

# ***Sino-Excel Energy Limited***

ACN 085 162 456

Results for Announcement to the Market

Appendix 4D – Half Year Report

Given to ASX under Listing Rule 4, 2A

Financial report for the half-year ended 30 June 2015

## 1. Results for announcement to market

Summary financial information for the company for the half year 30 June 2015 financial year is set out below. Full financial details and explanations of the figures are attached to this announcement.

		<b>Consolidated</b>		
<b>Summary Information</b>	<b>30 Jun 2015 USD\$'000</b>	<b>6 months ended 30 Jun 2014 USD\$'000</b>	<b>Inc/(Dec) USD\$'000</b>	<b>Inc/(Dec) %</b>
Revenue from Ordinary Activities	-	-	-	NA
Profit/(Loss) after Tax from Ordinary Activities	(321,848)	(988,432)	666,584	67.44%
Profits/(Loss) from others	-	-	-	NA
Net Profit/(Loss) after Tax Attributable to Members	(321,848)	(988,432)	666,584	67.44%
Basic Earnings – US Cents Per Share	(0.18)	(0.55)	0.37	67.27%
Dilute Earnings – US Cents Per Share	(0.18)	(0.55)	0.37	67.27%
Net Tangible Assets – US Cents Per Share	(2.21)	(1.58)	(0.63)	(39.87)%

\*NA – not meaningful

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

## 2. Modified conclusion to independent auditors review report

The independent auditors review report on page 8 of the half year-report includes an emphasis of matter.

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

On 30 August 2013, the Company entered into a Heads of Agreement with 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 would enter into negotiations in relation to executing an agreement to effect the proposed transaction (“Proposed Transaction”)

Under the Proposed Transaction, the Company would acquire all of the issued shares in the Targets. On satisfaction of the relevant conditions, the Shareholders would 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 are tranching, with a first tranche of AUD\$2,000,000 and second tranche of AUD\$8,000,000.

The bonds’ proceeds of up to AUD\$10 million were to be used by the Company to acquire a vineyard in Australia and a multi-national group in the People’s Republic of China known as Aohua Rong Chuang (Aohua).

The Targets defaulted on the CB Deed as they were 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 is seeking advice from legal counsel to terminate all the contracts with the Target so that the company can move forward

The Company has been approached by a few new party for the potential to inject their business into the Company. 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 convertible notes issued to Immense Grow Investments Limited expired in December 2014. In September 2015 the Company has received advice from Immense Grow Investments Limited that it will convert the outstanding convertible note plus accrued interest of \$904,971 to ordinary shares when the company completes a reverse takeover and successfully relists on the ASX.

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

# Financial report for the half-year ended 30 June 2015

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## Directors' report

The Directors of Sino-Excel Energy Limited ("SLE") submit herewith the financial report of Sino-Excel Energy Limited and its subsidiaries for the half-year ended 30 June 2015. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

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

Mr Zhao Yan Shi (appointed on September 2015)	Executive Director
Mr Richard Holstein (appointed on September 2015)	Independent Director
Mrs Heather J Chong (appointed on September 2015)	Independent Director
Ms Meng Jia Ping (removed on September 2015)	Executive Director
M Li Geng (resigned on January 2015)	Executive Director
Mr Leo Peng Wei Le	Non-Executive Director
Mr Michael Bin Guo (resigned on June 2015)	Independent Director
Mr Jiang Si Yao (resigned on June 2015)	Independent Director

## Review of operations

Sino-Excel Energy Limited's ("SLE") net operating losses of US\$321,848 for the current six months against the loss of US\$988,432 of the previous six months ended 30 June 2014. These are the normal operating costs of the Company including director fees, audit and professional fees of \$176,996, impairment of receivables of \$234,255 and offset against exchange gain of \$78,738. The Company had entered into agreements to acquire Target Companies and purchase a vineyard and wine distribution business. The Targets have defaulted to subscribe for the Tranche 2 of AUD\$8,000,000 Convertible Bond and the potential injection of their business will not materialise. The Company is seeking legal advice on action for their breach of the contract. In the meantime a new potential target has approached the Company with interest to inject their businesses into the Company subject to negotiation and resolving the material breach by the Target.

## Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 6 of the half-year report.

