32, joined the Board in September 2014 as a non-executive capacity, resigned on 22 June 2015
Mr. Spencer Chan	Chairman, aged 66, joined the Board in 2009 as a non-executive capacity, resigned in May 2014
Mr Rohan Boman	Aged 45, joined the Board in 2009 as a non-executive capacity, resigned in September 2014
Mr Wong Chin Hong	Aged 66, joined the Board in 2010 as a non-executive capacity, resigned in May 2014
Dr Charlie In	Aged 57, joined the Board in 2011 as an executive capacity, resigned in September 2014
Ms Lucy Zhang LiYing	Aged 30, joined the Board in 2011 as an executive capacity, resigned in September 2014
Mr Jiao ManHong	Aged 40, joined the Board in 2012 as an executive capacity and Group CEO (appointed 1 February 2012), resigned in May 2014

Mr. Zhao YanShi

Appointed 9 September 2015, Executive Director

Mr Zhao was appointed as Executive Director on 9 September 2015. He is the President of Beijing WestComb Investment Ltd that provides capital raising, public listing and corporate financing services. The Company specialises in corporate restructuring, corporate governance and strategic management for PRC firms that are publicly listed outside China.

Mr Zhao had participated in IPO, corporate restructurings and fund raising for many listed companies, such as Sky China Technical Services, Sapphire China, YingLi Real Estate, BoHai Energy and XinLong.

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DIRECTORS' REPORT **(continued)**

Mr Zhao started his career as a factory manager of Jilin chemical Factory, he also served as television media executive, distributor of electronic products, property developer, recreation centre operator, oil&gas contractor, chemical plant investor and VP of China's leading pharmaceutical company responsible for manufacturing and capital raising.

After graduated from University, Yanshi became a senior economist which specializing in the corporate strategy, governance and international fund raising.

Mr Richard Holstein B. Bus (Accounting), FCPA, MBA, ACSA

Appointed 9 September 2015, Non-Executive Director

Mr Holstein is the Company Secretary since October 2014. He also serves as Company Secretary for Rawson Resources Limited and CFO cum Company Secretary for Centric Minerals Management since 2010.

Mr Holstein has been in the financial industries since 1990. He has strong background in major skills in financial reporting, budget and forecast, M&A, identifying and implementing process improvement and cost saving opportunities. He has achieved a completion of acquisition and RTO of Pacific International Hotels, sale of Venture Holidays and Explore Holidays, Park Plaza and Park Inn brands in the Asia Pacific Region. He had participant in fund raising and rights issue process. He was with Commonwealth Bank of Australia as Financial Reporting Account in 2009 and UBS Wealth Management as private client equities and derivate advisor in 2007.

Mr Holsten is a certified CPA. He obtained MBA and Master of Management from Macquarie Graduate School of Management and Financial Advisor Accreditation (PS146), Derivatives 1 and 2.

Mrs Heather J Chong

Appointed 9 September 2015, Non-Executive Director

Mrs Chong is the CEO of Qew Orchards since 1998. She was an Independent Director of GPS Alliance Holdings and Aquaint Capital Holdings since 2013 to 2015. She was director of Tasmanian Institute of Agriculture Advisory Board (TIA) from 2002 to 2012, Tasmanian Irrigation Schemes Pty Ltd (TIS) from 2000 to 2012. Since 2009 she is the Aldermen of Clarence City Council, Councillor, AICD (Tasmania), Chair of Rotary Club of Hobart, Richmond Advisory Committee, Clarence Health & Well-being Advisory Committee, SECOND BITE, Advisory committee. From 2008 to 2013 she was Chair of Royal Hobart Hospital Research Fund. She had previously held the Chair of the Food Industry Council of Tasmania and Summerfruit Australia (national Summerfruit board), and was the Tasmanian Government Representative on the national Food Safety Centre.

Mrs Chong received award in December 2005 "RIRDC TASMANIA RURAL WOMAN OF THE YEAR – the recipient of the Rural Industries Research and Development Corporations Rural Woman award for Tasmania and October 2003 TELSTRA TASMANIA BUSINESS WOMAN OF THE YEAR – the recipient of the Westpac Group Business Owners Award for Tasmania and the Telstra Tasmania Business Woman of the Year.

Mrs Chong is graduated with B. Bus (Hons) in Psychology, MBA, Grad. Dip. in Public Policy, ACA (member of the Institute of Chartered Accountants of England and Wales) and FAICD (Fellow, Australian Institute of Company Directors).

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Mr. L. Peng Msc. Fin.

Appointed 29 September 2009, 1 February 2012 and 4 September 2014, Executive Director, 9 September 2015 Non-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.

Ms Jia Ping Meng

Appointed 4 September 2014, Executive Director, removed 9 September 2015

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, resigned on 13 January 2015

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, resigned 12 June 2015

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.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

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, resigned 22 June 2015

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.

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.

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DIRECTORS' REPORT **(continued)**

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 Earm 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.

