

**Mazu Alliance Limited
ABN 45 077 226 183
and Controlled Entities**

Annual report for the financial year ended 30 June 2013



**MAZU ALLIANCE
LIMITED**

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CORPORATE DIRECTORY

Directors	<p>Bingkun HUANG (Chairman) Gabriel EHRENFELD (Vice Chairman) Yong Teng Dixie KOR Huichun (Tom) XU Yuling (Lynn) XU</p>
Secretary	<p>Raymond TAYLOR</p>
Registered office	<p>c/- Calder Roth & Co Level 2, 10 Outram Street WEST PERTH WA 6005</p>
Business address	<p>Level 36, Governor Phillip Tower 1 Farrer Place SYDNEY NSW 2000 Telephone: +61 2 8011 4099 Facsimile: +61 2 4044 0111</p>
Share registry	<p>Security Transfer Registrars Address: 770 Canning Highway, Applecross WA 6153 Postal: PO Box 535, Applecross WA 6953 Telephone: +61 8 9315 2333 Facsimile: +61 8 9315 2233 Email: registrar@securitytransfer.com.au</p>
Home exchange	<p>Australian Securities Exchange Limited ASX Code: MZU</p>
Auditor	<p>DFK Richard Hill 2nd Floor, 32-36 Martin Place SYDNEY NSW 2000</p>

CORPORATE GOVERNANCE STATEMENT

To date, the attention of the current Directors of Mazu Alliance Limited has been focused on the process of achieving the recapitalisation of the Company, and they have not, as yet, set policies in relation to compliance with the Principles of Good Corporate Governance published by the ASX Corporate Governance Council.

The Directors are aware of those Principles and will develop guidelines in relation to those Principles as a matter of priority after the recapitalisation is complete. The following matters are a statement of the intended broad policy of the Company.

1. Our approach to corporate governance

(a) Framework and approach to corporate governance and responsibility

The Board of Mazu Alliance Limited is committed to maintaining the highest standards of corporate governance.

Corporate governance is about having a set of values that underpin the company's everyday activities - values that ensure fair dealing, transparency of actions, and protect the interests of stakeholders. The Board considers corporate governance forms part of a broader framework of corporate responsibility and regulatory oversight. As corporate integrity is under question globally, a genuine commitment to good governance is fundamental to the sustainability of our business and its performance.

In pursuing its commitment to best practice governance standards, the Board will continue to:

- (i) Review and improve its governance practices; and
- (ii) Monitor global developments in best practice corporate governance.

The Board's approach has been to be guided by the principles and practices that are in our stakeholders' best interests while ensuring full compliance with legal requirements. The best practice guidelines of the Australian Securities Exchange Limited ("ASX"), the company's home exchange, have been adopted as the minimum baseline for our governance practices.

(b) Compliance with the ASX best practice recommendations

The ASX Listing Rules require listed companies to include in their Annual Report a statement disclosing the extent to which they have followed the ASX best practice recommendations in the reporting period.

Listed companies must identify the recommendations that have not been followed and provide reasons for the company's decision.

This Governance Statement describes Mazu Alliance's governance practices and notes where they do not comply with the ASX best practice recommendations.

2. The Board of Directors

(a) Respective roles of board and management

- (i) The Board sees itself as providing strategic guidance to management of the Company. Senior management will have day-to-day control of the Company subject to the strategic guidance of the Board.
- (ii) The CEO is also the Chairman. There is no effective separation of the two roles.

(b) Board size and composition

The Board determines its size and composition, subject to the limits imposed by Mazu Alliance Limited Constitution. The Constitution requires a minimum of three and a maximum of twenty Directors. In addition, at least two of the Directors shall ordinarily reside within Australia.

In the future, selection of board candidates will be overseen by a Nominations Committee. Candidates are presently selected by the Board and appropriate steps are taken to ensure that candidates are appropriate for appointment. Details of directors are provided in annual reports, notices of meeting for their re-election and in ASX announcements of their appointment.

(c) The selection and role of the Chairman

The Chairman is selected by the Board. The Chairman's role includes:

- (i) Providing effective leadership on formulating the Board's strategy;
- (ii) Representing the views of the Board to the public;
- (iii) Ensuring that, when all Board members take office, they are fully briefed on the terms of their appointment, their duties and responsibilities;
- (iv) Ensuring that the Board meets at regular intervals throughout the year, and that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual Directors;
- (v) Guiding the agenda and conduct of all Board meetings; and
- (vi) Reviewing the performance of Board Directors.

The current Chairman, Bingkun Huang is an Executive Director appointed by the Board. He has been a Director since June 2011 and Chairman of Mazu Alliance Limited since November 2011.

(d) Director's Independence

The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise independent judgment. Directors are considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment. Materiality is assessed on a case-by-case basis by reference

to each Director's individual circumstances rather than general materiality thresholds. In assessing independence, the Board considers whether the Director has a business or other relationship with Mazu Alliance Limited, either directly, or as a partner, shareholder or officer of a company or other entity that has an interest, or a business or other relationship, with Mazu Alliance Limited. It is the Board's view that all the Non-Executive Directors are independent.

(e) Avoidance of conflicts of interest by a Director

In accordance with the Corporations Act 2001, any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered and may not vote of the matter.

(f) Meetings of the Board and their conduct

The Board meets whenever necessary to deal with specific matters needing attention. The Chairman and the Company Secretary establish meeting agendas to ensure adequate coverage of financial, strategic and major risk areas throughout the year. The Directors and Company Secretary also maintains informal communications via email and phone.

(g) Succession planning

The Board plans succession on its own members taking into account the skills, experience and expertise required and currently represented, and Mazu Alliance Limited future direction. The Board is also responsible for CEO and CFO succession planning (if appointed).

(h) Review of Board performance

The Board reviews its overall performance, as well as the performance of individual Directors. The performance of Non-Executive Directors (including the Chairman where applicable) is subject to annual peer review.

(i) Nomination and appointment of new Directors

Recommendations for nominations of new Directors are made by the Board as a whole. Those nominated are assessed by the Board against a range of criteria including background, experience, professional skills, personal qualities, whether their skills and experience will augment the existing Board and their availability to commit themselves to the Board's activities. If the Board appoints a new Director during the year, that person will stand for election by shareholders at the next annual general meeting. Shareholders are provided with relevant information on the candidates for election.

(j) Retirement and re-election of Directors

Mazu Alliance Limited's Constitution states that one-third of the Directors must retire each year. The maximum time that each Director can serve in any single term is three years. Any Director who has been appointed during the year must retire at

the next annual general meeting. Eligible Directors who retire each year may offer themselves for re-election by shareholders at the next annual general meeting.

(k) Compulsory retirement of Directors

The Board has no limit on the number of terms of office, which any Director may serve.

(l) Board access to information and Mazu Alliance Limited advice

All Directors have unrestricted access to company records and information and receive regular detailed financial and operational reports. Mazu Alliance Limited's Company Secretary provides Directors with ongoing guidance on issues such as corporate governance, Mazu Alliance Limited's Constitution and the law. The Board collectively, and each Director individually, has the right to seek independent professional advice at Mazu Alliance Limited's expense to help them carry out their responsibilities. While the Chairman's prior approval is needed, it may not be unreasonably withheld and, in its absence, Board approval may be sought.

(m) Diversity Policy

The Company will establish a diversity policy to ensure that there is appropriate gender diversity across the whole organisation. At present, the operations of the Company are such that it does not have sufficient employees to justify a diversity policy across the organisation. One member of the Board is female.

3. Board Committees

There are currently no operational Board Committees. Mazu Alliance Limited current size and operations do not allow for separate Board Committees. All issues are considered by all the Directors, unless a Director is unable to exercise independence. Mazu Alliance Limited does not comply with ASX recommendations on these issues.

4. Audit governance and independence

The Board is committed to three basic principles:

- (i) Mazu Alliance Limited must produce true and fair financial reports;
- (ii) Its accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies; and
- (iii) The external auditors are independent and serve shareholder interest by ensuring that shareholders know Mazu Alliance Limited's true financial position.

5. Controlling and managing risk

(a) Approach to risk management

Taking and managing risk are central to business and to building shareholder value. Mazu Alliance Limited's approach is to identify, assess and control the risks which affect its business. The intention is to enable risks to be balanced against appropriate rewards. The risk management approach links Mazu Alliance Limited's vision and values, objectives and strategies, and procedures and training.

(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing Mazu Alliance Limited's risk management strategy and policy. The Company Secretary is responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of Mazu Alliance Limited activities.

(c) Company secretarial assurance

The Board receives regular reports about the financial condition and operational results of Mazu Alliance Limited and its controlled entities. The Company Secretary periodically provides formal statements to the Board that in all material respects:

- (i) The Company's financial statements present a true and fair view of Mazu Alliance Limited's financial condition and operational results, and
- (ii) The risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

6. Remuneration framework

Mazu Alliance Limited does not pay its Non-Executive Directors and Company Secretary a fixed remuneration. The Non-Executive Directors can claim reimbursement of out-of-pocket expenses incurred on behalf of Mazu Alliance Limited. The Company Secretary's services are provided by an external organisation. That organisation pays a fixed fee for the secretary's, and other management services. The Directors are committed to minimising outgoings while examining future business options for Mazu Alliance Limited. The Managing Director and Chairman is on a fixed remuneration.

7. Corporate Responsibility and sustainability

(a) Mazu Alliance Limited approach to corporate responsibility and sustainability

Mazu Alliance Limited's aim is to manage its business ethically in a way that produces positive outcomes for all stakeholders and maximises economic, social and environmental value simultaneously. In doing so, Mazu Alliance Limited accepts that

the responsibilities flowing from this go beyond both strict legal obligations and just the financial bottom line. Transparency, the desire for fair dealing, and positive links into the community underpin the Company's everyday activities and corporate responsibility practices.

(b) Mazu Alliance Limited Code of Conduct

Mazu Alliance Limited's Code of Conduct applies to all Directors, executives and employees without exception. The Code governs workplace and human resource practices, risk management and legal compliance, and is aligned to Mazu Alliance Limited's core values of teamwork, integrity and performance. The Code is reviewed periodically and has been specifically reviewed to reflect the ASX best practice.

(c) Insider trading policy and trading in Mazu Alliance Limited Shares

Both Directors and employees of a Corporation are subject to restrictions under the law relating to dealing in certain financial products, including securities in a company (including Mazu Alliance Limited), if they are in possession of inside information.

Inside information is information that is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities of the company.

Mazu Alliance Limited has a share trading policy restricting officers and management from trading in the Company's securities outside specified windows.

(d) Market disclosure policy and practices

The Company Secretary has responsibility for ensuring compliance with the continuous disclosure requirements of Mazu Alliance Limited in accordance with the Listing Rules, and overseeing and coordinating information disclosure of Mazu Alliance Limited to the market, analysts, brokers, shareholders, the media and the public.

Mazu Alliance Limited is committed to giving all shareholders comprehensive and equal access to information about our activities, and to fulfill continuous disclosure obligations to the broader market. Mazu Alliance Limited's policy is designed to ensure compliance with the ASX Listing Rules continuous disclosure requirements. It ensures any information that a reasonable person would expect to have a material effect on the price of Mazu Alliance Limited securities is disclosed.

