

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

Restated annual report for the financial year ended 30 June 2014



**MAZU ALLIANCE
LIMITED**

CONTENTS

CONTENTS	2
CORPORATE DIRECTORY	3
CORPORATE GOVERNANCE STATEMENT	4
DIRECTORS' REPORT	14
REMUNERATION REPORT	26
AUDITOR'S INDEPENDENCE DECLARATION	29
AUDITOR'S REPORT	30
DIRECTORS' DECLARATION	33
ANNUAL FINANCIAL STATEMENTS	34
STATEMENT OF COMPREHENSIVE INCOME.....	34
STATEMENT OF FINANCIAL POSITION	35
STATEMENT OF CASH FLOWS	37
NOTES TO THE FINANCIAL STATEMENTS	38
ADDITIONAL SECURITIES EXCHANGE INFORMATION	68

CORPORATE DIRECTORY

Directors	Bingkun HUANG (Chairman) Qinghuo HUANG Yong Teng Dixie KOR Huichun (Tom) XU Yuling (Lynn) XU Hong WEI
Secretary	Raymond TAYLOR
Registered office	c/- Calder Roth & Co Level 2, 10 Outram Street WEST PERTH WA 6005
Business address	Level 36, Governor Phillip Tower 1 Farrer Place SYDNEY NSW 2000 Telephone: +61 2 8011 4099 Facsimile: +61 2 4044 0111
Share registry	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
Home exchange	Australian Securities Exchange Limited ASX Code: MZU
Auditor	DFK Richard Hill 2 nd Floor, 32-36 Martin Place SYDNEY NSW 2000

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

The Company has recently set up the following operational Board Committees. Mazu Alliance Limited does comply with all ASX recommendations in relation to the constitution of the various board committees.

(i) Audit and Compliance Committee

The Company has an Audit and Compliance Committee.

Its duties are to assist the Board of Directors in:

- fulfilling its oversight responsibilities for the financial reporting process;
- the system of internal controls;
- the audit process; and
- the Company's process for monitoring compliance with laws and regulations and the code of conduct.

The Audit Committee has a Charter setting out its composition, duties and authority which is available from the Company.

The Audit and Compliance Committee is currently constituted as follows:

Tom XU	Chairman of the Audit and Compliance Committee
Yong Teng Dixie KOR	Member of the Audit and Compliance Committee
Qinghuo HUANG	Member of the Audit and Compliance Committee

(ii) Risk and Sustainability Committee

The Company has a Risk and Sustainability Committee. The role of the Risk and Sustainability Committee, in accordance with the Risk and Sustainability Committee Charter, is to assist the Board in fulfilling its duties in relation to the identification and control of material risks to the Company.

The responsibilities of the Risk and Sustainability Committee are to:

- oversee the adequacy of the Risk Management System;
- recommend risk capacity and exposure limits;
- oversee allocation of risks between the Board and appropriate Committees;
- oversee the effectiveness of implementation of the Risk Management System;
- receive and review reports concerning the appropriateness of the risk management and compliance framework, policies, processes and assurance, and approve or vary it as necessary.

The Risk and Sustainability Committee has a Charter setting out its composition, duties and authority which is available from the Company.

The Risk and Sustainability Committee is currently constituted as follows:

Qinghuo HUANG	Chairman of the Risk and Sustainability Committee
Yong Teng Dixie KOR	Member of the Risk and Sustainability Committee
Bingkun HUANG	Member of the Risk and Sustainability Committee

(iii) Remuneration Committee

The Company has a Remuneration Committee.

Its purpose is to assist and advise the Board on remuneration packages and policies applicable to the CEO, senior executives and the Directors themselves.

The Remuneration Committee has a Charter setting out its composition, duties and authority.

The Remuneration Committee is currently constituted as follows:

Lynn XU	Chairman of the Remuneration Committee
Qinghuo HUANG	Member of the Remuneration Committee
Tom XU	Member of the Remuneration Committee

(iv) Nomination Committee

The Company has a Nomination Committee.

Its purpose is:

- to identify candidates for appointment to the Board to fill casual vacancies;

- to assist in recruiting the Chief Executive Officer and other candidates for senior management positions;
- the assessment of the necessary and desirable competencies of Board members;
- review of Board succession plans;
- evaluation of Board's performance;
- annual review of the performance, qualifications and contribution of each Director;
- recommendations for the appointment and removal of Directors;
- recommendations to the Board regarding review of the composition of committee memberships; and
- review and discussion with the Board and senior executives regarding plans for professional development and corporate succession.