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 Holstein

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

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

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 L. Peng (appointed 29 September 2009, resigned 6 May 2014, appointed 4 September 2014)	11,112	-
Mr Richard Holstein (appointed 9 September 2015)		
Mr Zhao YanShi (appointed 9 September 2015)	47,039,216	-
Mrs Heather J Chong (appointed 9 September 2015)	-	-
	<hr/> 47,050,328 <hr/>	<hr/> - <hr/>

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>
Mrs Heather J Chong	GPS Alliance Holdings	Since 2013 to 2015
	Aquaint Capital Holdings	Since 2013 to 2015
Mr Richard Holstein	Raffles Capital Limited	Since 2014
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 till 2014
Mr C.H. Wong	Imagine Un Limited	Since 2011 till 2014
Ms Lucy Zhang LiYing	Imagine Un Limited	Since 2011 till 2014

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, one Board meeting, no remuneration and nomination committee meeting and noaudit committee meeting were held.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

<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	-	-	-	-
Jia Ping Meng	-	-	-	-	-	-
Geng Li	-	-	-	-	-	-
Michael Bin Guo	-	-	-	-	-	-
Jiang Si Yao	-	-	-	-	-	-
Zhao Yan Shi	-	-	-	-	-	-
Richard Holstein	-	-	-	-	-	-
Heather J Chong	-	-	-	-	-	-

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 seeking approval from the authorities concerned to lift the suspension of trading, in the meantime the Company is in negotiation with a new target to inject the business.

Review of Operations

In FY2014, the group had an operating loss of US\$1,771,581 (2013 loss: US\$2,055,613). The major contributing items to the loss provision for impairment of investment of \$508,050, provision for impairment of option deposit \$652,496, share based payments of \$621,187, restatement of financial liabilities of \$387,391, and net operating costs of \$323,661 offset by a capital distribution from Norwood Immunology Limited of \$721,204.

The Company is sourcing for new target to inject the business.

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")

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT

(continued)

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

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. The amount of \$161,493 receivable from Aouha is unlikely to be recovered and a provision for impairment has been recorded after year end.

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.

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 no 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.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT

(continued)

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 included in note 12 to the financial statements.

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
- none of the non-audit services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

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 23 to the financial statements.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 25 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 2014. 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 Zhao Yan Shi (appointed 9 September 2015)
Mr Richard Holstein (appointed 9 September 2015)
Mrs Heather J Chong (appointed 9 September 2015)
Mr. Leo Peng (appointed 29 September 2009, resigned 6 May 2014, appointed 4 September 2014)
Ms Jia Ping Meng (appointed 4 September 2014, resigned on 9 September 2015)
Mr Geng Li (appointed 4 September 2014 resigned on 13 January 2015)
Mr Michael Bin Guo (appointed 4 September 2014, resigned on 12 June 2015)
Mr Jiang Si Yao (appointed 4 September 2014, resigned on 22 June 2015)
Mr Spencer Chan (appointed 29 September 2009 resigned 6 May 2014)
Mr Rohan Boman (appointed 4 November 2009 resigned 4 September 2014)
Mr Wong Chin Hong (appointed 22 November 2010 resigned 6 May 2014)
Dr Charlie In (appointed 15 August 2011 resigned 4 September 2014)
Ms Lucy Zhang LiYing (appointed 15 August 2011 resigned 4 September 2014)
Mr Jiao ManHong (appointed 1 February 2012 resigned 6 May 2014)

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 Holstein (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. With the breach of material contract by the CB holders, the winery business might not be materialised, the Company is arranging service agreements for its employees and directors.

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the four years to December 2014. The consolidated entity changed its balance date from June to December in 2011.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

	12 months ended 31 December 2014 US\$	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	(1,771,581)	(2,055,613)	(11,253,521)	6,286,703	(2,425)
Profit/(Loss) after tax	(1,771,581)	(2,055,613)	(11,698,865)	4,947,375	(2,425)

	12 months ended 31 December 2014	12 months ended 31 December 2013	12 months ended 31 December 2012	12 months ended 30 December 2011	12 months ended 30 June 2011
Share price at start of year	A\$0.04	A\$0.04	A\$0.12	A\$0.006	NA
Share price at end of year *	A\$0.028	A\$0.028	A\$0.04	A\$0.12	A\$0.006
Interim dividend	-	-	-	-	-
Final dividend	-	-	-	-	-
Basic earnings cents per share	(0.98)	(1.20)	(7.61)	3.90	(3,031.25)
Diluted earnings cents per share	(0.98)	(1.20)	(7.61)	3.48	(3,031.25)