DIRECTORS' REPORT

The directors present their report on the Company for the year ended 30 June 2013.

DIRECTORS

The following persons were directors of Mazu Alliance Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

Gabriel EHRENFELD (Appointed 07/11/2011)
Bingkun HUANG (Appointed 10/06/2011)
Yong Teng Dixie KOR (Appointed 01/09/2011)
Fuling (Teddy) LI (Appointed 01/09/2011, Resigned 09/12/2014)
Tseng-Jung WANG (Appointed 11/04/2012, Resigned 09/12/2014)
Huichun (Tom) XU (Appointed 15/04/2011)
Yuling (Lynn) XU (Appointed 21/03/2012)

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an operator of religious shrines and ancillary activities.

OPERATING RESULTS

The profit of the Company after providing for income tax amounted to \$2,266,242 (2012: profit of \$22,156,417).

REVIEW OF OPERATIONS

The Company is undertaking the development of Mazu City, raising additional capital and taking steps to have its securities reinstated to quotation on ASX.

As part of the development of the business, during the year ending 30 June 2012, Mazu Alliance Limited obtained control over Zhangzhou Wushi Tourism Development Co. Ltd. The former shareholders of that company were issued shares in Mazu Alliance Limited as consideration for the acquisition of all of the outstanding share capital of the company, and control of the business and all of the assets including the ownership of the site is now with Mazu Alliance Limited.

During the reporting period, Zhangzhou Wushi Tourism Development Co. Ltd continued to engage Zhangpu Wushi Palace of Queen of Heaven Administrative Committee (the Committee) to manage the day-to-day operation of the existing Wushi Palace of Queen of Heaven Temple. The Committee has the right to pay all operational costs from the revenue received. The arrangement requires that any net profit from the operation is to be remitted to Zhangzhou Wushi Tourism Development Co.

Ltd on a timely basis. Operations are still at an early stage and there have not been net profits to date. This is not anticipated to change prior to the comprehensive commercialisation of the temple and other Mazu City operations, which commercialisation activities shall only become sufficiently advanced following future capital raising activities by the Company.

On 17 September 2012, the Company announced that construction of the expanded temple complex and other elements of Mazu City had commenced. At the date of acquisition, the amount spent on Construction in Progress was RMB 5,300,786.90. The total amount spent on the temple complex between 7 November 2011 (the date of acquisition) until 30 June 2013 WAS RMB 6,700,000, giving a total expenditure on construction in progress of RMB 12,000,786.90 (\$A 2,128,939.60).

On 17 September 2012, the Company announced that of the 3,600 private shrines to be constructed in Mazu City, the Company already has signed preliminary agreements with 280 Mazu congregations in Taiwan for each of them to lease a private shrine at Mazu City. Each temple will subscribe for shares in the Company and enter into a 70 year lease of a private shrine during which time they will pay lease and management fees, and also organise for their congregants to visit Mazu City. As of today, the Directors of the Company are of the opinion that the preliminary agreements with the 280 Mazu congregations in Taiwan are still valid.

The Mazu City site now has 7 temples built or under construction.

GOING CONCERN ISSUE

Relating to the financial position of the Company pursuant to S299A(1)(b) of the Corporations Law the Company recorded a net operating loss of \$1,514,156 but a net profit of \$2,266,242 and had net cash outflows from operating activities of \$121,372 for the year ended 30 June 2013 leaving cash and cash equivalents of \$311,715. The group has a net shortfall of current assets of \$2,646,034 (Current Assets less Current Liabilities) but a total surplus of all assets over liabilities of \$49,468,604. This potentially creates a short term funding difficulty. These factors indicate an uncertainty as to whether the Company will continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe after consideration of the following matters, 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 is a going concern because of the following factors:

- The ability to raise additional capital;
- The Company has net assets of \$49,468,604;
- The ability to collect debtors outstanding.

The financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities which might be necessary if the Company was not to continue as going concern.

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year and no dividend is recommended in respect of this financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Announcement of proposed capital raising

On 1 November 2013, the Company announced that it would be seeking to raise capital through a public offering at \$2.25 per share in 2014.

Interfaith programme

On 8 January 2014, the Company announced that to strengthen the Company's operations in the development of its 3,600 private temples and cultural halls, it was forming key strategic partnerships with aligned Taoist and Buddhist faiths. In furthering this strategy, the Company is appointing internationally recognised religious dignitaries as advisers to the Company. The Company announced that Mr Taochen Chang had been appointed as the Company's Taoist Chief Adviser commencing on 1 January 2014.

Mr Chang is the 'Heavenly Master', a title originating with the Eastern Han Dynasty. The position of 'Heavenly Master' is allocated to a religious head of the Taoist movement. Taoism has influenced Southeast Asia for over 2,000 years and has also spread internationally. Mazu is a deity in Taoism. In each generation, the position and title of 'Heavenly Master' was bestowed by the emperor of the time. The position has been passed through 64 generations, and Mr Chang, a 64th generation descendant of the family, is the current Heavenly Master. He has an extensive group of followers, and is recognised in Taiwan, Southeast Asia and internationally. Mr Chang is an expert in Taoist affairs and religious worship rituals.

On 27 November 2014, the Company announced that it had appointed Lama Tsewang Rigzin as the Company's Chief Buddhist Adviser to advise the Company on various Buddhist affairs. Lama Tsewang is the religious leader of the Tibetan Buddhism Nyingma Sect.

Lama Tsewang has studied Buddhism law at Zha Na Temple (in Changdu, Tibet), Yarchen Vddiyana Meditation Monastery (in Sichuan, China), and Larung Gar Five Sciences Buddhist Academy (in Sichuan, China). Lama Tsewang is the current abbot of the Zha Na Temple in Gongjue County, in the Changdu Prefecture of Tibet. This is a significant Buddhist temple with over 200 Buddhist lamas and grounds exceeding 800 hectares that include schools, an Institute of Buddhist Studies and an orphanage. Lama Tsewang is a frequent traveller across China to propagate Buddhism within the Han nationality. He has followers across the world, and is a notable humanitarian. He and his lamas frequently participate in earthquake and disaster relief operations, and raise donations for these causes.

Debtors

The largest debtor of the Company owed RMB 9.65 million (AUD 1.89 million) to the Company, and this debt has been settled during the first half year of 2015 financial year, by way of transferring the ownership of a proportionate quantity of Maotai liquor to the Group. In the Company's opinion, the value of this stock has a realisable value of at least the carrying value of the debt.

Share Subscription Agreement

The Chief Executive Officer of Enjoyer Co Ltd, Mr Jianqiang Zhang, in his own right entered into a subscription agreement with the Company for shares in the Company to the value of RMB 60 million. The Company, via a subsidiary, also entered into a construction contract with Enjoyer Co, Ltd. In the event that Mr Zhang did not complete the subscription agreement, the Company was entitled to terminate the construction contract. As it transpired, Mr Zhang did not complete the subscription agreement and the Company did terminate the construction contract.

Construction Contract

The Company's subsidiary, Zhangzhou Wushi Tourism Development Co Ltd, entered into a contract with Enjoyer Co Ltd for construction of some elements at the Mazu City site. Pursuant to the construction contract, Enjoyer Co Ltd was required to pay a construction bond of RMB 5.6 million (AUD 1.1 million), which sum was paid. In the event of successful completion of the construction contract, Enjoyer Co Ltd would be entitled to the return of the bond. In the event that the contract was not successfully completed, the bond would be forfeited by Enjoyer Co Ltd to the Company.

The contract was subject to the total compliance of its CEO, Mr Jianqiang Zhang, with the terms of a share subscription agreement with the Company to subscribe for shares to the value of RMB 60 million (AUD 11.73 million) in the Company. Mr Zhang did not comply with the share subscription agreement. Accordingly, the Company terminated the construction contract and became entitled to the RMB 5.6 million construction bond, which it received.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company is expanding and redeveloping a complex devoted to the worship of Mazu in Wujiang Village in Zhangpu County, Fujian Province, in the People's Republic of China. The complex will be built on an area of land of approximately 290 hectares. The site is currently owned by the Company's 100% owned subsidiary, Zhangzhou Wushi Tourism Development Co. Ltd.

The expanded complex will be developed on an established site for the worship of Mazu. The region is currently visited by 500,000 worshippers per annum, giving a significant existing base of potential visitors to the complex. The complex will be constructed taking into account the cultural rituals surrounding the worship of Mazu.

The complex will include:

- A large statue of Mazu as a focus of worship
- A public shrine to Mazu
- 3,600 private shrines
- An arcade of shops and restaurants
- Aged care accommodation for sale or as short term accommodation
- Villa accommodation for sale or as short term accommodation

Worldwide there are over 200,000,000 believers in Mazu. Over two thirds of the population in Taiwan are worshippers of Mazu. The temple is located near the Taiwan Strait, close to Taiwan. Tensions between Taiwan and China have relaxed recently and cross Strait tourism and commerce are expanding rapidly.

The Company has received non-binding commitments from Mazu temples in Taiwan to subscribe for shares in Mazu Alliance Limited, and to enter into 70 year lease and management agreements with Mazu Alliance Limited for private shrines in the complex. Activities seeking further such commitments are continuing.

The proposal has the approval and support of the Zhangpu County Government.

The site has been a major centre for the worship of Mazu for at least 1,000 years. It is the location of a golden statue of Mazu which has been venerated for centuries.

Mazu, meaning "Mother Ancestor" is a goddess of the sea who is said to protect fisherman and sailors and is invoked as the patron saint of Southern Chinese and East Asian people. According to legend, Mazu was born as Lin Moniang in Fujian during the period of rule of the Northern Song Dynasty. Worship of Mazu began around the time of the Ming Dynasty (1368-1544) when many temples dedicated to her were erected all across Mainland China. The worship of Mazu later spread to other countries with Southern Chinese inhabitants. There is a temple to Mazu in Sydney, and one in Melbourne.

Mazu is widely worshipped in the South-Eastern coastal areas of China and neighbouring areas in Southeast Asia, especially Zhejiang, Fujian, Taiwan, Guangdong and Vietnam, all of which have strong sea-faring traditions, as well as migrant communities elsewhere with sizable populations from these areas. Mazu also has a significant influence on East Asian sea culture, especially in China and Taiwan. She is recognised in both the Taoist and Buddhist pantheons.

In 2009, Mazu beliefs and customs were designated as "Intangible Cultural Heritage of Humanity" by the United Nations Educational Scientific and Cultural Organisation (UNESCO).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year, except as stated elsewhere in this report.

ENVIRONMENTAL ISSUES

The Company's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

CORPORATE INFORMATION

Mazu Alliance Limited is a limited liability company incorporated and domiciled in Australia.

INFORMATION ON DIRECTORS

Details of the directors of the company in office during the financial year end up to the date of this report are:

Gabriel EHRENFELD
(Appointed 07/11/2011)
Australia

Experience & expertise

Mr Ehrenfeld is a merger, acquisition and recapitalisation specialist, with concentration on the financial, legal and commercial restructure of distressed businesses. He has over 30 years industry experience including extensive participation in retailing, information technology, internet service provision, property development, water sports, boat building, manufacturing, research and development, product commercialisation, mergers and acquisitions, capital raising and public company reconstructions.