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

On behalf of the Directors



Zhao Yan Shi  
Executive Director  
9 November 2015



Tel: +61 7 4046 0000  
Fax: +61 7 4051 3484  
www.bdo.com.au

Level 1, 15 Lake St  
Cairns QLD 4870  
PO Box 6771 Cairns QLD 4870  
AUSTRALIA

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

As lead auditor for the review of Sino-Excel Energy Limited for the half-year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

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

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

Greg Mitchell

Director

**BDO Audit (NTH QLD) Pty Ltd**

Cairns, 9 November 2015

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sino-Excel Energy Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sino-Excel Energy Limited and its controlled entities, which comprises the condensed consolidated statement of financial position as at 30 June 2015, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sino-Excel Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

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

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sino-Excel Energy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

## Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which describes the uncertainty around the repayment of the Convertible Bond Holders and the outcome of an income tax claim. The ability of the entity to continue as a going concern is dependent on a successful reverse takeover or other business combination with a suitable partner. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.



**BDO Audit (NTH QLD) Pty Ltd**



**Greg Mitchell**

**Director**

**Cairns, 9 November 2015**



## Directors' declaration

The Directors of Sino-Excel Energy Limited declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached half-year financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
  - i) compliance with Australian Accounting Standard AASB 134 – *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - ii) giving a true and fair view of the financial position as at 30 June 2015 and the performance of the consolidated entity for the half year ended on that date.

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

On behalf of the Directors



Zhao Yan Shi  
Executive Director  
9 November 2015

## Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 June 2015

		<b>Consolidated</b>	
		<b>Half-year ended</b>	
	<u>Note</u>	<b>30 Jun 2015</b>	<b>30 Jun 2014</b>
		<b>US\$</b>	<b>US\$</b>
<b>Continuing Operations</b>			
Revenue		-	-
Other income	5	10,664	726,042
Administration expenses		(77,160)	(148,456)
Finance costs		(21,097)	(436,781)
Impairment expense		(234,255)	(508,050)
Share based payments		-	(621,187)
<b>Profit (loss) before income tax expense</b>		<b>(321,848)</b>	<b>(988,432)</b>
Income tax benefit		-	-
<b>Profit (loss) for the half year</b>		<b>(321,848)</b>	<b>(988,432)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>(321,848)</b>	<b>(988,432)</b>
<b>Earnings per share:</b>			
Basic (cents per share)		(0.18)	(0.55)
Diluted (cents per share)		(0.18)	(0.55)

Notes to the financial statements are included on pages 14 to 17

# Condensed consolidated statement of financial position

## as at 30 June 2015

	<u>Note</u>	Consolidated	
		30 Jun 2015 US\$	31 Dec 2014 US\$
<b>Current assets</b>			
Cash and cash equivalents		645,069	836,660
Trade and other receivables	7	2,672	167,128
Available for sale financial assets	8	-	-
<b>Total current assets</b>		<b>647,741</b>	<b>1,003,788</b>
<b>Total assets</b>		<b>647,741</b>	<b>1,003,788</b>
<b>Current liabilities</b>			
Trade and Other Payables <sup>7</sup>		420,274	338,670
Provision for taxation		1,750,995	1,750,995
Borrowings		2,420,368	2,536,171
<b>Total current liabilities</b>		<b>4,591,637</b>	<b>4,625,836</b>
<b>Total liabilities</b>		<b>4,591,637</b>	<b>4,625,836</b>
<b>Net liabilities</b>		<b>(3,943,896)</b>	<b>(3,622,048)</b>
<b>Equity</b>			
Issued capital	6	5,189,306	5,189,306
Equity (Convertible Note)		494,765	494,765
Retained Profits		(10,906,969)	(10,585,121)
Reserves		1,279,002	1,279,002
<b>Total equity</b>		<b>(3,943,896)</b>	<b>(3,622,048)</b>