In June 2013, the Board has requested for the suspension of the trading due to the Company requiring to source a new business for the continuation of the operations. This was due to the downturn of the coal industries worldwide. The Company is suspended and in the process to seek approval from authorities concerned to lift the suspension for the shares to be traded. It is in negotiation with potential group for injecting of their business into the Company whereas the current CB holders have breach the contract due to default of unable to pay the Tranche 2 of AUD\$8,000,000 and the acquisition of the winery business in PRC and acquisition of vineyard in Australia will not materialise . The legal counsel has advised the Convertible Bond is not payable by the Company.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT
(continued)

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

12 months ended 31 December 2014		Short term employee benefits			Post Employment Benefits			
	Position	Cash salary & fees US\$ (3) & (4)	Bonus US\$ (1)	Non- monetary US\$	Super- annuation US\$	Prescribed benefits US\$	Termination benefits US\$	Shares Issued US\$
Spencer Chan (resigned May 2014)	Non-executive Chairman	-	-	-	-	-	-	-
Wong Chin Hong (resigned May 2014)	Non-executive Director	-	-	-	-	-	-	-
Rohan Boman (resigned September 2014)	Non-executive Director	-	-	-	-	-	-	-
Michael Bin Guo (appointed 4 September 2014)	Non-executive Director	-	-	-	-	-	-	-
Jiang Si Yao (appointed 4 September 2014)	Non-executive Director	-	-	-	-	-	-	-
Charlie In (resigned on 4 September 2014)	Executive Chairman	-	-	-	-	-	-	-
Lucy Zhang LiYing (resigned 4 September 2014)	Executive Director	-	-	-	-	-	-	-
Leo Peng (resigned May 2014, reappointed September 2014)	Executive Director	34,467	17,000	-	-	-	-	-
Ms JiaPing Meng (appointed September 2014)	Executive Director	41,361	20,399	-	-	-	-	-
Geng Li (appointed September 2014, resigned 13 Jan 2015)	Executive Director	17,468	-	-	-	-	-	-
Richard Holstein appointed September 2014)	Company Secretary	9,986	-	-	-	-	-	-
David Semmens (resigned October 2014)	Company Secretary	27,641	-	-	-	-	-	-
Alice Chong	Chief Financial Officer	259,219	8,500	-	-	-	-	-
Total		390,142	45,899	-	-	-	-	-

- (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 2014.
- (2) The Directors who resigned during the financial period have not been paid any remuneration.
- (3) The executive director and Key Management Staff salaries and bonuses for 2014 were paid by AoHua
- (4) Includes settlement of staff salaries owing from Mar 2010 to December 2011.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT
(continued)

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

12 months ended 31 December 2013		Short term employee benefits			Post Employment Benefits			
	Position	Cash salary & fees US\$	Bonus US\$ (1)	Non-monetary US\$	Super-annuation US\$	Prescribed benefits US\$	Termination benefits US\$	Shares Issued US\$
Spencer Chan (resigned May 2014)	Non-executive Chairman	26,618	-	-	-	-	-	-
Wong Chin Hong (resigned May 2014)	Non-executive Director	26,618	-	-	-	-	-	-
Rohan Boman (resigned September 2014)	Non-executive Director	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	-
Lucy Zhang (resigned September 2014)	Executive Director	154,676	25,806	-	-	-	77,418	-
Jiao ManHong (resigned May 2014)	Chief Executive Officer/Executive Director	-	-	-	-	-	-	-
David Semmens (resigned October 2014)	Company Secretary	38,548	-	-	-	-	-	-
Alice Chong	Chief Financial Officer	124,509	-	-	7,356	-	-	-
Total		573,956	56,761	-	7,356	-	170,284	

- (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)**

Remuneration Report (cont'd)

Remuneration and Nomination Committee

The Remuneration and Nomination Committee of the Board of Directors will be responsible for determining and reviewing compensation arrangements for the Directors and senior Executives. There is currently not a Nomination Committee in place.

The Remuneration and Nomination Committee will assess 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 AUD \$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 will be responsible for determining and reviewing compensation arrangements for the senior Executives. The Remuneration and Nomination Committee will assess 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.

With the breach of material contract by the CB holders, the winery business might not be materialised, the Company is arranging service agreements for its employees and directors.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT
(continued)

Share and option holdings by Key Management Personnel

a) Key Management Personnel Equity Holdings

Ordinary shares

	Balance @ 1 Jan 2014	Granted as remuneration No.	Received on exercise of options No.	Net Other change No.	Balance @ 31 December 2014	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	73,124,845	-	-	(73,113,733)	11,112	-
Executives						
A Chong	-	-	-	-	-	-
D Semmens	-	-	-	-	-	-
R Holstein	-	-	-	-	-	-
	73,124,845	-	-	(73,113,733)	11,112	-

The other change is due to the resignation of Directors.

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	-

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

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Share Options

	Bal @ 1 Jan 2014	Granted as remun- eration	Exercised	Other change	Bal @ 31 December 2014
	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	-	-	-	-	-
R Holstein	-	-	-	-	-
	3,979,340	-	-	(3,979,340)	-

The other change is the expiry of options during the year. .