Notwithstanding any recommendations by the Committee and appointments to the Board, shareholders are able to vote for representation on the Board of the Company, although it is accepted that the Board will play a role in facilitating this process. The Nomination Committee will assist the Board in performing this role.

The Nomination Committee has a Charter setting out its composition, duties and authority.

The Nomination Committee is currently constituted as follows:

Tom XU	Chairman of the Nomination Committee
Bingkun HUANG	Member of the Nomination Committee
Hong WEI	Member of the Nomination Committee

(v) **Public Affairs Committee**

The Company has a Public Affairs Committee.

Its purpose is:

- to oversee the Company's policies and programmes related to corporate citizenship, social responsibility and public policy issues considered significant to the Company such as sustainability and environmental responsibility; and
- philanthropic and political activities and contributions.

The Public Affairs Committee has a Charter setting out its composition, duties and authority.

The Public Affairs Committee is currently constituted as follows:

Lynn XU	Chairman of the Public Affairs Committee
Hong WEI	Member of the Public Affairs Committee
Tom XU	Member of the Public Affairs Committee

(vi) Religious Affairs Committee

The Company has a Religious Affairs Committee. The development of a religious site raises many potential issues relating to the possible conflict between religious and commercial activities.

The role of the Religious Affairs Committee is to:

- ensure that the development of Mazu City is done in such a way that the longstanding practices of worship of Mazu on the site are not impeded;
- ensure that the activities on site are consistent with the longstanding practices of worship of Mazu on the site;
- ensure that any use of the Mazu name is compatible with longstanding practices of worship of Mazu; and
- liaise with the Company's Religious Advisory Council.

The Religious Affairs Committee has a Charter setting out its composition, duties and authority.

The Religious Affairs Committee is currently constituted as follows:

Bingkun HUANG	Chairman of the Religious Affairs Committee
Hong WEI	Member of the Religious Affairs Committee
Tom XU	Member of the Religious Affairs Committee

(vii) Business Strategy Committee

The Company has a Business Strategy Committee. The Business Strategy Committee currently comprises one Non-executive director and two Executive Directors of whom one is the CEO.

The role of the Business Strategy Committee is to advise and consult with management in determining the Company's business development strategy for consideration by the Board.

While the strategy of the Company is a primary concern of the Board, it is considered that a formalised process of consideration and recommendation adds value to the process.

The Business Strategy Committee has a Charter setting out its composition, duties and authority which is available from the Company.

The Business Strategy Committee is currently constituted as follows:

Bingkun HUANG	Chairman of the Business Strategy Committee
Yong Teng Dixie KOR	Member of the Business Strategy Committee
Lynn XU	Member of the Business Strategy Committee

(viii) Finance and Treasury Committee

The Company has a Finance and Treasury Committee.

The purpose of the Finance and Treasury Committee is to oversee all areas of corporate finance for the Company and its subsidiaries, including capital structure, equity and debt financings, capital expenditures, cash

management, banking activities and relationships, investments, foreign exchange activities and share repurchase activities.

The Finance and Treasury Committee has a Charter setting out its composition, duties and authority which is available from the Company.

The Finance and Treasury Committee is currently constituted as follows:

Bingkun HUANG	Chairman of the Finance and Treasury Committee
Hong WEI	Member of the Finance and Treasury Committee
Yong Teng Dixie KOR	Member of the Finance and Treasury Committee

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 Board receives input from the Risk and Sustainability Committee. The Risk and Sustainability Committee 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. Following requote of the Company on ASX, the Company Secretary's services will be provided by an external organisation. That organisation will be paid 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 Chairman and Chief Executive Officer 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. The Company has a risk and sustainability committee.

(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 restated report on the Company for the year ended 30 June 2014.

The directors have had reason to restate the accounts and represent them to shareholders, arising from a change in the accounting standards adopted.

The Company previously recognised and disclosed land usage rights in China as Property under AASB 116, on the basis that such land in China is synonymous with freehold land because the lessee has automatic renewal rights at the expiration of any lease term. On this basis, the treatment complies with AASB 116 which allows recognition of such assets at fair value at each balance date. The method of recognition previously adopted by the Company is consistent with the recognition method utilised by a number of other companies including ASX listed entities. However, given the deviation of opinions and the differing industry practice, the board has noted the very recent preferences expressed by Australian regulators and as such, has now adopted the alternative recognition of the asset as an intangible asset under AASB138 which does not provide for annual fair value increases to be recognised, although the impairment losses (if any) are still recognised.

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, Resigned 15/04/2015 effective from 27/04/2015)

Bingkun HUANG (Appointed 10/06/2011)

Qinghuo HUANG (Appointed 08/04/2015)

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)

Hong WEI (Appointed 08/04/2015)

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

After providing for income tax, the loss of the Company amounted to \$4,442,008 (2013: loss of \$4,546,512).

