

Ultima United Limited

ACN 123 920 990

**Half Year Report
31 December 2016**

COMPANY DIRECTORY

Executive Chairman & Managing Director

(Simon) Xing Yan

Non-Executive Directors

Eric Kong

(James) Zixi Ban

Company Secretary

Piers Lewis

Principal and Registered Office

Suite 14, 11 Preston Street

Como WA 6152

Telephone: (08) 6436 1888

Facsimile: (08) 9367 3311

Auditors

Moore Stephens

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2 The Esplanade

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Securities Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Codes: UUL

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DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1) BOARD OF DIRECTORS

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Directors	Position
(Simon) Xing Yan	Executive Chairman & Managing Director
Eric Kong	Non-Executive Director
(James) Zixi Ban	Non-Executive Director (appointed 5 December 2016)
Piers Lewis	Non-Executive Director (appointed 22 September 2016, resigned 5 December 2016)
George Lazarou	Executive Director (resigned 22 September 2016)

2) REVIEW OF OPERATIONS

PROPERTY DEVELOPMENT

295 Canning Highway, Como, Western Australia

The Company has a 50% interest in the property at 295 Canning Highway, Como, pursuant to a Joint Venture for Profit Sharing Agreement between the Company and S & A Holding (Aust) Pty Ltd.

On 16 December 2016, the Company confirmed the settlement of 295C Canning Highway, Como, with net proceeds from the sale of the property totaling approximately \$635,000, of which the Company shall receive 50% of the net proceeds.

This concludes the sale and settlement of all units for 295 Canning Highway, Como.

3 Oak Street, Cannington, Western Australia

On 2 February 2016 the Company received development approval (subject to conditions) from the City of Canning for the construction of 12 apartments at 3 Oak Street, Cannington, with each apartment having 2 bedrooms and 2 bathrooms.

Since receiving development approval, the Company has proceeded to obtain costings for the development, initiated discussions with various construction companies as well as indicative pre-sale pricing.

The market for pre-sales for apartments in Western Australia remains somewhat weak. However the company is optimistic that the design and location of the development represent a good value to potential buyers.

19-21 Tate Street, Bentley, Western Australia

During the 30 June 2016 financial year the Company applied for and received authority to amalgamate 19 & 21 Tate Street, Bentley into one property, and development approval (subject to conditions) from the City of Canning for the construction of 14 apartments at 19 & 21 Tate Street, Bentley, with 10 apartments having 2 bedrooms and 2 bathrooms and 4 apartments having 1 bedroom and 1 bathroom.

Since receiving development approval, the Company has proceeded to obtain costings for the development, initiated discussions with various construction companies as well as indicative pre-sale pricing. However given the current bleak property sentiment across Western Australia, the Directors have taken a conservative view by recognizing an impairment of \$772,326 on the two developments.

Currently the Company will only look to proceed with the development if market conditions improve or a joint venture partner comes in to fund the development.

3) FINANCIAL RESULTS

The financial results of the Group for the half year ended 31 December 2016 are:

	31/12/2016	30/06/2016	% Change
Cash and cash equivalents (\$)	1,036,624	1,375,502	(25%)
Net assets (\$)	2,569,410	3,511,982	(27%)

	31/12/2016	31/12/2015	% Change
Revenue (\$)	41,977	5,045	732%
Net loss after tax (\$)	(942,572)	(242,425)	289%
Loss per share (cents per share)	(3.70)	(0.95)	290%

4) EVENTS SUBSEQUENT TO REPORTING DATE

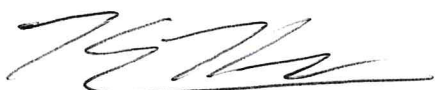
On 16th of February 2017 the Company changed its registered office and principal place of business to Suite 14, 11 Preston Street, Como, WA 6152.