Notes to the financial statements are included on pages 14 to 17

## Condensed Consolidated Statement of changes in equity for the half-year ended 30 June 2015

	Issued Capital	Capital Reserves	Equity Convertible Notes	Retained Profits	Total
	US\$	US\$	US\$	US\$	US\$
<b>Consolidated</b>					
<b>Opening balance at 1 January 2014</b>	<b>5,189,306</b>	<b>657,815</b>	<b>494,765</b>	<b>(8,813,540)</b>	<b>(2,471,654)</b>
Total comprehensive income					
Loss for the period	-	-	-	(988,432)	(988,432)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(988,432)</b>	<b>(988,432)</b>
Transactions with owners in their capacity as owners					
<b>Conversion of Convertible Notes</b>	<b>-</b>	<b>621,187</b>	<b>-</b>	<b>-</b>	<b>621,187</b>
Closing balance at 30 June 2014	<b>5,189,306</b>	<b>1,279,002</b>	<b>494,765</b>	<b>(9,801,972)</b>	<b>(2,838,899)</b>
<b>Opening balance at 1 January 2015</b>	<b>5,189,306</b>	<b>1,279,002</b>	<b>494,765</b>	<b>(10,585,121)</b>	<b>(3,622,048)</b>
Total comprehensive income					
Loss for the period	-	-	-	(321,848)	(321,848)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(321,848)</b>	<b>(321,848)</b>
Share Based Payment	-	-	-	-	-
Conversion of Convertible Notes	-	-	-	-	-
<b>Balance at 30 June 2015</b>	<b>5,189,306</b>	<b>1,279,002</b>	<b>494,765</b>	<b>(10,906,969)</b>	<b>(3,943,896)</b>

Notes to the financial statements are included on pages 14 to 17

## Condensed consolidated statement of cash flows for the half-year ended 30 June 2015

	<b>Consolidated</b>	
	<b>Half-year ended</b>	
	<b>30 Jun</b>	<b>30 Jun</b>
	<b>2015</b>	<b>2014</b>
	<b>US\$</b>	<b>US\$</b>
<b>Note</b>		
<b>Cash flows from operating activities</b>		
Receipts from customers	-	-
Payments to suppliers and employees	(182,759)	(414,903)
Interest received	10,664	-
Interest paid	(19,496)	(46,001)
<b>Net cash from operating activities</b>	<b>(191,591)</b>	<b>(460,904)</b>
<b>Cash flows from investing activities</b>		
Refunds from Norwood Immunology	-	721,204
<b>Net cash used in investing activities</b>	<b>-</b>	<b>721,204</b>
<b>Cash flows from financing activities</b>		
Repayment of Convertible Bonds	-	(569,098)
<b>Net cash from financing activities</b>	<b>-</b>	<b>(569,098)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(191,591)</b>	<b>(308,798)</b>
Cash and cash equivalents at the beginning of the half year	836,660	540,207
<b>Cash and cash equivalents at the end of the half year</b>	<b>645,069</b>	<b>231,409</b>

Notes to the financial statements are included on pages 14 to 17

# Notes to the condensed consolidated financial statements

## 1. Basis of preparation

These general purpose financial statements for the half-year reporting period ended 30 June 2015 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001. The historical cost basis has been used except for financial liabilities and derivatives which have been measured at fair value.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 31 December 2014 and any public announcements made by Sino-Excel Energy Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements.

The impact of any new/amended Australian Accounting Standards effective for the first time during the half-year is not material.

### Going concern

On 30 August 2013, the Company had entered into a Heads of Agreement with Precious Area Investment Limited and Silver Mind Investment Limited (collectively the “Targets”) to acquire a 100% interest in each of the Targets.

On 21 August 2014 the company entered into a Convertible Bond Deed (“CB Deed”) with the Targets. Under the CB Deed, the Targets had agreed to subscribe for and the Company had agreed to issue convertible unsecured bonds to the Targets in their Respective Proportions (being 50% each) of an amount of AUD\$10,000,000. The Bonds are tranchised, with a first tranche of AUD\$2,000,000 and second tranche of AUD\$8,000,000.

The bonds’ proceeds of up to AUD\$10 million were to be used by the Company to acquire a vineyard in Australia and a multi-national group in the People’s Republic of China known as Aohua Rong Chuang (Aohua).

However, the Targets were unable to subscribe for Tranche 2 of AUD\$8,000,000 of the Convertible Bond and have therefore defaulted on the agreement. The Company is seeking legal advice on actions for the breach of the contract and the directors have resolved that the Heads of Agreement will not materialise. Due to the default, the directors are confident that, based on legal advice, the Convertible Bonds of AUD\$2,000,000 are not repayable by the Company to the Targets. The matter is subject to further negotiation and formal resolution.