Share Options

	Bal @ 1 January 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

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:

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT
(continued)

f) Others

	Transactions occurred during the year				Dec 2014 US\$	Dec 2013 US\$
	Expenses paid on behalf of Related Companies (1)				-	888,296
	Funds loaned by related parties (2)				38,670	-
	Balances outstanding at the end of the year					
	Amounts owed to the company from related parties				-	-
	Amounts owed by the company to related parties (2)				38,670	-

- (1) The payment was made to Trechance Holdings Limited, a company associated with Leo Peng and former Director Dr Charlie In..
- (2) Funds were loaned to subsidiary SINOX Energy Limited by Director Charlie In. The loan is unsecured, interest free, and repayable on demand.

End of Audited Remuneration Report

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



Zhao Yan Shi

13 October 2015



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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 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 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, 13 October 2015

INDEPENDENT AUDITOR'S REPORT

To the members of Sino-Excel Energy Limited

Report on the Financial Report

We were engaged to audit the accompanying financial report of Sino-Excel Energy Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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, however, 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, 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. 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 31 December 2014, the impact of opening balances on the current period financial performance and cash flows prevents us from forming an opinion on the financial report taken as a whole.

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 22 to 29 of the directors' report for the year ended 31 December 2014. 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.

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.

Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Whilst we were satisfied with the accuracy of amounts recorded in the Remuneration Report that relate to the year ended 31 December 2014, the impact of the prior year disclaimer prevents us from forming an opinion on the Remuneration Report taken as a whole.

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, 13 October 2015

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 2014 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 26 of the directors' report (as part of audited Remuneration Report), for the year ended 31 December 2014, comply with section 300A of the *Corporations Act 2001*.
5. The directors have been given the declaration by Chief Financial Officer required by section 295A. There is currently no one in the Chief Executive Officer role.

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:



Zhao Yan Shi

13 October 2015

SINO-EXCEL ENERGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated	
		12 months ended Dec 2014 US\$	12 months ended Dec 2013 US\$
Revenue from continuing operations		-	-
Other income	5	726,836	-
Employee benefits expense	5	-	(926,657)
Finance costs	4	(465,317)	(107,631)
Other expenses		(251,367)	(710,732)
Share based expenses		(621,187)	(310,593)
Provision for impairment of option deposit		(652,496)	-
Provision for impairment of marketable securities		(508,050)	-
Loss before income tax expense		(1,771,581)	(2,055,613)
Income tax benefit (expense)	6	-	-
 Loss for the year from continuing operations		 (1,771,581)	 (1,758,599)
Loss for the year from discontinued operations		-	(297,014)
 Other comprehensive income		 -	 -
Total comprehensive income/ (loss) for the year		(1,771,581)	(2,055,613)
 Earnings per share from continuing operations :			
Basic (cents per share)	15	(0.98)	(1.03)
Diluted (cents per share)	15	(0.98)	(1.03)
 Earnings per share from discontinued operations			
Basic (cents per share)	15	-	(0.17)
Diluted (cents per share)	15	-	(0.17)
 Total earnings per share:			
Basic (cents per share)	15	(0.98)	(1.20)
Diluted (cents per share)	15	(0.98)	(1.20)

Notes to the financial statements are included on pages 38 to 66.

SINO-EXCEL ENERGY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	Consolidated	
		Dec 2014	Dec 2013
		US\$	US\$
CURRENT ASSETS			
Cash and cash equivalents	18	836,660	540,207
Trade and other receivables	7	167,128	92,951
Option deposit	8	-	-
TOTAL CURRENT ASSETS		1,003,788	633,158
NON-CURRENT ASSETS			
Available-for-sale financial assets	9	-	508,050
TOTAL NON-CURRENT ASSETS		-	508,050
TOTAL ASSETS		1,003,788	1,141,208
CURRENT LIABILITIES			
Trade and other payables	10	338,670	755,263
Income tax	6	1,750,995	1,768,075
Borrowings	11	2,536,171	1,089,524
TOTAL CURRENT LIABILITIES		4,625,836	3,612,862
TOTAL LIABILITIES		4,625,836	3,612,862
NET ASSETS/(LIABILITIES)		(3,622,048)	(2,471,654)
EQUITY			
Issued capital	12	5,189,306	5,189,306
Other equity (convertible note)	14	494,765	494,765
Retained earnings/(accumulated losses)		(10,585,121)	(8,813,540)
Reserves	13	1,279,002	657,815
TOTAL EQUITY/(DEFICIENCY)		(3,622,048)	(2,471,654)

Notes to the financial statements are included on pages 38 to 66.