There have not been any other significant events that have arisen since 31 December 2016 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

5) AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Moore Stephens, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Eric Kong

Non-Executive Director

Dated this 16th day of February 2017

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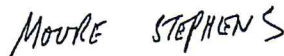
**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ULTIMA UNITED LIMITED**

As lead auditor for the review of Ultima United Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

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



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 16th day of February 2017

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

		31 December 2016	31 December 2015
		\$	\$
Interest revenue		1,095	5,045
Share of profit in Joint Venture	2	40,882	-
Employee benefit expenses		(128,177)	(160,067)
Occupancy expenses		(29,570)	(29,211)
Depreciation expense		(615)	(919)
Consultancy expenses		(21,000)	(21,000)
Legal and compliance		(26,959)	(27,928)
Net gain/(loss) on financial assets held at fair value		519	(3,632)
Impairment loss on property development	3	(772,326)	-
Administration expenses		(6,421)	(4,713)
Loss before income tax expense		(942,572)	(242,425)
Income tax expense		-	-
Net loss for the period		(942,572)	(242,425)
Other comprehensive Income		-	-
Total comprehensive income for the period		(942,572)	(242,425)
Basic and diluted loss per share (cents per share)		(3.70)	(0.95)

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	31 December 2016	30 June 2016
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,036,624	1,375,502
Trade and other receivables		7,041	8,200
Property development – Interest in Joint Venture	2	311,363	256,329
TOTAL CURRENT ASSETS		1,355,028	1,640,031
NON CURRENT ASSETS			
Property development	3	2,210,000	2,932,040
Financial assets	4	5,188	4,669
Plant and equipment		1,571	2,187
TOTAL NON CURRENT ASSETS		2,216,759	2,938,896
TOTAL ASSETS		3,571,787	4,578,927
CURRENT LIABILITIES			
Trade and other payables		22,901	30,062
Provision		53,824	91,883
Borrowings	5	58,067	48,389
TOTAL CURRENT LIABILITIES		134,792	170,334
NON-CURRENT LIABILITIES			
Borrowings	5	867,585	896,611
TOTAL NON-CURRENT LIABILITIES		867,585	896,611
TOTAL LIABILITIES		1,002,377	1,066,945
NET ASSETS		2,569,410	3,511,982
EQUITY			
Issued capital		7,714,827	7,714,827
Reserves		482,267	482,267
Accumulated losses		(5,627,684)	(4,685,112)
TOTAL EQUITY		2,569,410	3,511,982

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Issued Capital	Option Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2015	7,714,827	482,267	(4,268,453)	3,928,641
Loss for the period	-	-	(242,425)	(242,425)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(242,425)	(242,425)
Balance at 31 December 2015	7,714,827	482,267	(4,510,878)	3,686,216
Balance at 1 July 2016	7,714,827	482,267	(4,685,112)	3,511,982
Loss for the period	-	-	(942,572)	(942,572)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(942,572)	(942,572)
Balance at 31 December 2016	7,714,827	482,267	(5,627,684)	2,569,410

The accompanying notes form part of this financial report

**STATEMENT OF CASH FLOW
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

Notes	31 December 2016	31 December 2015
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(258,126)	(246,455)
Interest and other income	1,095	8,113
Net cash used in operating activities	(257,031)	(238,342)
Cash flows from investing activities		
Joint venture – property development	(14,104)	(211,953)
Payment for purchase of property	-	(1,454,641)
Payment for property development	(48,395)	-
Net cash used in investing activities	(62,499)	(1,666,594)
Cash flows from financing activities		
Proceeds from borrowings, net of costs	-	945,000
Repayment of borrowings	(19,348)	-
Net cash provided by financing activities	(19,348)	945,000
Net decrease in cash and cash equivalents held	(338,878)	(959,936)
Cash and cash equivalents at beginning of period	1,375,502	1,923,673
Cash and cash equivalents at end of reporting period	1,036,624	963,737

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report comprises general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Ultima United Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Basis of Preparation

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The same accounting policies and methods of computation have been followed in this half-year report as were applied in the most recent annual financial statements.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

Significant Accounting Judgment and Key Estimates

In the half-year ended 31 December 2016, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2016.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to the Company accounting policies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 2: INTERESTS IN JOINT VENTURE

On 29 November 2013, the Company received shareholder approval to enter into a Joint Venture and Profit Sharing Agreement between S & A Holding (Aust) Pty Ltd ("S & A Holding") and the Company to develop the property at 295 Canning Highway, Como ("Como Property"). Mr Simon Yan, the managing director of the Company, is a director and shareholder of S & A Holding.

Under the terms of the agreement, S & A Holding and the Company formed an unincorporated joint venture for the purpose of sharing profits from the completion of the Como Property development. Council approval for the development was received on 10 July 2014 with the construction commencing thereafter.