He has extensive experience in the acquisition of substantial projects in the mining, real estate and construction sectors in the growing markets of mainland China. His current focus is on the requote of Mazu Alliance on ASX. He is currently:

- Principal at Steinbruck Capital
- Chairman of Coldwell Banker in Australia, operator of the Australian Master Franchise of Coldwell Banker, a global real estate franchising group
- Vice-Chairman of Mazu Alliance Limited, a public company listed on the Australian Securities Exchange (ASX: MZU)
- Trade Ambassador in Australia for People's Government Zhifu District Yantai, China
- Representative in Australia of the Club (China) of World Famous Chateaus
- Executive Chairman of Coldfever International Group which owns the Boto Ski Free project
- Director of a number of unlisted Public and Private companies in Australia, Papua New Guinea, Hong Kong and China.

Interests in shares and options

Mr Ehrenfeld held directly and indirectly an interest in the following securities in the capital of the Company at the date of this report:

Fully Paid Ordinary Shares	54,678,065
B Class Options	10,300,000

Bingkun HUANG
(Appointed 10/06/2011)
China

Experience & expertise

Mr Huang is the legal representative of the Xiamen Cross Strait Regional Co-operation and Exchange Center. That organisation concentrates on promoting and developing trade across the Taiwan Strait with Taiwan. After the liberalisation of relations between Taiwan and China, Mr Huang was a pioneer of this trade.

Mr Huang has qualifications from the Nanjing Army Command College and is currently undertaking a Master's degree in Bibliography of Chinese Ancient Code at Fujian Normal University. Mr Huang has also worked as a Station Leader for China New Press in Fujian.

Following effectuation of the Deed of Company Arrangement, it is expected that Mr Huang will serve as Chairman and Chief Executive Officer of the Company.

Bingkun HUANG *continued*

Interests in shares and options

Mr Huang held directly and indirectly an interest in the following securities in the capital of the Company at the date of this report:

Fully Paid Ordinary Shares	60,000,000
B Class Options	29,700,000

Yong Teng Dixie KOR (Appointed 01/09/2011) Singapore

Experience & expertise

Mr Kor has a degree from Singapore University, majoring in the study of timber species of South East Asia. He is a licensed timber grader. Mr Kor worked for BHP Trading (S.E. Asia Pte Limited), a wholly owned subsidiary of BHP Billiton Limited. He oversaw the expansion of that company into timber operations, a new area of operations for BHP. He then joined Atura Nambawan Pty Limited in Papua New Guinea as Director and General Manager. That company harvested and exported timber worldwide.

Interests in shares and options

Mr Kor held directly and indirectly an interest in the following securities in the capital of the Company at the date of this report:

Fully Paid Ordinary Shares	888,888
B Class Options	Nil

Fuling (Teddy) LI (Appointed 01/09/2011, Resigned 09/12/2014) New Zealand

Experience & expertise

Mr Li is a graduate of the University of Auckland, graduating as a Bachelor of Science majoring in Computer Science and Mathematics. He has pursued a career in information technology, and is currently responsible for technical implementation of web applications for Blueriver Creative in Auckland, New Zealand.

Interests in shares and options

Mr Li held directly and indirectly an interest in the following securities in the capital of the Company at the date of this report:

Fully Paid Ordinary Shares	Nil
B Class Options	Nil

Tseng-Jung WANG (Appointed 11/04/2012, Resigned 09/12/2014) Taiwan, ROC

Experience & expertise

Mr Wang is a Management Consultant, having studied at the National Cheng Kung University of Taiwan.

Mr Wang is currently the President of Taiwan Temple Jinlan Association, the largest civil temple organisation in Taiwan, comprised of 65 well known Taiwanese temples. Mr Wang is also Chairman of Taiwan Orthodox Luermen Goddess Temple in Tainan, Taiwan. Mr Wang has previously served as General Manager of Taiwan Gemini Cable TV Co Ltd, and as President of Taiwan Tainan County and City Cable TV Association.

Interests in shares and options

Mr Wang held directly and indirectly an interest in the following securities in the capital of the Company at the date of this report:

Fully Paid Ordinary Shares	Nil
B Class Options	Nil

Huichun (Tom) XU
(Appointed 15/04/2011)
Australia

Experience & expertise

Mr Xu established the Eastern Culture Bookstore chain, as well as a chain of eastern styled gift stores. He also established Australia Modern Education Press, as well as establishing Austrial GMP Health Products Co Ltd including seven branches in Sydney.

Mr Xu was elected Vice-Chairman of the Fujian Industrial and Commercial Union in Australia, and the first Australia Chapter President of Fujian Agriculture and Forestry University Alumni Association. Mr Xu is also a Justice of the Peace.

Interests in shares and options

Mr Xu held directly and indirectly an interest in the following securities in the capital of the Company at the date of this report:

Fully Paid Ordinary Shares	Nil
B Class Options	Nil

Yuling (Lynn) XU
(Appointed 21/03/2012)
Australia

Experience & expertise

Ms Xu is an international education consultant. She has lived and worked between Australia and Asia for over 10 years.

Ms Xu was the co-founder of Study Vision, a well known public-private partnership in the international education sector.

She advises various public and private sector education and media organisations as well as government departments. She currently specialises in strategic marketing, the establishment and management of offshore education sector investments, and merger and acquisition activity in the education services sector.

Interests in shares and options

Ms Xu held directly and indirectly an interest in the following securities in the capital of the Company at the date of this report:

Fully Paid Ordinary Shares	Nil
B Class Options	Nil

Company Secretary

The company secretary is Raymond TAYLOR (appointed 2 December 2014).

Mr Taylor holds a Bachelor of Economics, a Master of Commerce and a Graduate Diploma of Company Secretarial Practice from the Chartered Institute of Company Secretaries Australia.

Mr Taylor is also a Member of the Institute of Public Accountants, a holder of an Accounting Public Practice Certificate, a qualified CPA, and a Member of the Institute of Company Secretaries.

Mr Taylor has extensive experience in the compliance and financial management of listed public companies.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the company's directors held during the year ended 30 June 2013, and the number of meetings attended by each director.

Director	Number eligible to attend	Number Attended
Gabriel EHRENFELD	-	-
Bingkun HUANG	-	-
Yong Teng Dixie KOR	-	-
Fuling (Teddy) LI	-	-
Tseng-Jung WANG	-	-
Huichun (Tom) XU	-	-
Yuling (Lynn) XU	-	-

In the interest of costs pending completion of the recapitalisation, the business of the board of the company was conducted by circular resolutions.

SHARES ISSUED ON EXERCISE OF OPTIONS

During or since the end of the financial year, no ordinary shares were issued as a result of the exercise of options.

UNISSUED SHARES UNDER OPTION

At the date of report, there are 40,000,000 shares under option (B Class Options).

INDEMNIFYING OFFICERS OR AUDITORS

During or since the end of the financial year, the Company has not, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, other than costs and expenses of successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company or 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 any part of those proceedings.

NON-AUDIT RELATED SERVICES

No amount was paid or payable to the auditor for non-audit related services.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 24.

INSURANCE OF DIRECTORS AND OFFICERS

The Company did not have any insurance policies on the directors during the year.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of the Company.

a. Names and Positions held by key management personnel in office at any time during the financial year are:

Key Management Person	Position
Gabriel EHRENFELD	Executive Vice-Chairman (Appointed 07/11/2011)
Bingkun HUANG	Executive Chairman and Chief Executive Officer (Appointed Director on 10/06/2011, Appointed Chairman 07/11/2011)
Yong Teng Dixie KOR	Non-Executive Director (Appointed 01/09/2011)
Fuling (Teddy) LI	Non-Executive Director (Appointed 01/09/2011, Resigned 09/12/2014)
Tseng-Jung WANG	Non-Executive Director (Appointed 11/04/2012, Resigned 09/12/2014)
Huichun (Tom) XU	Non-Executive Director (Appointed 15/04/2011)
Yuling (Lynn) XU	Non-Executive Director (Appointed 21/03/2012)

There are no executives (other than directors) with authority for strategic decision and management.

Ian Sanderson was appointed as company secretary on 10 June 2011. Raymond Taylor was appointed as company secretary on 2 December 2014 and took over the role vacated by Ian Sanderson.

b. Compensation Practices

Remuneration Policy

There is no current directors' remuneration policy.

Service Agreements

Steinbruck Capital Pty Ltd (a company controlled by Gabriel Ehrenfeld) is to be paid management and consulting services of \$45,000 per month indexed to CPI for a period of five years. The management contract was signed during the year ended 30 June 2011 by a subsidiary of Steinbruck Capital Pty Ltd. The agreement will commence from the re-quotation of the Company on the Australian Securities Exchange.

c. Key Management Personnel Compensation

Details of the remuneration of each director of Mazu Alliance Limited are set out below:

2013	Short-term		Post Employment		Long Term	Share Based Payments		Performance related
Name	Cash Salary & Fees	Management fees	Super-annuation	Retirement Benefits	Long service leave	Share based	Total	%
Gabriel EHRENFELD (See notes below)	-	-	-	-	-	-	-	-
Bingkun HUANG (See notes below)	-	-	-	-	-	-	-	-
Yong Teng Dixie KOR	-	-	-	-	-	-	-	-
Fuling (Teddy) LI	-	-	-	-	-	-	-	-
Tseng-Jung WANG	-	-	-	-	-	-	-	-
Huichun (Tom) XU	-	-	-	-	-	-	-	-
Yuling (Lynn) XU	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Other Executives Compensation								
Ian SANDERSON	-	-	-	-	-	-	-	-
Raymond TAYLOR	-	-	-	-	-	-	-	-
Total Other Executives Compensation	-	-	-	-	-	-	-	-

2012	Short-term		Post Employment		Long Term	Share Based Payments		Performance related
Name	Cash Salary & Fees	Management fees	Super-annuation	Retirement Benefits	Long service leave	Share based	Total	%
Gabriel EHRENFELD (See notes below)	-	-	-	-	-	-	-	-
Allan GILLESPIE	-	-	-	-	-	-	-	-
Bingkun HUANG (See notes below)	-	-	-	-	-	-	-	-
Yong Teng Dixie KOR	-	-	-	-	-	-	-	-
Fuling (Teddy) LI	-	-	-	-	-	-	-	-
Jason ROOKE	-	-	-	-	-	-	-	-
Tseng-Jung WANG	-	-	-	-	-	-	-	-
Huichun (Tom) XU	-	-	-	-	-	-	-	-
Yuling (Lynn) XU	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Other Executives Compensation								
Colin BLOOMFIELD	-	-	-	-	-	-	-	-
Ian SANDERSON	-	-	-	-	-	-	-	-
Raymond TAYLOR	-	-	-	-	-	-	-	-
Total Other Executives Compensation	-	-	-	-	-	-	-	-

The GXG Acquisition Trust of which Mr Gabriel Ehrenfeld is the trustee has had \$401,503 of advisory fees brought to account in the 2012 financial year. These fees relate to the capital raising in the 2012 year. These expenses were approved by the shareholders at the General Meeting held on 7 June 2011. A further \$176,932.38 inclusive of GST of legal expenses paid by the GXG Acquisition Trust on behalf of Mazu Alliance Limited was also brought to account during the 2012 financial year.