SINO-EXCEL ENERGY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	CONSOLIDATED 12 months Ended 31 December 2014					CONSOLIDATED 12 months Ended 31 December 2013				
	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	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)
Total comprehensive income										
Profit/(loss) for the period	-	(1,771,581)	-	-	(1,771,581)	-	(2,055,613)	-	-	(2,055,613)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	(1,771,581)	-	-	(1,771,581)	-	(2,055,613)	-	-	(2,055,613)
Transactions with owners in their capacity as owners										
Capital raising costs	-	-	-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	444,905	-	-	-	444,905
Issue of earn out shares										
Share Based Payments	-	-	621,187	-	621,187	-	-	310,593	-	310,593
Other Equity (Convertible Notes)	-	-	-	-	-	-	-	-	-	-
Closing balance	5,189,306	(10,585,121)	1,279,002	494,765	(3,622,048)	5,189,306	(8,813,540)	657,815	494,765	(2,471,654)

Notes to the financial statements are included on pages 38 to 66.

SINO-EXCEL ENERGY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated	
		12 months ended Dec 2014 US\$	12 months ended Dec 2013 US\$
Cash flows from operating activities			
Receipts from customers		-	1,993,247
Payments to suppliers and employees		(907,468)	(2,123,191)
Interest received		-	-
Interest paid		(68,839)	(104,492)
		<hr/>	<hr/>
Net cash provided by operating activities	18(b)	(976,307)	(234,436)
		<hr/>	<hr/>
Cash flows from investing activities			
Payment for plant and equipment		-	-
Refunds from Norwood Immunology		721,204	-
Payment for acquisition other investments		-	(508,050)
Option deposits paid		(746,526)	
		<hr/>	<hr/>
Net cash used in investing activities		(25,322)	(508,050)
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from borrowings		1,866,320	-
Repayment of borrowings		(568,238)	-
Issue of share capital		-	444,905
		<hr/>	<hr/>
Net cash provided by financing activities		1,298,082	444,905
		<hr/>	<hr/>
Net increase in cash and cash equivalents		296,453	(297,581)
Cash and cash equivalents at the beginning of the financial year		540,207	837,788
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	18(a)	836,660	540,207
		<hr/>	<hr/>

Notes to the financial statements are included on pages 38 to 66.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. GENERAL INFORMATION

Sino-Excel Energy Limited, (the Company) is a listed public company, incorporated in Australia and operating in Australia, Singapore, and Hong Kong. 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 2014 were authorised for issue in accordance with a resolution of the Board on 9 October 2015.

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 2014**

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
AASB 2014-1 Australian Accounting Standards (Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles) (June 2014) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 July 2014	31 December 2015
AASB 2015-1 Annual Improvements Australian Accounting Standards 2012-2014 cycles (January 2015) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2016	31 December 2016
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements (December 2014) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2016	31 December 2016
AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (January 2015) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2016	31 December 2016
<i>AASB 15 Revenue From Contracts With Customers</i> (December 2015) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2017	31 December 2017
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (August 2014) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2016	31 December 2016

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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:

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.

Subsequent to year end receivable from Aohua became impaired. The provision for impairment assessment and the date impairment occurred requires a degree of estimation and judgement.

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 for a coal mine in China 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.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Non- recognition of deferred tax assets on tax losses and temporary differences.

The recognition of deferred tax assets requires a degree of estimation and judgement. As the group is not currently trading deferred tax assets have not been recognised due to uncertainty regarding their realisation.

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.

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 \$3,662,048. The Statement of Profit or Loss and Other Comprehensive Income shows that the Group has incurred a loss before tax for the year ended 31 December 2014 of \$1,771,581.

The convertible notes issued to Immense Grow Investments Limited expired in December 2014. After year end 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.

The CB Holder (Precious Area Investment Limited and Silver Mind Investment Limited) is unable to subscribe the Tranche 2 of AUD\$8,000,000 of the Convertible Bond and has defaulted on the Convertible Bond Deed 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 \$1,631,200 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.

SINO-EXCEL ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2014

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 comprise the financial statements of Sino-Excel Energy Limited and its subsidiaries at 31 December 2014 each year ("the Group"). Subsidiaries are entities (including structured entities) over which the group has control. The group has control over an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred on the group and are deconsolidated from the date that control ceases. 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.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

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.

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.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

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.

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.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2014**

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

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 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.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

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.

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.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

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.

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.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2014**

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

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 2014**

4. FINANCE COSTS

	<u>CONSOLIDATED</u>	
	Dec 2014	Dec 2013
	US\$	US\$
Interest on convertible notes	(68,839)	(104,492)
Unwinding of interest on convertible note	(387,391)	-
Other finance costs	(9,087)	(3,139)
	<u>(465,317)</u>	<u>(107,631)</u>

5. OTHER INCOME/EXPENSES

Other Income		
Income from Norwood Immunology	721,204	-
Interest Income	5,631	
	<u>726,835</u>	<u>-</u>

(b) Other expenses

Employee benefits expense:		
- Post employment benefits:		
Defined contribution plans	-	(11,273)
- Other employee benefits	-	(915,384)
	<u>-</u>	<u>(926,657)</u>

Notes : There were no employee benefits due to the remuneration for this financial statement paid by the potential acquired company - Aohua