At 31 December 2016, the Company had incurred total minimum expenditure to earn the following interest in the JV profits:

- (a) S & A Holding – 50%; and
- (b) the Company – 50%.

Each party must now contribute to expenditure made or incurred in respect of the Como Property development in proportion to their interest in the profits or the Joint Venture (i.e. 50/50).

Under the JV Agreement, the liability of the parties in each case is several in proportion to their respective interests in the profits of the Joint Venture and shall not be either joint or joint and several.

In accordance with AASB11, this interest is Equity Accounted and information about this Joint Venture is presented below:

Name	Place of Business / Incorporation	Classification	Proportion of Interests		Measurement Method	Carrying Amount	
			31 December 2016	30 June 2016		31 December 2016	30 June 2016
Interest in Como Joint Venture Property Development	Perth, Australia	Joint Venture	50	50	Equity Method	311,363	256,329

Set out below is the summarised financial information for the Joint Venture. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian Accounting Standards financial statements of the Joint Venture. The following summarised financial information, however, reflects the adjustments made by the Company when applying the equity method. This Joint Venture has the same financial year end as the Company.

	Como Property Development Joint Venture	
	31 December 2016	30 June 2016
	\$	\$
Summarised Financial Position		
Current assets	662,456	512,873
Non-current assets	-	-
Current liabilities	(39,731)	(215)
Non-current liabilities	-	-
NET ASSETS	622,725	512,658
Company's Share	50%	50%
Company's Share of joint venture's net assets	311,363	256,329

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 2: INTERESTS IN JOINT VENTURE (Continued)

	Como Property Development Joint Venture	
	31 December 2016	30 June 2016
	\$	\$
Summarised Financial Performance		
Income	81,824	175,120
Expenses	(60)	-
Income tax expense	-	-
Net profit after tax	81,764	175,120
Company's Share	50%	50%
Company's Share of joint venture's net profit after tax	40,882	87,560
	31 December 2016	30 June 2016
	\$	\$
Reconciliation to Carrying Amounts		
Company's share of joint venture's opening net assets	256,329	752,022
Investments during the period	14,152	63,352
Company's share of joint venture's net profit after tax	40,882	87,560
Distributions received during the period	-	(646,605)
Closing carrying amount of investment in joint venture	311,363	256,329

NOTE 3: PROPERTY DEVELOPMENT

	31 December 2016	30 June 2016
	\$	\$
Costs carried forward in respect of properties of interest in:		
At the beginning of the reporting period	2,932,040	1,470,429
Additions during the period	50,286	1,461,611
Impairment loss on Property development	(772,326)	-
Non-current balance at reporting date	2,210,000	2,932,040

NOTE 4: FINANCIAL ASSETS

	31 December 2016	30 June 2016
	\$	\$
Non-Current		
Listed Shares at fair value	5,188	4,669
Total Financial assets at fair value through profit or loss	5,188	4,669

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 5: BORROWINGS

	31 December 2016	30 June 2016
	\$	\$
Current		
Loan from financial institution (i)	58,067	48,389
	58,067	48,389
Non-Current		
Loan from financial institution (i)	867,585	896,611
	867,585	896,611
Total Borrowings	925,652	945,000

(i) Terms and conditions:

- Loan Type: Variable Rate Interest Only (100% Offset),
- Loan Term: 30 Years,
- Interest Rate: 4.70% per annum,
- Security: Registered Mortgage over property situated at 19 and 21 Tate Street Bentley WA 6102,
- Covenants: There are no covenants to be complied with.

NOTE 6: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of property development and corporate activities.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

(i) *Property Development*

Segment assets, including acquisition cost of property development and all expenses related to the property are reported on in this segment.

(ii) *Corporate*

Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents, and investments in financial assets are reported in this segment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 6: OPERATING SEGMENTS (Continued)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables.

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- net gains on disposal of available-for-sale investments;
- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- intangible assets; and
- discontinuing operations.

Comparative information

Comparative information has been stated to conform to the requirements of the Standard.