As at the end of the 2013 financial year, a total amount of \$724,055 was owed to GXG Acquisition Trust. This amount includes the advisory fees and legal expenses set out above. The GXG Acquisition Trust has expended a further \$870,000 plus GST on office, travel and personnel expenses that has not been brought to account for the Company. The amount of \$870,000 plus GST will only be paid if the capital to be raised by the Company exceeds \$5,000,000 in total.

On 15 June 2011, the Deed Administrator on behalf of the Company entered into an agreement with the GXG Acquisition Trust for the payment of the success fees approved by the shareholders. At acquisition value, the success fee payable on the acquisition of the temple assets is \$2,761,513. This amount may rise or fall under the terms of the contract. GXG Acquisition Trust has advised that other than \$151,350 plus GST, it currently does not intend to claim the balance of this amount prior to the Company raising sufficient capital to meet the obligation. Accordingly, the Company has only made provision for payment of \$151,350 plus GST of this amount at this time. GXG Acquisition Trust has advised that it would seek payment of the full success fee in the future at the following rates: nil from the first \$5,000,000 raised; a reduction in the obligation if more than \$5,000,000 is raised at the rate of 30 cents per dollar raised up to a total raising of \$9,000,000; and a reduction in the obligation if more than \$9,000,000 is raised at the rate of 43 cents per dollar until the full obligation is discharged.

Xiamen Cross-Strait Regional Cooperation Center, a non-profit organisation that promotes regional cooperation between Taiwan and mainland China and of which Mr Bingkun Huang is the legal representative, had transactions with the company to the value of \$356,042 (RMB 1,987,000) brought to account in the 2013 financial year [See Note 25 for more information].

The Zhangpu Wushi Palace of Queen of Heaven Administrative Committee is a non-profit organisation that manages the day-to-day operation of the existing Wushi Palace of Queen of Heaven Temple. Although Mr Bingkun Huang has no position on that committee and no beneficial interest in the organisation, he may be classified as a person with significant influence over the Committee as defined in accounting standard AASB 124. The Committee has the right to pay all operational costs from the revenue received. The arrangement requires that any net profit from the operation is to be remitted to Zhangzhou Wushi Tourism Development Co. Ltd on a timely basis. Operations are still at an early stage and there have not been net profits to date. This is not anticipated to change prior to the comprehensive commercialisation of the temple and other Mazu City operations, which commercialisation activities shall only become sufficiently advanced following future capital raising activities by the Company.

DATE

Signed on 28th January 2015 for and on behalf of the board in accordance with a resolution of the directors.



Bingkun HUANG
Chairman



Partners:

Richard L S Hill
BCom FCA FCPA (PNG)

David G Sharp
BCom FCA

Michael J Schleederer
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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MAZU ALLIANCE LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Richard Hill

Registered company auditor

Date: 29 January 2015

Address: Level 2, 32 Martin Place Sydney 2000



Partners:

Richard L S Hill
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David G Sharp
BCom FCA

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MAZU ALLIANCE LIMITED ABN 45 077 226 183 AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAZU ALLIANCE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Mazu Alliance Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of 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 is free from material misstatement, whether due to fraud or error. In Note 1, 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 (IFRS)

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our qualified 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 Mazu Alliance Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Opinion

In our opinion, subject to the Emphasis of Matter as outlined below:

- a. the financial report of Mazu Alliance Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report. The group recorded a net profit after tax of \$1,344,663 for the year ended 30 June 2014 (2013: profit \$2,266,242), a loss from operation of \$2,001,980 and a net shortfall of current assets over current liabilities of \$3,479,684. The group will need to raise further funds to meet its planned development of the company's Mazu complex in People Republic of China. These circumstance along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors believe after consideration of the following matters, 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 is a going concern because of the following factors:

- The ability to raise additional capital;
- The Company has net assets of \$48,209,922;
- The ability to collect debtors outstanding.

The financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities which might be necessary if the Company was not to continue as going concern.

Report on the Remuneration Report

We have audited the remuneration report included the report of the directors for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporation Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Mazu Alliance Limited for the year ended 30 June 2014, complies with s 300A of the *Corporation Act 2001*.



Richard Hill
Registered company auditor
Address: Level 2, 32 Martin Place Sydney 2000
Dated this 29th day of January 2015

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements, 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 Company's financial position as at 30 June 2013 and of its performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable provided the successful recapitalisation and re-quotation of the Company takes place.
4. The directors have been given the declarations by the Chief Executive Officer and Chief Financial officer required by section 295A.
5. The remuneration disclosures included on pages 20, 21 and 22 as part of the audited Remuneration Report for the year ended 30 June 2013 comply with section 300A of the Corporations Act 2001.

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:



Bingkun HUANG
Chairman

28th January 2015

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated Group	
	Note	2013	2012
Revenue			
Income from Investments	3	\$1	\$3,230
Less Expenses			
Sales Tax		-	\$278
Amortise Land Use China	9	\$1,306,543	\$653,271
Accounting and Audit fees		\$26,449	\$51,634
Operating Expenses		\$3,258	\$24,567
Depreciation		\$45,809	\$15,239
General & Administrative Expenses		\$131,721	\$57,520
Legal fees		-	\$310,426
Unrealised Foreign Exchange		(\$2,469)	\$45,501
ASX listing fee		\$14,900	\$14,900
Promotional expenses		-	\$247,237
Advisory fees		-	\$251,350
Start up expenses		-	\$423,992
Finance Expenses		(\$12,054)	\$13,910
Income Tax Expense		-	-
Total Expenses		\$1,514,157	\$2,109,823
Profit / (Loss) Before Income tax		(\$1,514,156)	(\$2,106,593)
Income Tax Expense	11	-	-
Net loss from continuing operations		(\$1,514,156)	(\$2,106,593)
Other comprehensive income			
Net Gain from Acquisition	2(iv), 2(v), 11c	-	\$7,698,120
Net Gain from Revaluation	2(iv), 2(v), 11c	\$3,780,398	\$16,654,890
Total comprehensive income for the year		\$2,266,242	\$22,156,417
Net profit / (loss) attributable to:			
Members of the Parent entity		\$2,266,242	\$22,156,417
Non-Controlling Interests		-	-
Earnings per share for the period			
Basic profit/(loss) per share (cents per share)	17	1.0	12.9
Diluted profit/(loss) per share (cents per share)	17	0.8	11.2

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2013	Consolidated Group 2012
ASSETS			
Current Assets			
Cash & Cash Equivalents	5	\$311,715	\$290,321
Material		\$30,406	\$26,738
Inventories		\$77,846	\$68,455
Other Assets	10	\$109,886	\$109,170
Total Current Assets		\$529,853	\$494,684
Non-Current Assets			
Trade and other receivables	7	\$2,637,006	\$2,423,637
Plant & Equipment	8	\$219,051	\$238,583
Property	9	\$67,927,159	\$55,230,273
Construction in Progress	9	\$2,128,934	\$1,875,508
Total Non-Current Assets		\$72,912,150	\$59,768,001
Total Assets		\$73,442,003	\$60,262,685
LIABILITIES			
Current Liabilities			
Accounts Payable	12	\$1,661,476	\$1,476,924
Accruals	12	\$52,898	\$26,449
Other Payables	12	\$1,461,513	\$1,274,039
Total Current Liabilities		\$3,175,887	\$2,777,413
Non Current Liabilities			
Related Party Liability	12	\$724,055	\$723,733
Deferred Tax Liability	11	\$20,073,457	\$18,453,287
Total Non Current Liabilities		\$20,797,512	\$19,177,019
Total Liabilities		\$23,973,399	\$21,954,432
NET ASSETS		\$49,468,604	\$38,308,253
EQUITY			
Issued Capital	13	\$62,741,586	\$62,741,586
Accumulated Losses		(\$22,194,956)	(\$24,461,198)
Reserves	27	\$8,921,974	\$27,865
Total Shareholders' Equity		\$49,468,604	\$38,308,253

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2013

Consolidated group	Share Capital	Accumulated Losses	Reserves		Total
			Share Capital Option Reserve	Foreign Exchange Reserve	
Balance as at 1 July 2011	\$45,169,926	(\$46,617,615)	-	-	(\$1,447,689)
Profit / (Loss) for the year	-	\$22,156,417	-	-	\$22,156,417
Shares issued during the year	\$17,571,660	-	-	-	\$17,571,660
Options issued during the year	-	-	\$1,000	-	\$1,000
Movement in foreign translation reserve	-	-	-	\$26,865	\$26,865
Balance as at 30 June 2012	\$62,741,586	(\$24,461,198)	\$1,000	\$26,865	\$38,308,253
Balance as at 1 July 2012	\$62,741,586	(\$24,461,198)	\$1,000	\$26,865	\$38,308,253
Profit / (Loss) for the year	-	\$2,266,242	-	-	\$2,266,242
Movement in foreign translation reserve	-	-	-	\$8,894,109	\$8,894,109
Balance as at 30 June 2013	\$62,741,586	(\$22,194,956)	\$1,000	\$8,920,974	\$49,468,604

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Consolidated Group	
		2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(\$121,369)	(\$542,658)
Receipts from Customers		-	-
Interest Received		\$1	-
Interest Paid		(\$4)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	16(b)	(\$121,372)	(\$542,658)
CASH FLOWS FROM INVESTING ACTIVITIES			
Construction in Progress		(\$3,849)	-
Purchase of property, plant & equipment		-	(\$1,286,173)
Repayment of loans by other entities		\$106,152	(\$5,462)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		\$102,303	(\$1,291,634)
CASH FLOWS FROM FINANCING ACTIVITIES			
Opening cash of acquired entities on acquisition date		-	\$139,164
Proceeds from fund raising		-	\$2,013,636
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		-	\$2,152,800
Effect of foreign exchange movement		\$40,464	(\$28,186)
Net increase/(decrease) in cash and cash equivalents held		\$21,395	\$151,157
Cash and cash equivalents at the beginning of the financial year		\$290,321	-
Cash and cash equivalents at the end of the financial year	16(a)	\$311,715	\$290,321

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Except for cash flow information, the financial statements have been prepared on an accruals basis and based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of consideration given in exchange for assets.

The accounting policies have been consistently applied, unless otherwise stated.

Statement of compliance

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned or controlled operating subsidiaries. All intercompany accounts and transactions have been eliminated.

Business combinations

Business combinations occur where an acquirer obtains control over one or more business.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any assets or liabilities resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Going Concern

The Company recorded a net operating loss of \$1,514,156 but a net profit of \$2,266,242 and had net cash outflows from operating activities of \$121,372 for the year ended 30 June 2013. These factors indicate the existence of an uncertainty as to whether the company will continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe after consideration of the following matters, 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 is a going concern because of the following factors:

- The ability to raise additional capital via the issue of a prospectus for the sale of new securities as part of the reinstatement to quotation on the Australian Securities Exchange, a process which is currently being finalised;
- The ability to issue securities to raise additional capital under the Corporations Act 2001;
- The ability to collect debtors outstanding and extend the repayment day of payables.

The financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities which might be necessary if the Company was not to continue as going concern.

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

Accounting Policies

(a) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation

that the Company and controlled entities will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and bank overdrafts.

(c) Contributed Equity

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(d) Earnings per share

(i) Basic Earnings per Share

Basic earnings per share is determined by dividing net profit/loss after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(e) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(f) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

Financial assets are classified into four categories, which determines the accounting treatment of the item. The categories and various treatments are:

— held-to-maturity, measured at amortised cost;

- financial assets at fair value through profit or loss, measured at fair value with gains or losses charged to the profit and loss;
- loans and receivables, measured at amortised cost; and
- available for sale instruments, measured at fair value with unrealised gains or losses taken to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principle payments and amortisation. This is with the exception of trade payables which are determined based upon claims against the company as detailed in the information compiled by the Deed Administrator.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(g) Property, Plant and equipment

Land and property is stated at fair value estimated by independent valuer or directors, less accumulated amortisation expenses. Fair valuation increments/decrements are recorded in the Income Statements. Amortisation of land owned in China is calculated using the straight line method over their useful lives, being 40 years for commercial land and 70 years for residential land.

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation of items of plant and equipment is calculated using the reducing balance method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates vary between 20% and 40% per annum. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When re-valued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(h) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Mazu Alliance Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.
- On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(i) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised as interest accrues using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Trade and other payables

Trade and other payables are determined based upon claims against the company as detailed in the information compiled by the Deed Administrator. Due to their short term nature they are not discounted. The amounts are unsecured.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

No early adoption of new and revised accounting standards

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the group.

The directors have elected under s.334(5) of the Corporation Act, 2001, not to apply any of the new amended pronouncements. The group's assessment of the new and amended pronouncements that are relevant to the group that are applicable in future reporting periods is set out in Sections inclusive below.

- AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

These standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognising requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012–6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of the change to the mandatory effective date, the Group is expected to adopt AASB 9 and AASB 2010–7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010–7 may have a significant impact on the Group’s financial instruments; it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).
- AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.
- AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either “joint operations” (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed). At this point in time this Standard is not expected to significantly impact the Group’s financial statements.
- AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity” concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the group.
To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to these Standards are not expected to significantly impact the Group’s financial statements.
- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023, & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

- AASB 13 requires:
 - Inputs to all fair value measurements to be categorised in accordance with fair value hierarchy; and
 - Enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially re-classifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the group.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049, & AASB 2011-8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards introduce a number of changes to accounting and presentation of defined benefit plans. The group does not have any defined benefit plans and so is not impacted by the amendment.

- AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
 - (i) for an offer that may be withdrawn – when the employee accepts;
 - (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
 - (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

This Standard is not expected to significantly impact the Group's financial statements

- AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2013).

This Standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

- This Standard is not expected to significantly impact the Group's financial report as a whole because:
 - some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
 - AASB 2011–4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011–4.
- AASB 2012–2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012–2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Group's financial statements.

- AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Group's financial statements.

- AASB 2012–5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009–2011 Cycle by the International Accounting Standards Board, including:

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to

- holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Group's financial statements.

2. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Mazu Alliance Limited that are believed to be reasonable under the circumstances.

In applying the Company's accounting policies, management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Company. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Significant accounting judgments

(i) *Revenue*

Zhangzhou Wushi Tourism Development Co. Ltd has engaged Zhangpu Wushi Palace of Queen of Heaven Administrative Committee (the Committee) to manage the day-to-day operation of the existing Wushi Palace of Queen of Heaven Temple. The Committee has the right to pay all operational costs from the revenue received. The arrangement requires that any net profit from the operation is to be remitted to Zhangzhou Wushi Tourism Development Co. Ltd on a timely basis. Operations are still at an early stage and there have not been net profits to date. This is not anticipated to change prior to the comprehensive commercialisation of the temple and other Mazu City operations, which commercialisation activities shall only become sufficiently advanced following future capital raising activities by the Company.

Because the uncompleted construction of the planned development of the complex devoted to the worship of Mazu, the revenue from the operation during the financial year has been just sufficient to cover the costs of operation. There was no net profit attributable to the group. As such, there has been no revenue recorded in Zhangzhou Wushi Tourism Development Co. Ltd.

The following judgments and estimates are relevant to financial year ended 30 June 2012, except for item (vii):

(ii) *Fair value of ordinary shares issued for asset acquisition*

104,915,083 fully paid ordinary shares in Mazu Alliance Limited were issued to acquire all of the issued capital of Zhangzhou Wushi Tourism Development Co. Ltd and its underlying assets. The shares represented the book value of the assets at 31 December 2011, which are calculated to be within 0.20% of the value on the completion date, which was 7

November 2011. See note (iv) below on the fair value of assets and liabilities on the acquisition date of Zhangzhou Wushi Tourism Development Co. Ltd for further detail.

- (iii) *The acquisition of Zhangzhou Wushi Development Co Ltd is not a reverse takeover*
The company paid the consideration of 104,915,803 ordinary shares being 44.48% of the post acquisition capital of the company. This did not result in a change of control of the Company or a change of directors, and accordingly, the board has treated the transaction as an acquisition by Mazu Alliance Limited.

- (iv) *Fair value of assets and liabilities of Zhangzhou Wushi Tourism Development Co. Ltd on the acquisition date of 7 November 2011*

As part of the development of the business, Mazu Alliance Limited obtained control over Zhangzhou Wushi Tourism Development Co. Ltd. The former shareholders of that company were issued shares in Mazu Alliance Limited as consideration for the acquisition of all of the outstanding share capital of the company, and control of the business and all of the assets including the ownership of the site is now with Mazu Alliance Limited.

This business combination has been accounted for by applying the acquisition method. The business combination has been accounted for from the date that control was attained, being 7 November 2011. The board of directors had a registered valuer prepare a valuation report on the assets acquired. The valuation report stated the assets were valued at RMB 365,508,480 (\$55,883,544) as at 7 November 2011. Of this amount, \$23,664,129 (of \$55,883,544) has been booked to the accounts of Mazu Alliance Limited as a gain created by the negotiations of the contract and land usage agreement with the Chinese government, together with a related deferred tax liability of \$7,099,239 on that \$23,664,129. The remaining \$32,219,415 (of \$55,883,544), together with a related deferred tax liability of \$8,054,854 on that \$32,219,415, were part of the assets and liabilities purchased by the issue of 104,915,083 fully paid ordinary shares in Mazu Alliance Limited in exchange for 100% of the shares of Zhangzhou Wushi Tourism Development Co. Ltd.

The consideration of 104,915,083 fully paid ordinary shares in Mazu Alliance Limited transferred in the business combination described above acquired \$32,219,415 of property assets, less a deferred tax liability of \$8,054,854, leaving net property assets of \$24,164,561, together with a further \$1,077,501 of other net assets, making a total of \$25,242,063 in assets acquired from Zhangzhou Wushi Tourism Development Co. Ltd. The 104,915,083 fully paid ordinary shares of Mazu Alliance Limited had a fair value of \$14,244,749 based on management's assessment of shares of the company at the time of issuance. No goodwill on acquisition has been recognised. A gain on acquisition and consolidation amounting to \$10,997,314, together with a corresponding deferred tax liability of \$3,299,194, has been recognised in the accounts.

- (v) *Apportionment between Zhangzhou Wushi Tourism Development Co Ltd and Mazu Alliance Limited*

This transaction for the acquisition and development of Mazu City was facilitated by the combination of the land use contracts negotiated by Mazu Alliance Limited with the Chinese government and the existing entitlements of Zhangzhou Wushi Tourism Development Co Ltd. The work performed by Mazu Alliance Limited has been extensive over a long period of time.

The value of the land as at 7 November 2011 is set out below:

Commercial Land	RMB 123,037,200
Residential Land	<u>RMB 184,821,280</u>
TOTAL	RMB 307,858,480

In assessing the relative contributions of the parties, the board apportioned 50% of the combined commercial and residential land value to Mazu Alliance Limited, and 50% to Zhangzhou Wushi Tourism Development Co Ltd. As such, the amount apportioned to each entity was RMB 153,929,240.

(vi) *Share-based payments*

The issue of 108,361,476 fully paid ordinary shares in Mazu Alliance Limited to GXG Acquisition Trust in the year ending 30 June 2012 were issued to raise \$2,010,636.15 and are not considered to be a share-based payment. This share issue was approved by the shareholders of the Company on 7 June 2011.

The issue of 20,000,000 fully paid ordinary shares in Mazu Alliance Limited to the professional advisers of the GXG Acquisition Trust to raise \$2,000.00 is considered to be a share-based payment and has been treated as such in the financial statements for the year ending 30 June 2012. This share issue was approved by the shareholders of the Company on 7 June 2011. The fair value of the share-based payment is assessed at nil, as at the time the agreement was made with the Company, the Company was subject to a Deed of Company Arrangement, and its liabilities considerably exceeded its assets. It is considered by the board that the total issue price of \$2,000.00 did not represent a discount to the true value of the securities.

The issue of 40,000,000 B Class Options in Mazu Alliance Limited to the GXG Acquisition Trust to raise \$1,000.00 is considered to be a share-based payment and has been treated as such in the financial statements for the year ending 30 June 2012. This issue of securities was approved by the shareholders of the Company on 7 June 2011. The fair value of the share-based payment is assessed at nil, as at the time the agreement was made with the Company, the Company was in Administration, and its liabilities considerably exceeded its assets. It is considered by the board that the total issue price of \$1,000.00 did not represent a discount to the true value of the securities.

(vii) *Revaluation of land holdings in China (relates to financial year ended 30 June 2013)*

The board decided to revalue the major land holdings, infrastructure and buildings in China to better reflect the value of the assets in the Company. The board believes that the revaluation shows the true position of the Company which cannot be shown if the assets are carried in the accounts at their historical cost. The group holds land assets at a revalued amount less amortisation of \$67,927,159, together with construction in progress of \$2,128,934.