6. INCOME TAX

(a) Components

Current tax on profit/(losses) for the financial year	-	-
Deferred tax	-	-
Over-provision in prior years	-	-
Income tax expense	<u>-</u>	<u>-</u>

(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) at 30% (31 December 2013: 30%)	(531,474)	(616,684)
Add tax effect of:		
- Temporary difference and losses not recognised	531,474	616,684
- Non-deductible expenses	-	-
- Effects of different tax rates of subsidiaries operating in other jurisdiction	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2014**

(c) Recognised deferred taxes net of recognised losses:

Tax losses recognised as an offset

-	-
-	-

(d) Income tax payable

Opening balance

1,768,075 1,711,539

Foreign exchange movements

(17,080) 56,536

Closing balance

1,750,995 1,768,075

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 \$1,335,660 (2013 \$1,338,706) in respect of losses of \$4,452,201 (2013 \$4,462,353). It also did not recognise deferred income tax assets of \$4,780,481 (2013 \$4,245,962) in respect of other temporary differences of \$15,934,938 (2013 \$14,153,205). At the tax rate of 30% the total deferred tax asset not recognised is \$6,116,142 (2013 \$5,584,668).

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	<u>CONSOLIDATED</u>	
	Dec 2014	Dec 2013
	US\$	US\$
7. <u>CURRENT TRADE AND OTHER RECEIVABLES</u>		
Trade receivables (i)	-	-
Goods and services tax (GST) recoverable	5,636	2,975
Receivable from related party (ii)	161,493	-
Other receivables	-	89,976
	<u>167,129</u>	<u>92,951</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 2013:\$0)

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

	Dec 2014	Dec 2013
	US\$	US\$
0 to 3 months overdue	-	-
3 to 6 months overdue	-	-
Over 6 months overdue	-	-
	<u>-</u>	<u>-</u>
<u>Movement in the allowance for doubtful debts</u>		
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.

(ii) Subsequent to year end the receivable owing by related party was impaired. Refer to note 16.

	<u>CONSOLIDATED</u>	
	Dec 2014	Dec 2013
	US\$	US\$
8. <u>OPTION DEPOSIT</u>		
Option deposit	652,496	-
Less: Provision for impairment	<u>(652,496)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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 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. . .

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	<u>CONSOLIDATED</u>	
	Dec 2014	Dec 2013
	US\$	US\$
9. <u>AVAILABLE-FOR-SALE FINANCIAL ASSETS</u>		
Equity securities – Unlisted companies	508,050	508,050
Less Provision for Impairment	(508,050)	-
	-	508,050
Movements in AFS assets		
Opening Balance	508,050	12,880
Additions		508,050
Impairment	(508,050)	(12,880)
	-	508,050

The equity securities invested are recorded at cost and not fair value because they are unlisted so fair value can't be determined. A provision for impairment was posted in the current year 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.

	<u>CONSOLIDATED</u>	
	Dec 2014	Dec 2013
	US\$	US\$
10. <u>CURRENT TRADE AND OTHER PAYABLES</u>		
Trade payables	-	-
Related party loans	38,670	-
Accrued payables	300,000	755,263
	338,670	755,263

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.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	CONSOLIDATED	
	Dec 2014	Dec 2013
	US\$	US\$
11. <u>BORROWINGS</u>		
Convertible notes – liability component – Immense Grow Investment Limited	904,971	1,089,524
Convertible notes – liability component – Precious Area Investment Limited and Silver Mind Investment Limited	1,631,200	-
	<u>2,536,171</u>	<u>1,089,524</u>

Immense Grow Investment Limited

The convertible notes issued to Immense Grow Investments Limited expired in December 2014. After year end 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.

Precious Area Investment Limited and Silver Mind Investment Limited

The vendor has subscribed to Convertible Notes of AUD\$2 million in September 2014. The Vendor has default the subscription of the Tranche 2 of AUD\$8 million on due date and has material breach on the agreement. Due to this default the Head of Agreement will not materialise for the acquisition of the winery business and vineyard in PRC and Australia. The Convertible Bond is not repayable by the Company as per the advice from the legal counsel.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2014**

	CONSOLIDATED	
	Dec 2014 US\$	Dec 2013 US\$
12. ISSUED CAPITAL		
<i>Fully paid ordinary shares</i>		
179,503,062 fully paid ordinary shares (2013: 179,503,062)	5,189,306	5,189,306

	CONSOLIDATED		CONSOLIDATED	
	12 months ended Dec 2014		12 months ended Dec 2013	
	No.	US\$	No.	US\$
<u>Fully Paid Ordinary Shares</u>				
Balance at beginning of financial year	179,503,062	5,189,306	167,003,062	4,744,401
Issuance of earn out shares (note 28)				
Shares issued				
- Cash	-	-	12,500,000	444,905
-				
-				
Balance at end of financial year	179,503,062	5,189,306	179,503,062	5,189,306

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 2014 (31 December 2013: nil). The group does not have any franking credits available for subsequent financial years at 31 December 2014 (31 December 2013: 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.