REVIEW OF OPERATIONS

Development of Mazu City

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

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.

Project Construction

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 2014 was RMB 6,700,000, giving a total expenditure on construction in progress of RMB 12,000,786.90 (\$A 1,641,600).

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

Temple Management

The Company's wholly owned subsidiary, 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.

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.

GOING CONCERN ISSUE

Relating to the financial position of the Company pursuant to S299A(1)(b) of the Corporations Act 2001, the Company recorded a loss of \$4,442,008 and had net cash outflows from operating activities of \$139,474 for the year ended 30 June 2014 leaving cash and cash equivalents of \$162,736. The group has a net shortfall of current assets of \$3,479,684 (Current Assets less Current Liabilities) but a total surplus of all assets over liabilities of \$35,959,638. 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 \$35,959,638;
- The Company expects to recognise the Enjoyer bond in the next period without a related liability; and
- 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

Expansion of Interfaith programme

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 the stock received to date has a realisable value of at least RMB 4,000,000, and the remainder of the debt will be paid by the receipt of a further quantity of Maotai liquor that is proportionate to the balance of the outstanding 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.

Capital raising and steps towards requotation on ASX

On 13 April 2015, the Company lodged a prospectus with ASIC for the purpose of raising between \$4,050,000 and \$9,000,000 in capital, re-establishing a spread of shareholders, and meeting the compliance requirements for reinstatement to quotation of its securities on ASX. The prospectus is currently subject to a stop order from ASIC. The restatement of these accounts will enable the Company to progress with the capital raising.

Constitution

On 28 April 2015, by special resolution, the members adopted a replacement constitution for the Company. The replacement constitution is broadly consistent with the provisions of the previous constitution, and incorporates amendments to the Corporations Act and ASX Listing Rules since the previous constitution was adopted on 25 July 2000.

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

EXECUTIVE DIRECTOR

(Appointed 07/11/2011, Resigned 15/04/2015
effective from 27/04/2015)

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 expertise was central in positioning the Company with ownership of a substantial project and the ability to proceed with re-quotations 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
- 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

EXECUTIVE DIRECTOR

(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

Qinghuo HUANG
INDEPENDENT
NON-EXECUTIVE DIRECTOR
(Appointed 08/04/2015)
China

Experience & expertise

Mr Huang is an oil company executive and entrepreneur, having graduated from Lanzhou Shiyu University in China, and also becoming qualified in mathematics from Xiamen University. Mr Huang served as Vice-General Manager of Sinopec Fujian Province Xiamen Branch for 8 years, then as General Manager at Sinopec Fujian Province Xiamen Fuel Oil Co. Ltd. for 3 years, before accepting a management appointment at Xiamen City Xinyifeng Petrochemistry Co. Ltd.

Following two decades in the petrochemical industry, Mr Huang established Xiamen City Longjiang Industrial Products Co. Ltd., a company focussed on the manufacture of industrial products. Mr Huang has comprehensive and rich experience in marketing and management.

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	Nil
B Class Options	Nil

Yong Teng Dixie KOR
NON-EXECUTIVE DIRECTOR
(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
INDEPENDENT
NON-EXECUTIVE DIRECTOR
(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

Fuling (Teddy) LI *continued*

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

INDEPENDENT

NON-EXECUTIVE DIRECTOR

(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

INDEPENDENT

NON-EXECUTIVE DIRECTOR

(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

INDEPENDENT

NON-EXECUTIVE DIRECTOR

(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.

Yuling (Lynn) XU *continued*

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

Hong WEI
INDEPENDENT
NON-EXECUTIVE DIRECTOR
(Appointed 08/04/2015)
Australia

Experience & expertise

Mr Wei is a well-known interior designer in Xiamen, having won numerous industry awards in China with his popular designs. Mr Wei graduated from Fujian Province University of Art & Design, obtaining a Bachelor Degree in Interior Design.

In 1996, he established Caogu Interior Design (Xiamen) Co Ltd, and it quickly became famous in the design industry in Xiamen. With the rapid development of the company's scale and influence, in 2006, the company changed its name to Jinsutang Design (Xiamen) Co Ltd, and focussed on providing quality professional interior design services for domestic and international customers.

Since 2003, Mr Wei has designed more than one hundred major projects in Xiamen, Beijing and elsewhere.

Interests in shares and options

Mr Wei 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 2014, and the number of meetings attended by each director.

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

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 29.