3. REVENUE AND OTHER INCOME

	Note	2013	2012
Income from outside the operating activities			
Net Gain on acquisitions	2(ii), 2(iv)		\$7,698,120
Net Gain on revaluation	2(vii), 2(iv)	\$3,780,398	16,564,890
Revenue from continuing operations			
Investment income		\$1	\$3,231
		\$3,780,399	\$24,266,241

4. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Mazu Alliance Limited, at 30 June 2013. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	Note	2013	2012
Current Assets		\$69,557	\$85,219
Non-Current Assets	4.1	\$54,730,021	\$50,635,996
Total Assets		\$54,799,579	\$50,721,215
Current Liabilities		\$146,601	\$120,152
Non-Current Liabilities		\$11,122,488	\$11,122,166
Total Liabilities		\$11,269,089	\$11,242,318
Issued Capital		\$62,741,586	\$62,741,586
Option reserve		\$1,000	\$1,000
Accumulated Losses		(\$19,212,096)	(\$23,263,689)
Total Equity		\$43,530,490	\$39,478,896
Profit / (Loss) for the year		\$4,051,593	\$23,353,926
Total comprehensive profit / (loss) for the year		\$4,051,593	\$23,353,926

5. CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2013	2012
Cash at bank and in hand	311,715	290,321
Short-term deposits	-	-
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	311,715	290,321

Cash at bank earns interest at floating rates based on daily bank deposit rates.
Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

6. OPERATING LOSS

Net Expenses

The operating losses in 2013 and 2012 before income tax include the following specific expenses:

	Note	2013	2012
Continuing Expenses:			
Amortisation of Land use rights and assets	1(g)	1,306,543	653,271
Legal fees		-	310,426
Start up expenses		-	423,992

7. TRADE OTHER RECEIVABLES

	Consolidated Group	
	2013	2012
Non Current		
Other receivables	\$2,637,006	\$2,423,637

2013	Gross Amount	Past due but not impaired (Days Overdue)				Within Initial Trading Terms
		<30	31-60	61-90	>90	
Other Receivables	2,637,006	-	-	-	2,637,006	-
Total	2,637,006	-	-	-	2,637,006	-

The largest debtor of the Company owed RMB 9.65 million (AUD 1.89 million) to the Company, and this debt has been settled during the first half year of 2015 financial year, by way of transferring the ownership of a proportionate quantity of Maotai liquor to the Group. In the Company's opinion, the value of this stock has a realisable value of at least the carrying value of the debt.

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

8. PLANT & EQUIPMENT

	Consolidated Group	
	2013	2012
Plant & Equipment	\$288,889	\$254,040
Less Depreciation	(\$69,838)	(\$15,457)
Total Plant & Equipment	\$219,051	\$238,583

Movement in Carrying Amounts

Movement in the carrying amounts for Construction in progress between the beginning and the end of the current financial year:

	Consolidated Group	
	2013	2012
Balance at 1 July	\$238,583	-
Additions	-	-
Disposals	-	-
Additions through business combinations	-	\$254,040
Foreign Exchange movement	\$26,277	-
Revaluation increments/(decrements)	-	-
Depreciation expense	(\$45,809)	(\$15,457)
Capitalised borrowing cost and depreciation	-	-
Balance at 30 June	\$219,051	\$238,583

9. PROPERTY

			Consolidated Group	
		Note	2013	2012
Commercial land	Independent valuation	1(g)	\$18,157,200	\$18,914,978
Residential Land	Independent valuation	1(g)	\$42,465,058	\$28,413,280
Less Amortisation land use rights		1(g)	(\$1,318,168)	(\$439,389)
Buildings	Independent valuation	1(g)	\$3,831,840	\$3,443,637
Infrastructure	Independent valuation	1(g)	\$5,432,875	\$5,111,649
Amortisation Buildings & Infrastructure		1(g)	(\$641,646)	(\$213,882)
			\$67,927,159	\$55,230,273
Construction in Progress	at cost		\$2,128,934	\$1,875,508
Total Property			\$70,056,093	\$57,105,780

Movement in Carrying Amounts

Movement in the carrying amounts for Construction in progress between the beginning and the end of the current financial year:

Consolidated Group	Land	Buildings and Infrastructure	Construction in Progress	Total
	\$	\$	\$	\$
Balance at 1 July 2011	-	-	-	-
Additions through business combinations and revaluation increments	47,328,257	8,555,287	1,875,507.64	57,759,052
Depreciation/amortisation expense	(\$439,389)	(\$213,882)	-	(\$653,271)
Balance at 30 June 2012	46,888,868	8,341,404	1,875,508	57,105,780

Balance at 1 July 2012	46,888,868	8,341,404	1,875,508	57,105,780
Revaluation increments/(decrements)	6,008,163	(607,595)	-	5,400,568
Foreign Currency Translation (note 27)	7,285,837	1,317,024	253,426	8,856,287
Depreciation/amortisation expense	(878,778)	(427,764)	-	(1,306,542)
Balance at 30 June 2013	\$59,304,090	\$8,623,069	\$2,128,934	\$70,056,093

10. OTHER ASSETS

	Consolidated Group	
	2013	2012
Prepaid expenses	\$41,512	\$42,588
GST Receivables	\$68,374	\$66,582
Total Assets	\$109,886	\$109,170

11. INCOME TAX

Note 11(a)

Income tax expense components

	Consolidated Group	
	2013	2012
	\$	\$
The components of tax (expense) / income comprise:		
Current Tax	-	-
Deferred Tax	-	-
	-	-

Note 11(b)

Income tax expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit/(income tax benefit) from ordinary activities before income tax at 30% (2012: 30%)

- consolidated group	(445,988)	(593,781)
Add:		
Tax effect of:		
- Non deductible expenses	410,716	409,933
Less:		
Tax effect of:		
- Expenditure claimed as deduction	(404,156)	(199,791)
- Foreign currency exchange profit not subject to income tax		
- Revaluation of shares not subject to income tax		
Tax effect of Unused tax losses not recognised as deferred tax asset	(439,427)	(383,639)
Income tax expense attributable to loss from ordinary activities	-	-

Note 11(c)

Tax effects relating to each component of other comprehensive income:

	Note	2013			2012		
		Before tax amount	Tax (Expense Benefit)	Net of tax amount	Before tax amount	Tax (Expense Benefit)	Net of tax amount
Consolidated Group							
Gain from acquisition	3	-	-	-	10,997,314	(3,299,194)	7,698,120
Gain on land and building revaluation	3	5,400,569	(1,620,171)	3,780,398	23,664,129	(7,099,239)	16,564,890
Total		5,400,569	(1,620,171)	3,780,398	34,661,443	(10,398,433)	24,263,010

Note 11(d)

Current and Non-current Tax Liabilities

CURRENT

Income tax payable

NON-CURRENT

	Opening Balance	Charged to Income	Charged directly to Equity	Exchange differences	Closing Balance
Consolidated Group					
Deferred tax liability					
Balance at 30 June 2011					
Gain from acquisition	-	3,299,194	-	-	3,299,194
Gain on land & building revaluation	-	15,154,092	-	-	15,154,092
Balance at 30 June 2012	-	18,453,286	-	-	18,453,286

NON-CURRENT

	Opening Balance	Charged to Income	Charged directly to Equity	Exchange differences	Closing Balance
Consolidated Group					
Deferred tax liability					
Balance at 30 June 2012					
Gain from acquisition	3,299,194	-	-	-	3,299,194
Gain on land & building revaluation	15,154,092	1,620,171	-	-	16,774,263
Balance at 30 June 2013	18,453,286	1,620,171	-	-	20,073,457

12. OTHER PAYABLES

	Note	Consolidated Group	
		2013	2012
Current			
Accruals		\$52,898	\$26,449
Other Creditors	12.2	\$3,122,989	2,750,964
		\$3,175,887	\$2,777,413
Non Current			
Related Party Liability	12.1	\$724,055	\$723,733
Deferred Tax Liability	2(iv)	\$20,073,457	\$18,453,287
		\$20,797,512	\$19,177,019

12.1 Refer to Remuneration Report for more detail.

12.2 The Other Creditors amount in both 2012 and 2013 includes an amount of RMB 5,600,000 which was the bond on a construction contract with Enjoyer Co Ltd. In the 2015 financial year, that contract was terminated and the bond was forfeited to the Company.

13. ISSUED CAPITAL AND OPTIONS

	Note	2013	2012
Issued Capital			
Issued options 40,000,000	13(ii)	\$1,000	\$1,000
Fully paid shares 235,886,961		\$62,741,058	\$62,741,058
		\$62,742,058	\$62,742,058

(i) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(ii) Options

During the year, the company had 40,000,000 B Class Options over ordinary shares with an exercise price of 20 cents each, exercisable until 31 December 2015 outstanding.

(iii) Capital Risk Management

The Company considers its capital to comprise its ordinary share capital. The quantitative summary of share capital is disclosed as per the above table.

In managing its capital, the Company's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Company seeks to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs.

14. KEY MANAGEMENT PERSONNEL AND RELATED PARTY COMPENSATION

a. Key Management Personnel

The names and positions held of key management personnel in office at any time during the financial year are:

Key Management	Position
Gabriel EHRENFELD	Executive Vice-Chairman (Appointed 07/11/2011)
Bingkun HUANG	Executive Chairman and Chief Executive Officer (Appointed Director on 10/06/2011, Appointed Chairman 07/11/2011)

There are no executives (other than directors) with authority for strategic decision making and management.

b. Key Management Personnel Compensation

Details of the remuneration of each director of Mazu Alliance Limited are set out in the Remuneration Report.

c. Shareholdings

The number of shares in the company held by each director of Mazu Alliance Limited, including their personally related entities, is set out below:

2013

Name	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Gabriel EHRENFELD	54,628,065	-	-	54,628,065
Bingkun HUANG	72,000,000	-	-	72,000,000
Yong Teng Dixie KOR	-	-	-	-
Fuling (Teddy) LI	-	-	-	-
Tseng-Jung WANG	-	-	-	-
Huichun (Tom) XU	-	-	-	-
Yuling (Lynn) XU	-	-	-	-

2012

Name	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Gabriel EHRENFELD	-	-	54,628,065	54,628,065
Allan GILLESPIE	-	-	-	-
Bingkun HUANG	-	-	72,000,000	72,000,000
Yong Teng Dixie KOR	-	-	-	-
Fuling (Teddy) LI	-	-	-	-
Jason ROOKE	-	-	-	-
Tseng-Jung WANG	-	-	-	-
Huichun (Tom) XU	-	-	-	-
Yuling (Lynn) XU	-	-	-	-

d. Options

The number of options over ordinary shares in the company held during the financial year by each director of Mazu Alliance Limited, including their personally related entities, is set out below.