	CONSOLIDATED		CONSOLIDATED	
	12 months ended Dec 2014		12 months ended Dec 2013	
	No.	WAEP (cents)	No.	WAEP (cents)
<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	(10,393,443)	32.2	-	-
Balance at end of financial year	-	-	10,393,443	32.2

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
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13. RESERVES

Share based payments reserve
Opening balance
Share-based payments
Closing balance

<u>CONSOLIDATED</u>	
Dec 2014	Dec 2013
US\$	US\$
657,815	347,222
621,187	310,593
<u>1,279,002</u>	<u>657,815</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.

14. OTHER EQUITY CONVERTIBLE NOTES

Opening balance
Notes converted to equity

<u>CONSOLIDATED</u>	
12 months ended 2014 US\$	12 months ended Dec 2013 US\$
494,765	494,765
-	-
<u>494,765</u>	<u>494,765</u>

15. EARNINGS PER SHARE

Basic earnings per share
Diluted earnings per share

12 months ended Dec 2014 Cents per share	12 months ended Dec 2013 Cents per share
(0.98)	(1.20)
<u>(0.98)</u>	<u>(1.20)</u>

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
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	12 months ended Dec 2014 No.	12 months ended Dec 2013 No.
The weighted average number of ordinary shares on issue during the financial year used in the calculation of basic earnings per share.	179,503,062	172,071,555

The weighted average number of ordinary shares on issue during the financial year used in the calculation of diluted earnings per share	179,503,062	172,071,555
Shares deemed to be issued for no consideration in respect of -		
- Earn out consideration	-	-
	179,503,062	172,071,555

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 2014 US\$	12 months ended Dec 2013 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)	631,910	(2,055,613)
Net profit /(loss) used in the calculation of basic earnings per share and diluted earnings per share	631,910	(2,055,613)

	12 months ended Dec 2014 No	12 months ended Dec 2013 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

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2014**

16. SUBSEQUENT EVENTS

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. The amount of \$161,493 receivable from Aouha is unlikely to be recovered and a provision for impairment has been recorded after year end.

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.

17. 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.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2014**

		<u>CONSOLIDATED</u>	
		12 months ended Dec 2014 US\$	12 months ended Dec 2013 US\$
18. <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		836,660	540,207
(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		(1,771,581)	(1,758,599)
Profit/(loss) from ordinary activities after related income tax – discontinuing operations		-	(297,014)
Write off of receivables		(38,718)	636,736
Write Back of expenses		(136,236)	
Write back of investments		-	(205,077)
Income tax expense recognised in profit and loss		-	-
Provision for Impairment of Investment		508,050	-
Provision for Impairment of Option Deposit		652,496	-
Unrealised foreign exchange (gain)/loss		(10,570)	(22,164)
Restatement of Borrowings		387,391	(49,418)
Share Based Expenses		621,187	- 310,593
Gain on issue of earn-out shares		-	-
Gain on change in fair value of financial liabilities		-	-
Other non-cash transactions		68,839	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
(Increase)/decrease in current prepayments		-	-
Increase/(decrease) in current payables		(1,257,165)	(334,335)
Increase/(decrease) in employee benefits		-	(76,311)
Net cash generated from/(used in) operating activities		(976,307)	(234,436)

Note : The current cash held in the Company as per the Convertible Agreement signed is to be held under Escrow until the successful restructure of the Group and acquisition of the winery and vineyard business in PRC and Australia from the Vendor or upon redemption of the Bonds. However, this is subject to legal action given the default by the vendor for failing to subscribe to the second tranche of the convertible bonds.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

19. SUBSIDIARIES

Name of Entity	Country Of Incorporation	Ownership Interest	
		Dec 2014 %	Dec 2013 %
<i>Legal Parent Entity</i> Sino-Excel Energy Limited	Australia		
<i>Legal Subsidiaries (Active)</i> Sino-Excel Energy Pte. Ltd. SINOX Energy Limited	Singapore Hong Kong	100 100	100 100

Subsequent to year end the Company commenced arranging the Singapore and Hong Kong subsidiaries for liquidation and strike off.

20. 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.

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.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
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		12 months ended 31 Dec 2014 US\$	12 months ended 31 Dec 2013 US\$
Gearing Ratio		0.33	1.06

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.