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, Resigned 15/04/2015 effective from 27/04/2015)
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 and took over the role vacated by Colin Bloomfield. Raymond Taylor was appointed as company secretary on 2 December 2014 and took over the role vacated by Ian Sanderson.

b. Compensation Practices

Relationship between Remuneration Policy and Company Performance

There is no current directors' remuneration policy.

Employment details of members of Key Management Personnel

Service Agreements:

Steinbruck Capital Pty Ltd (a company related to Gabriel Ehrenfeld) is to be paid management and consulting services of \$45,000 plus GST and disbursements 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, including their personally related entities, are set out below:

2014	Short-term		Post Employment		Long Term	Share Based Payments		Performance related
	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	-	-	-	-	-	-	-	-

2013	Short-term		Post Employment		Long Term	Share Based Payments		Performance related
	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	-	-	-	-	-	-	-	-

\$724,055 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. 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 \$29,925 brought to account in the 2014 financial year.

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 17th July 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
BCom CA CTA
T +61 2 9200 4500
F +61 2 9221 5935
E rhill@dfkrichardhill.com.au
W www.dfkrichardhill.com.au

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: 17 July 2015
Address: Level 2, 32 Martin Place Sydney 2000



Partners:
Richard L S Hill
BCom FCA FCPA (PNG)
David G Sharp
BCom FCA
Michael J Schlederer
BCom CA CTA
T +61 2 9200 4500
F +61 2 9221 5935
E rhill@dfkrichardhill.com.au
W www.dfkrichardhill.com.au

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 loss after tax of \$4,442,008 for the year ended 30 June 2014 (2013: loss \$4,546,512), net cash outflows from operation of \$139,474 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 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 undertaken;
- 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 Company expects to recognise the Enjoyer bond in the next period without a related liability; and
- The Company has net assets of \$35,959,638.

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 17rd day of July 2015

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The restated 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 2014 and of its performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable provided the successful recapitalisation and re-quotations 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 of the audited Remuneration Report for the year ended 30 June 2014 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

17th July 2015

ANNUAL FINANCIAL STATEMENTS (RESTATED)
STATEMENT OF COMPREHENSIVE INCOME (RESTATED)
FOR THE YEAR ENDED 30 JUNE 2014

Note	30 June 2014 Restated	30 June 2013 Restated
Revenue		
Income from investments	\$264	\$1
Total revenue	\$264	\$1
Less expenses		
Accounting and audit fees	\$20,000	\$26,449
Advisory fees	\$22,000	-
Amortise land use China	6, 9 \$970,854	\$1,306,543
ASX listing fee	\$20,000	\$14,900
Depreciation	\$58,025	\$45,809
Finance expenses	\$919	(\$12,054)
General & administrative expenses	\$134,146	\$131,721
Impairment of buildings and infrastructure	\$734,279	\$463,637
Impairment of land usage rights	9 \$2,476,048	\$2,568,719
Income tax expense	-	-
Legal fees	\$2,458	-
Operating expenses	\$3,374	\$3,258
Sales tax	\$25	-
Unrealised foreign exchange	\$142	(\$2,469)
Total expenses	\$4,442,272	\$4,546,513
Profit / (loss) before income tax	(\$4,442,008)	(\$4,546,512)
Income tax expense	11 -	-
Net gain/(loss) for the year	(\$4,442,008)	(\$4,546,512)
Other comprehensive income		
Total comprehensive income for the year	(\$4,442,008)	(\$4,546,512)
Net profit / (loss) attributable to:		
Members of the parent entity	(\$4,442,008)	(\$4,546,512)
Non-controlling interests	-	-
Earnings per share for the period:		
Basic profit/(loss) per share (cents per share)	17 (1.88)	(1.93)
Diluted profit/(loss) per share (cents per share)	17 (1.61)	(1.65)