2013

Name	Balance at start of the year	Granted during the year as remuneration	Disposals/ forfeiture	Balance at end of the year	Vested and exercisable at the end of the year
Gabriel EHRENFELD	10,300,000	-	-	10,300,000	10,300,000
Bingkun HUANG	29,700,000	-	-	29,700,000	29,700,000
Yong Teng Dixie KOR	-	-	-	-	-
Fuling (Teddy) LI	-	-	-	-	-
Tseng-Jung WANG	-	-	-	-	-
Huichun (Tom) XU	-	-	-	-	-
Yuling (Lynn) XU	-	-	-	-	-

2012

Name	Balance at start of the year	Granted during the year as remuneration	Disposals/ forfeiture	Balance at end of the year	Vested and exercisable at the end of the year
Gabriel EHRENFELD	-	10,300,000	-	10,300,000	10,300,000
Allan GILLESPIE	-	-	-	-	-
Bingkun HUANG	-	29,700,000	-	29,700,000	29,700,000
Yong Teng Dixie KOR	-	-	-	-	-
Fuling (Teddy) LI	-	-	-	-	-
Jason ROOKE	-	-	-	-	-
Tseng-Jung WANG	-	-	-	-	-
Huichun (Tom) XU	-	-	-	-	-
Yuling (Lynn) XU	-	-	-	-	-

15. REMUNERATION OF AUDITORS

	2013 \$	2012 \$
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:	26,339	26,339
Remuneration for other services:	-	-

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows cash and cash equivalents includes cash on hand and at call deposits with banks, and investments in money market instruments net of outstanding bank overdrafts. Cash and cash equivalents 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:

	2013 \$	2012 \$
Reconciliation of cash and cash equivalents		
Cash at bank	311,715	290,321

(b) Reconciliation of loss after income tax to net cash flow from operating activities

	Consolidated Group	
	2013 \$	2012 \$
Operating losses	(1,514,156)	(2,106,593)
Non cash expenses	-	(326)
Movement in inventory	-	(68,455)
Increase / (decrease) in debtors	(1,792)	(176,857)
Increase / (decrease) in creditors	43,538	711,001
Increase / (decrease) in prepayments	1,076	-
Write-off of long term expenses	-	389,614
Amortisation expense of land	1,306,543	653,271
Foreign exchange	-	45,501
Depreciation	45,886	310
Movements in foreign exchange	(2,467)	9,876
Cash from operating activities	(121,372)	(542,659)

17. EARNINGS PER SHARE

	2013 cents	2012 cents
(a) Basic gain per share	1.0	12.9
(b) Diluted gain per share	0.8	11.2
(c) Weighted average number of shares outstanding during the year used in the calculation of basic loss per share	235,886,961	172,137,611

Reconciliation of profit used in the calculating basic gain per share

	2013 \$	2012 \$
Net profit	2,266,242	22,156,417
Net profit / (loss) attributable to outside equity interest	-	-
Profit / (loss) used in calculating basic profit per share	2,266,242	22,156,417

18. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

Net Fair Value of Financial Assets and Liabilities

The net fair value of financial assets and financial liabilities of the Company approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to and forming part of these financial statements.

The Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables. The main purpose of the cash and cash equivalents is to earn the maximum amount of interest at a low risk to the Company. For the period under review, it has been the Company's policy not to trade in financial instruments.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

Interest Rate Risk Exposures

The Company is exposed to movements in market interest rates on its cash at bank. The policy is to monitor market interest rates to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not have short or long term interest bearing debt, and therefore this risk is minimal. As there is no material exposure to interest rate risk no sensitivity analysis is performed.

As at 30 June 2013 the company's exposure to interest rate risk was limited to the cash at bank of \$311,715 of which \$Nil at floating interest rates. No interest is payable on this amount.

Credit Risk Exposures

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The credit risk on financial assets, excluding investments, of the Company, which have been recognised on the balance sheet, is the carrying amount, net of any allowance for doubtful debts.

The Company's operations are based in the People's Republic of China and as such, the Company has material exposure to the economic, political and legal affairs of that country, and the impact that those circumstances may have on the relationship with any individual counter-party. The Company is not materially exposed to any individual customer, but has significant exposure in agreements made where the Chinese government is the counter-party, due to the potential for changes in policy from time to time.

Liquidity Risk Exposures

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Financial obligations of the Company consist of trade creditors and other payables.

For maturity analysis purposes, these are current liabilities. As the DOCA has been effectuated, all these amounts have now been settled, and the company is not exposed to a liquidity risk from these previous trade creditor claims.

Foreign Exchange Rate Exposures

Exposure to foreign exchange risk may result in fluctuations in the fair value of assets, the value of cash holdings and the value of financial instruments due to movement in foreign exchange rate between the Chinese Yuan and the Australian Dollar. With instruments being held by overseas operations, fluctuations in the CNY and the AUD may impact on the group's financial results as the group currently takes no steps to hedge those exposures.

19. CAPITAL COMMITMENTS

Construction Contract

The Company, through its subsidiary, Zhangzhou Wushi Tourism Development Co Ltd, has entered into a contract with Fujian Province Minnan Construction Project Co Ltd for development of the first stage of the Wushi Mazu Tourism Area. The scope of the project includes design, the construction of civil works, water and electricity installation, building construction and interior decoration. The total of the works under this contract is not to exceed RMB 100 million. The works will commence following the raising of capital by the Company, and will be subject to normal progress payments and warranty retentions. The construction company has remitted a donation for RMB 3 million in lieu of a construction bond. This donation has been recorded in the financial statements as an "Other Creditor" at 30 June 2013 and will be treated as such until construction is commenced.

	2013	2012
Capital Expenditure Commitments		
Capital expenditure commitments contracted for:		
Construction of Wushi Mazu Tourism Area Stage 1	\$ 17,740,000	-

20. EVENTS OCCURRING AFTER BALANCE DATE

Announcement of proposed capital raising

On 1 November 2013, the Company announced that it would be seeking to raise capital through a public offering at \$2.25 per share in 2014.

Interfaith programme

On 8 January 2014, the Company announced that to strengthen the Company's operations in the development of its 3,600 private temples and cultural halls, it was forming key strategic partnerships with aligned Taoist and Buddhist faiths. In furthering this strategy, the Company is appointing internationally recognised religious dignitaries as advisers to the Company. The Company announced that Mr Taochen Chang had been appointed as the Company's Taoist Chief Adviser commencing on 1 January 2014.

Mr Chang is the 'Heavenly Master', a title originating with the Eastern Han Dynasty. The position of 'Heavenly Master' is allocated to a religious head of the Taoist movement. Taoism has influenced Southeast Asia for over 2,000 years and has also spread internationally. Mazu is a deity in Taoism. In each generation, the position and title of 'Heavenly Master' was bestowed by the emperor of the time. The position has been passed through 64 generations, and Mr Chang, a 64th generation descendant of the family, is the current Heavenly Master. He has an extensive group of followers, and is recognised in Taiwan, Southeast Asia and internationally. Mr Chang is an expert in Taoist affairs and religious worship rituals.

On 27 November 2014, the Company announced that it had appointed Lama Tsewang Rigzin as the Company's Chief Buddhist Adviser to advise the Company on various Buddhist affairs. Lama Tsewang is the religious leader of the Tibetan Buddhism Nyingma Sect.

Lama Tsewang has studied Buddhism law at Zha Na Temple (in Changdu, Tibet), Yarchen Vddiyana Meditation Monastery (in Sichuan, China), and Larung Gar Five Sciences Buddhist Academy (in Sichuan, China). Lama Tsewang is the current abbot of the Zha Na Temple in Gongjue County, in the Changdu Prefecture of Tibet. This is a significant Buddhist temple with over 200 Buddhist lamas and grounds exceeding 800 hectares that include schools, an Institute of Buddhist Studies and an orphanage. Lama Tsewang is a frequent traveller across China to propagate Buddhism within the Han nationality. He has followers across the world, and is a notable humanitarian. He and his lamas frequently participate in earthquake and disaster relief operations, and raise donations for these causes.

Debtors

The largest debtor owed RMB 9.65 million (AUD 1.89 million), and this debt has been settled during the first half year of 2015 financial year, by way of transferring the ownership of a proportionate quantity of Maotai liquor to the Group. In the Company's opinion, the value of this stock has a realisable value of at least the carrying value of the debt.

Share Subscription Agreement

The Chief Executive Officer of Enjoyer Co Ltd, Mr Jianqiang Zhang, in his own right entered into a subscription agreement with the Company for shares in the Company to the value of RMB 60 million. The Company, via a subsidiary, also entered into a construction contract with Enjoyer Co, Ltd. In the event that Mr Zhang did not complete the subscription agreement, the Company was entitled to terminate the construction contract. As it transpired, Mr Zhang did not complete the subscription agreement and the Company did terminate the construction contract.

Construction Contract

The Company's subsidiary, Zhangzhou Wushi Tourism Development Co Ltd, entered into a contract with Enjoyer Co Ltd for construction of some elements at the Mazu City site. Pursuant to the construction contract, Enjoyer Co Ltd was required to pay a construction bond of RMB 5.6 million (AUD 1.1 million), which sum was paid. In the event of successful completion of the construction contract, Enjoyer Co Ltd would be entitled to the return of the bond. In the event that the contract was not successfully completed, the bond would be forfeited by Enjoyer Co Ltd to the Company.

The contract was subject to the total compliance of its CEO, Mr Jianqiang Zhang, with the terms of a share subscription agreement with the Company to subscribe for shares to the value of RMB 60 million (AUD 11.73 million) in the Company. Mr Zhang did not comply with the share subscription agreement. Accordingly, the Company terminated the construction contract and became entitled to the RMB 5.6 million construction bond, which it received. The construction bond of RMB 5.6 Million is recorded as part of the Other Creditors as at 30 June 2013.

21. CONTINGENT LIABILITIES

The company did not have any contingent liabilities at 30 June 2013 or 30 June 2012 except for those listed below.

The GXG Acquisition Trust has expended \$870,000 excluding GST on office, travel and personnel expenses that has not been brought to account for the Company. The amount owed to GXG Acquisition Trust of \$724,055 as a current liability is due and will be repaid out of the capital raising to be conducted by the Company. The amount of \$870,000 will only be paid if the capital to be raised by the company exceeds \$5,000,000 in total.

On 7 June 2011, the shareholders of the Company approved the payment to the GXG Acquisition Trust of a success fee of 5% plus GST and disbursements on all capital sums raised on behalf of the Company prior to requotation on ASX. On 15 June 2011, the Deed Administrator on behalf of the Company entered into an agreement with the GXG Acquisition Trust for the payment of the success fees approved by the shareholders. At acquisition value, the success fee payable on the acquisition of the temple assets is \$2,761,513. This amount may rise or fall under the terms of the contract. GXG Acquisition Trust has advised that other than \$151,350 plus GST, it currently does not intend to claim the balance of this amount prior to the Company raising sufficient capital to meet the obligation. Accordingly, the Company has only made provision for payment of \$151,350 plus GST of this amount at this time.

22. SHARE BASED PAYMENTS

There were no share based payments made in the 2013 financial year.

In the financial year ending 30 June 2012, the following share based payments were made:

- i. The issue of 20,000,000 fully paid ordinary shares in Mazu Alliance Limited to the professional advisers of the GXG Acquisition Trust to raise \$2,000.00 is considered to be a share-based payment and has been treated as such in the financial statements for the year ending 30 June 2012. This share issue was approved by the shareholders of the Company on 7 June 2011. The fair value of the share-based payment is assessed at nil, as at the time the agreement was made with the Company, the Company was subject to a Deed of Company Arrangement, and its liabilities considerably exceeded its assets. It is considered by the board that the total issue price of \$2,000.00 did not represent a discount to the true value of the securities.
- ii. The issue of 40,000,000 B Class Options in Mazu Alliance Limited to the GXG Acquisition Trust to raise \$1,000.00 is considered to be a share-based payment and has been treated as such in the financial statements for the year ending 30 June 2012. This issue of securities was approved by the shareholders of the Company on 7 June 2011. The fair value of the share-based payment is assessed at nil, as at the time the agreement was made with the Company, the Company was in Administration, and its liabilities considerably exceeded its assets. It is considered by the board that the total issue price of \$1,000.00 did not represent a discount to the true value of the securities.