	Corporate	Property Development	Total
	\$	\$	\$
Six months ended 31.12.2016			
Revenue			
Interest revenue	1,095	-	1,095
Share of profits from Joint Venture	-	40,882	40,882
Total segment revenue	1,095	40,882	41,977
<i>Reconciliation of segment result to company net (loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
• Depreciation	(615)	-	(615)
• Net Gain/(Loss) on financial assets held at fair value	519	-	519
• Impairment loss on property development	-	(772,326)	(772,326)
Unallocated items:			
• Other	(212,127)	-	(212,127)
Net loss before tax from continuing operations			(942,572)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 6: OPERATING SEGMENTS (Continued)

	Corporate	Property Development	Total
	\$	\$	\$
Six months ended 31.12.2015			
Revenue			
Interest revenue	5,045	-	5,045
Total segment revenue	5,045	-	5,045
<i>Reconciliation of segment result to company net (loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
• Depreciation	(919)	-	(919)
• Net Gain/(Loss) on financial assets held at fair value	(3,632)	-	(3,632)
Unallocated items:			
• Other	(242,919)	-	(242,919)
Net loss before tax from continuing operations			(242,425)
(ii) Segment assets			
As at 31.12.2016			
Segment assets	1,041,812	2,521,363	3,563,175
Segment asset increases for the period:			
• Capital expenditure	-	-	-
<i>Reconciliation of segment assets to total assets</i>			
Inter-segment eliminations			
Unallocated assets:			
• Other assets	8,612	-	8,612
Total assets from continuing operations			3,571,787
As at 30.06.2016			
Segment assets	1,380,171	3,188,369	4,568,540
Segment asset increases for the period:			
• Capital expenditure	-	-	-
<i>Reconciliation of segment assets to total assets</i>			
Inter-segment eliminations			
Unallocated assets:			
• Other assets	10,387	-	10,387
Total assets from continuing operations			4,578,927

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 6: OPERATING SEGMENTS (Continued)

	Corporate	Property Development	Total
	\$	\$	\$
(iii) Segment liabilities			
As at 31.12.2016			
Segment liabilities	22,901	925,652	948,553
<i>Reconciliation of segment liabilities to liabilities</i>			
Inter-segment eliminations			
Unallocated liabilities:			
• Other liabilities	53,824	-	53,824
Total liabilities from continuing operations			<u>1,002,377</u>
As at 30.6.2016			
Segment liabilities	30,062	945,000	975,062
<i>Reconciliation of segment liabilities to liabilities</i>			
Inter-segment eliminations			
Unallocated liabilities:			
• Other liabilities	91,883	-	91,883
Total liabilities from continuing operations			<u>1,066,945</u>

(iv) Revenue by geographical region

There is no revenue attributable to external customers for the half year periods ended 31 December 2015 and 2016.

(v) Assets by geographical region

All reportable segment assets are located in one location, Australia.

NOTE 7: FINANCIAL INSTRUMENTS

This note provides information about how the Company determines fair values of various financial assets and liabilities.

Except as determined in the following table, the Directors consider that the carrying value of the financial assets and financial liabilities are recognised in the financial statements approximate their fair values.

	31 December 2016		30 June 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,036,624	1,036,624	1,375,502	1,375,502
Trade and other receivables	7,041	7,041	8,200	8,200
Financial assets (listed shares)	5,188	5,188	4,669	4,669
	<u>1,048,853</u>	<u>1,048,853</u>	<u>1,388,371</u>	<u>1,388,371</u>
Financial Liabilities				
Trade and other creditors	(22,901)	(22,901)	(30,062)	(30,062)
Borrowings	(925,652)	(925,652)	(945,000)	(945,000)
	<u>(948,553)</u>	<u>(948,553)</u>	<u>(975,062)</u>	<u>(975,062)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016****NOTE 8: CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

On 16th of February 2017 the Company changed its registered office and principal place of business to Suite 14, 11 Preston Street, Como, WA 6152.

There have not been any other significant events that have arisen since 31 December 2016 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes thereto, as set out on 5 to 16:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year then ended.
2. 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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.



Eric Kong

Non-Executive Director

Dated this 16th day of February 2017

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ULTIMA UNITED LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Ultima United Limited which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Ultima United Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) 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 Ultima United Limited's financial position as at 31 December 2016 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 Ultima United 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, which has been given to the directors of Ultima United Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

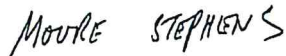
Conclusion

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 Ultima United Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 16th day of February 2017