Total Cash Balances in US Dollars

		12 months ended 31 Dec 2014 US\$	12 months ended 31 Dec 2013 US\$
Australia Dollars		790,848	526,691
Hong Kong Dollars		45,812	12,984
United States Dollars		-	532
Singapore Dollars		-	-
Renminbi		-	-
Total		836,660	540,207

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
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Movement in exchange rate

Net Impact

	<u>Consolidated Profit and Loss</u>	
	12 months ended Dec 2014 US\$	12 months ended Dec 2013 US\$
Hong Kong dollars	184	-
AUD dollars	(200,198)	(297,836)

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 2014 US\$	31 Dec 2013 US\$
<i>Financial Assets</i>		
Cash and bank balances	836,660	540,207
Loans and receivables	2,536,171	92,951
Marketable Securities	-	508,050
<i>Financial Liabilities</i>		
Derivative instruments at fair value through profit or loss	-	-
Amortised cost	2,536,171	1,089,524

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.

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.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
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	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 2014							
Non-interest bearing	-	338,670	-	1,631,262			1,969,932
Fixed interest rate instruments	5.0%	904,909	-		-	-	904,909
		<u>1,243,579</u>	<u>-</u>	<u>1,631,262</u>	<u>-</u>	<u>-</u>	<u>2,874,841</u>
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>

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.

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.

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- 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>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
31 Dec 2014				
<i>Financial liabilities at FVTPL</i>				
Derivative financial liabilities	-	-	-	-
	-	-	-	-
31 Dec 2013				
<i>Financial liabilities at FVTPL</i>				
Derivative financial liabilities	-	-	-	-
Non-derivative financial liabilities	-	-	-	-
	-	-	-	-

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Reconciliation of Level 3 fair value measurements of financial liabilities

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

In valuing the Options at 31 December 2014, we used the Black-Scholes Option Pricing methodology. The key inputs used in the valuation of the Options are:
 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%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

* 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.

21. 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 2014 \$	12 months ended Dec 2013 \$
Short-term employee benefits	194,056	630,717
Post-employment benefits	-	7,356
Other long term employee benefits	-	-
Termination benefits	-	170,284
Share-based payment	-	-
Other benefits	241,985	-
Total	<u>436,041</u>	<u>808,357</u>

22. RELATED PARTY DISCLOSURES

a) Equity Interests in Subsidiaries

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 19 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. A summary of amounts paid to Key Management Personnel is noted in Note 21 to the financial statements:

c) Other related party transactions

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

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Transactions with related parties:

- 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.
- 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.
- During the year 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 Treechance 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.

23. REMUNERATION OF AUDITORS

Audit of the parent entity

Audit or review of the financial report – BDO Audit
(NTH QLD) Pty Ltd

<u>CONSOLIDATED</u>	
12 months ended Dec 2014 \$	12 months ended Dec 2013 \$
65,000	65,000
65,000	65,000

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

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
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24. PARENT ENTITY DISCLOSURES

Financial position

	<u>COMPANY</u>	
	Dec 2014 US\$	Dec 2013 US\$
Assets		
Current assets	956,419	550,644
Non-current assets	-	-
Total assets	956,419	550,644
Liabilities		
Current liabilities	300,000	725,300
Non-current liabilities	2,536,171	1,138,941
Total liabilities	2,836,171	1,864,241
Equity		
Issued capital	184,312,208	184,312,208
Equity (Convertible Note)	494,765	494,765
Accumulated losses	((191,873,853))	((190,686,512))
Share Based Reserves	4,839,906	4,218,720
Capital Contribution	347,222	347,222
Total assets/(deficiency)	(1,879,752)	(1,313,597)

Financial performance

Profit/(Loss) for the year	(1,492,257)	(897,556)
Other comprehensive income	-	-
Total comprehensive income	(1,492,257)	(897,556)

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 2014 and 31 December 2013.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2014 and 31 December 2013.

SINO-EXCEL ENERGY LIMITED

ADDITIONAL SECURITIES EXCHANGE INFORMATION

(AS AT 25 SEPTEMBER 2015)

Fully Paid Ordinary Shares

- 179,503,062 fully paid ordinary shares are held by 3,410 individual shareholders.

All issued ordinary shares carry one vote per share.

Options

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	66	-
20,001	-	50,000	47	-
50,001	-	9,999,999,999	64	1
			3,410	1

Substantial Shareholders

Ordinary Shareholders	Fully Paid	
	Number	Percentage
MAJESTIC FAITH LIMITED	60,000,000	33.43%
ENDLESS ADVENTURE LIMITED	47,039,216	26.21%
SWIFT CHINA LIMITED	30,055,167	16.74%

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 25 SEPTEMBER 2015)

Twenty Largest Holders Of Quoted Equity Securities

Ordinary Shareholders	Fully Paid	
	Number	Percentage
MAJESTIC FAITH LIMITED	60,000,000	33.43%
ENDLESS ADVENTURE LIMITED	47,039,216	26.21%
SWIFT CHINA LIMITED	30,055,167	16.74%
MR LI GENG	12,500,000	6.96%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,305,977	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%
RHB SECURITIES SINGAPORE PTE 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%
ROKEBA NOMINEES PROPRIETARY LIMITED<SILMAN PROPERTY A/C>	300,000	0.17%
	168,001,801	93.59%

Company Secretaries

Mr. Richard Holstein

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.