23. OPTIONS

Option Movements and Exercise Price

The following table illustrates the number and weighted average exercise prices (WAEP) of and movements in share options issued during the year:

	2013		2012	
	Number of B Class Options	Weighted Average Exercise Price \$	Number of B Class Options	Weighted Average Exercise Price \$
At beginning of reporting year	40,000,000	-	-	-
Granted during the period	-	0.20	40,000,000	0.20
Cancelled during the period	-	-	-	-
Balance at end of reporting year	40,000,000	0.20	40,000,000	0.20
Exercisable at end of reporting period	40,000,000	0.20	40,000,000	0.20

The outstanding balance at 30 June 2013 is represented by:

40,000,000 options over ordinary shares with an exercise price of 20 cents each, exercisable until 31 December 2015.

Options issued

There were no options issued in the year ended 30 June 2013. (40 million B Class Options were issued during the year ended 30 June 2012).

Options exercised

No options issued were exercised during the year ended 30 June 2013 (2012: Nil).

Options lapsed

No options lapsed or were forfeited during the year ended 30 June 2013 (2012: Nil).

24. CONTROLLED ENTITIES

a. Controlled Entities Consolidated

	Country of incorporation	Percentage owned (%)	
		2013	2012
Parent entity:			
Mazu Alliance Limited	Australia		
Subsidiaries:			
Zhangzhou Wushi Tourism Development Co Ltd	China	100%	100%
Zhangpu Wushi Mazu City Development Co Ltd	China	100%	100%

b. Acquisition of Controlled Entities

There were no acquisitions of any entities in the 2013 financial year.

In the 2012 financial year the Group obtained control over Zhangzhou Wushi Tourism Development Co. Ltd. The former shareholders of that company were issued shares in Mazu Alliance Limited as consideration for the acquisition of all of the outstanding share capital of that company, and control of the business and all of the assets including the ownership of the site is now with Mazu Alliance Limited.

	2012
Purchase Consideration consisted of:	
Cash Consideration	0
Shares issued	\$14,244,749
Total Consideration	\$14,244,749
Assets and Liabilities at acquisition date	
Property, Buildings and Infrastructure	\$32,219,415
Other assets	\$1,290,913
Deferred tax Liability	(\$8,054,854)
Other liabilities	(\$213,412)
Net Assets acquired	\$25,242,063
Gain / (loss) on acquisition	\$10,997,314
Deferred Tax Liability	(\$3,299,194)
Net Gain on Acquisition	\$7,698,120

25. RELATED PARTY TRANSACTIONS

Directors

The names of persons who were directors of Mazu Alliance Limited at any time during the financial year were as follows: Gabriel Ehrenfeld, Bingkun Huang, Yong Teng Dixie Kor, Fuling (Teddy) Li, Tseng-Jung Wang, Huichun (Tom) Xu, Yuling (Lynn) Xu.

Other Related Party Transactions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated, other than the shares and options issued to Key Management Personnel or their nominated entities as disclosed in other parts of this report.

The GXG Acquisition Trust of which Mr Gabriel Ehrenfeld is the trustee has had \$401,503 of advisory fees brought to account in the 2012 financial year. These fees relate to the capital raising in the 2012 year. These expenses were approved by the shareholders at the General Meeting held on 7 June 2011. A further \$176,932.38 inclusive of GST of legal expenses paid by the GXG Acquisition Trust on behalf of Mazu Alliance Limited was also brought to account during the 2012 financial year.

\$724,055 exclusive of GST owed to GXG Acquisition Trust as a current liability is due and will be repaid out of the capital raising to be conducted by the Company. This amount includes the advisory fees and legal expenses set out above. The GXG Acquisition Trust has expended a further \$870,000 plus GST on office, travel and personnel expenses that has not been brought to account for the Company. The amount of \$870,000 plus GST will only be paid if the capital to be raised by the Company exceeds \$5,000,000 in total.

On 15 June 2011, the Deed Administrator on behalf of the Company entered into an agreement with the GXG Acquisition Trust for the payment of the success fees approved by the shareholders. At acquisition value, the success fee payable on the acquisition of the temple assets is \$2,761,513. This amount may rise or fall under the terms of the contract. GXG Acquisition Trust has advised that other than \$151,350 plus GST, it currently does not intend to claim the balance of this amount prior to the Company raising sufficient capital to meet the obligation. Accordingly, the Company has only made provision for payment of \$151,350 plus GST of this amount at this time. GXG Acquisition Trust has advised that it would seek payment of the full success fee in the future at the following rates: nil from the first \$5,000,000 raised; a reduction in the obligation if more than \$5,000,000 is raised at the rate of 30 cents per dollar raised up to a total raising of \$9,000,000; and a reduction in the obligation if more than \$9,000,000 is raised at the rate of 43 cents per dollar until the full obligation is discharged.

Mr Bingkun Huang is the legal representative of Xiamen Cross-Strait Regional Cooperation Center, a non-profit organisation that promotes regional cooperation between Taiwan and mainland China. Mr Huang has neither directorship of, nor any equity interest in Xiamen Cross-Strait Regional Cooperation Center. For the purposes of the Corporations Act, Xiamen Cross-Strait Regional Cooperation Center is not a related party of Mazu Alliance Limited or its subsidiaries. For the purposes of accounting standard AASB 124, Mr Huang may be classified as key management personnel of Xiamen Cross-Strait Regional Cooperation Center and as such, Xiamen Cross-Strait

Regional Cooperation Center may be a related party of Mazu Alliance Limited. The transactions between the entities are set out below:

#	Details	Amount (RMB)	Amount (AUD)
a	Loans from Mazu City to XCS	322,000	57,698
b	Repayments from XCS to Mazu City including settlement of brought forward balance of RMB 228,000	550,000	98,552
c	Loan from XCS to Wushi Tourism	1,115,000	199,792

Index	
Mazu City	Zhangpu Wushi Mazu City Development Co Ltd
Wushi Tourism	Zhangzhou Wushi Tourism Development Co Ltd
XCS	Xiamen Cross-Strait Regional Cooperation Center

The Zhangpu Wushi Palace of Queen of Heaven Administrative Committee is a non-profit organisation that manages the day-to-day operation of the existing Wushi Palace of Queen of Heaven Temple. Mr Huang has neither directorship of, nor any equity interest in the Zhangpu Wushi Palace of Queen of Heaven Administrative Committee. For the purposes of the Corporations Act, Zhangpu Wushi Palace of Queen of Heaven Administrative Committee is not a related party of Mazu Alliance Limited or its subsidiaries. For the purposes of accounting standard AASB 124, Mr Huang may be classified as a person with significant influence over Zhangpu Wushi Palace of Queen of Heaven Administrative Committee and as such, Zhangpu Wushi Palace of Queen of Heaven Administrative Committee may be a related party of Mazu Alliance Limited. The transactions between the entities are set out below:

The Committee has the right to pay all operational costs from the revenue received. The arrangement requires that any net profit from the operation is to be remitted to Zhangzhou Wushi Tourism Development Co. Ltd on a timely basis. Operations are still at an early stage and there have not been net profits to date. This is not anticipated to change prior to the comprehensive commercialisation of the temple and other Mazu City operations, which commercialisation activities shall only become sufficiently advanced following future capital raising activities by the Company.

No amounts in addition to those disclosed in the remuneration report to the financial statements were paid or are payable to Directors of the Company in respect of the year ended 30 June 2013.

26. OPERATING SEGMENTS

The Consolidated Group only operated in religious shrines, construction of religious shrines and ancillary religious activities in China during the financial year.

27. RESERVES

Capital Profits Reserve

The capital profits reserve records non-taxable profits on sale of investments.

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Option Reserve

The option reserve records items recognised as expenses on valuation of employees' share options and proceeds received on issues of options.

Analysis of Items of Other Comprehensive Income by Each Class of Reserve

	Consolidated Group	
	2013	2012
	\$	\$
Foreign currency translation reserve		
Exchange differences on translation of foreign controlled entities	8,894,109	26,865
Movement in foreign currency translation reserve	8,894,109	26,865
Option Reserve		
Proceeds from issue of options	-	1,000
Movement in option reserve	-	1,000
Total	8,894,109	27,865

ADDITIONAL SECURITIES EXCHANGE INFORMATION

AS AT 5:00PM AEDT ON 27 JANUARY 2015

Number of holders of equity securities

Ordinary shares

235,886,961 fully paid ordinary shares are held by 1,464 individual shareholders.
All issued ordinary shares carry one vote per share and carry the rights to dividends.

Options

40,000,000 B Class Options are held by 2 individual option holders.
Options do not carry a right to vote or to receive dividends.

Distribution of holders of equity securities

Spread of Holdings	Number of Holders	
	Shares	B Class Options
1 - 1,000	1,314	-
1,001 - 5,000	57	-
5,001 - 10,000	17	-
10,001 - 100,000	41	-
100,001 and over	35	2
Total	1,464	2

Notes:

1. All holders are included in the report, with common holders merged into one holding.
2. As the shares are not currently quoted and thus there is no quoted price, it is not currently possible to determine the number of holders holding less than a marketable parcel. The ASX Listing Rules define an unmarketable parcel as those parcels with a market value less than \$500.

Substantial shareholders

Substantial shareholders	Fully paid ordinary shares	
	Number	Percentage
BINGKUN HUANG	60,000,000	25.44%
XIAMEN FORTUNE BAY INV	53,491,577	22.68%
SINO EQUITY INV	36,361,476	15.41%
QINGTAI HUANG	30,000,000	12.72%
SHUFEN HUANG	20,000,000	8.48%
Total	199,853,053	84.73%

Twenty largest holders of equity securities

Fully paid ordinary shares		
Ordinary shareholder	Number	Percentage
BINGKUN HUANG	60,000,000	25.44%
XIAMEN FORTUNE BAY INV	53,491,577	22.68%
SINO EQUITY INV	36,361,476	15.41%
QINGTAI HUANG	30,000,000	12.72%
SHUFEN HUANG	20,000,000	8.48%
STEINBRUCK CAP PL	10,000,000	4.24%
EHRENFELD GABRIEL	5,000,000	2.12%
XIAOYAN LUO	4,153,704	1.76%
EHRENFELD GABRIEL	2,902,777	1.23%
CAI YUANQI	2,000,000	0.85%
WHITTON ROBERT	1,500,000	0.64%
BECKET INV PL	1,000,000	0.42%
GUI CHENGYI	999,999	0.42%
KOR YONGTENG DIXIE	888,888	0.38%
SHUQING WANG	750,000	0.32%
GUO XUEJIAO	680,000	0.29%
JINSHAN CHEN	500,000	0.21%
JIANQIANG ZHANG	401,515	0.17%
CHEN YAO BIN	370,370	0.16%
SHUQIN HUANG	350,000	0.15%
Total	231,350,306	98.09%

B Class Options		
Option holder	Number	Percentage
BINGKUN HUANG	29,700,000	74.25%
SINO EQUITY INV	10,300,000	25.75%
	40,000,000	100.00%

Restricted equity securities

ASX restricted securities

232,593 fully paid ordinary shares held by 5 individual shareholders are restricted securities. They are restricted for a period of 2 years from the date of reinstatement to quotation of the Company on ASX.

Securities subject to voluntary escrow

174,915,083 fully paid ordinary shares held by 41 individual shareholders are subject to voluntary escrow for a period of 2 years from the date of reinstatement to quotation of the Company on ASX.