The other CB Holder (Immense Grow) has confirmed in writing that it will convert its bonds of AUD\$1,179,419 including accrued interest to shares in Sino-Excel Energy Limited on successful relisting on the Australian Securities Exchange. As such the bonds are not currently repayable to the CB Holder.

Income tax returns have been lodged with the Hong Kong Inland Revenue Department (HKIRD) which show nil tax is payable, however the HKIRD have advised that the offshore claim in the 2012/13 income tax return is still subject to review. The Directors are in the process of finalising the potential tax payable issue with the HKIRD.

The Directors are of the opinion that there will be no cash outflows for repayment of either of the convertible bonds or the income tax liability.

The Company currently has no revenue streams, however the Directors intend to progress towards a successful reverse takeover or other business combination with a suitable partner. A new potential party has approached the Company, keen to inject their businesses into the Company, subject to negotiation and resolving of the material breach by the Target. In the event that this is unsuccessful, the Company will not have sufficient revenue streams to enable continuation of the business.

These conditions give rise to a material uncertainty that may cast significant doubt over the ability of the company to continue operating as a going concern.

Should the Company be unable to continue operating as a going concern, it may be required to realise 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 Company be unable to continue as a going concern and settle its liabilities as and when they fall due.

## **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company'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 judgments, 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 trade and other receivables:*

The Directors have determined that the amount receivable from Aohua is impaired. The provision for impairment assessment requires a degree of estimation and judgment. During the half-year after the default of the CB deed, the wages receivable from AoHua were impaired in full as they were no longer considered collectible. The Directors consider that it is appropriate to make provision for the impairment of the investment. Please refer to Note 7.

*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 judgment. 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. Please refer to Note 8.

*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 finalise the tax returns lodged. The Directors have determined that it is appropriate to retain the liability in the financial statements until the dispute is resolved.

*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.

### 3. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors (decision makers) in order to allocate resources to the segment and to assess its performance. SLE management's internal operating segment disclosures are consistent with financial information presented in the financial reports.

### 4. Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amounts of current receivables, current trade and other payables and current interest-bearing liabilities is assumed to approximate their fair value.

	Consolidated	
	Half-year ended	
	30 Jun 2015 US\$	30 Jun 2014 US\$
<b>5. Other income</b>		
Profit for the period has been arrived at after crediting/charging the following gains and losses from continued operations:		
Share capital distribution – Norwood Immunology Pty Ltd	-	721,204
Interest received	10,664	4,838
	<u>10,664</u>	<u>726,042</u>



**6. Issued capital**

Fully paid ordinary shares	5,189,306	5,189,306
	<u>5,189,306</u>	<u>5,189,306</u>

	<b>No.</b>	<b>US\$</b>
Movements in share capital are as follows:		
Balance at 31 December 2014	179,503,062	5,189,306
Balance at 30 June 2015	<u>179,503,062</u>	<u>5,189,306</u>

**7. Trade and other receivables**

Receivable from related party	234,255	167,128
Less Provision for Impairment	(234,255)	-
Other receivables	<u>2,672</u>	<u>-</u>
	<u>2,672</u>	<u>167,128</u>

Under the terms of the proposed RTO the wages of the company were to be reimbursed by AoHua, a company associated with Ms Jia Meng. During the half-year after the default of the CB deed, the wages receivable from AoHua were impaired in full as they were no longer considered collectible. The total written off was USD\$234,255, made up of opening balances of \$161,493, and transactions during the half-year of \$72,762.

<b>Consolidated</b>	
<b>Half-year ended</b>	
<b>30 Jun 2015 US\$</b>	<b>30 Jun 2014 US\$</b>

**8. Available for sale financial assets**

Unlisted shares	508,050	508,050
Less Provision for Impairment	<u>(508,050)</u>	<u>(508,050)</u>
	<u>-</u>	<u>-</u>

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

**9. Subsequent events**

The convertible notes issued to Immense Grow Investments Limited expired in December 2014. In September 2015 the Company 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.