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

**STATEMENT OF FINANCIAL POSITION (RESTATED)
AS AT 30 JUNE 2014**

Note	30 June 2014 Restated	30 June 2013 Restated	
ASSETS			
Current Assets			
Cash & cash equivalents	5	\$162,736	\$311,715
Material		\$29,309	\$30,406
Inventory		\$75,037	\$77,846
Other assets	10	\$112,258	\$109,886
Total Current Assets		\$379,341	\$529,853
Non-Current Assets			
Construction in progress		\$1,641,600	\$2,128,934
Plant & equipment	8	\$157,681	\$219,051
Building improvements		\$7,301,700	\$8,623,069
Land usage rights	9	\$43,681,805	\$49,626,328
Trade and other receivables	7	\$2,541,895	\$2,637,006
Total Non-Current Assets		\$55,324,680	\$63,234,387
Total Assets		\$55,704,021	\$63,764,240
LIABILITIES			
Current Liabilities			
Trade and other payables	12	\$3,859,025	\$3,175,887
Total Current Liabilities		\$3,859,025	\$3,175,887
Non-Current Liabilities			
Related party liability		-	\$724,055
Deferred tax liability	11	\$15,885,358	\$17,208,447
Total Non-Current Liabilities		\$15,885,358	\$17,932,502
Total Liabilities		\$19,744,383	\$21,108,389
NET ASSETS		\$35,959,638	\$42,655,849
EQUITY			
Issued capital	13	\$62,741,586	\$62,741,586
Accumulated profit/(loss)		(\$33,449,718)	(\$29,007,710)
Reserves		\$6,667,770	\$8,921,974
Total Shareholders' Equity		\$35,959,638	\$42,655,849

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

STATEMENT OF CHANGES IN EQUITY (RESTATED) AS AT 30 JUNE 2014

Consolidated group	Share Capital	Accumulated Losses	Reserves		Total
			Share Capital Option Reserve	Foreign Exchange Reserve	
Balance as at 1 July 2012	\$62,741,586	(\$24,461,198)	\$1,000	\$26,865	\$38,308,253
Profit/(Loss) for the year	-	(\$4,546,512)	-	-	(\$4,546,512)
Movements in foreign translation reserve	-	-	-	\$8,894,109	\$8,894,109
Balance as at 30 June 2013	\$62,741,586	(\$29,007,710)	\$1,000	\$8,920,974	\$42,655,849
Balance as at 1 July 2013	\$62,741,586	(\$29,007,710)	\$1,000	\$8,920,974	\$42,655,849
Profit/(Loss) for the year	-	(\$4,442,008)	-	-	(\$4,442,008)
Movements in foreign translation reserve	-	-	-	(\$2,254,203)	(\$2,254,203)
Balance as at 30 June 2014	\$62,741,586	(\$33,449,718)	\$1,000	\$6,666,770	\$35,959,638

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

STATEMENT OF CASH FLOWS (RESTATED) FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(\$139,474)	(\$121,369)
Interest received		-	\$1
Interest paid		-	(\$4)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	16(b)	(\$139,474)	(\$121,372)
CASH FLOWS FROM INVESTING ACTIVITIES			
Plant & equipment		-	(\$3,849)
Repayment of loans by other entities		-	\$106,152
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		-	\$102,302
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		-	-
Effect of foreign exchange movement		(\$9,505)	\$40,464
Net increase/(decrease) in cash and cash equivalents held		(\$148,979)	\$21,395
Cash and cash equivalents at the beginning of the financial year		\$311,715	\$290,321
Cash and cash equivalents at the end of the financial year	16(a)	\$162,736	\$311,715

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 loss of \$4,442,008 and had net cash outflows from operating activities of \$139,474 for the year ended 30 June 2014 leaving cash and cash equivalents of \$162,736. The group has a net shortfall of current assets of \$3,479,684 (Current Assets less Current Liabilities) but a total surplus of all assets over liabilities of \$35,959,638. 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 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 undertaken;
- 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 Company expects to recognise the Enjoyer bond in the next period without a related liability; and
- The Company has net assets of \$35,959,638.

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

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.

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 usage rights (in China) and property is stated at fair valuation in accordance with AASB 116. Fair valuation increments/decrements are recorded in the statement of comprehensive income. Amortisation of land usage rights 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 represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of liability.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Application of new and revised accounting standards

In the current year, the Group has applied a number of new and revised AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2013.

New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

- AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements' - This standard removes the individual key management personnel disclosure requirements in AASB 124 'Related Party Disclosures' As a result the Group only discloses the key management personnel compensation in total and for each of the categories required in AASB 124. In the current year the individual key management personnel disclosure previously required by AASB 124 (note 21 in the 30 June 2013 financial report) is now disclosed in the remuneration report due to an amendment to Corporations Regulations 2001 issued in June 2013.

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards' AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'. AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee.

The directors of the Company made an assessment as the date of the initial application of AASB 10 (i.e. 1 July 2013) that no change in control and reporting for its investee companies is necessary as a result of this amendment.

- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'. The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of AASB 11. The directors concluded that no change is necessary to the classification of Group's investments in joint arrangements.

- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements.

- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'

- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'

- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'. AASB 13 requires prospective application from 1 July 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2013 comparative period (please see notes for the 2014 disclosures). Other than the additional disclosures, the application of AASB 13 does not have any material impact on the amounts recognised in the consolidated financial statements.

- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'. The adoption of this amending standard does not have any material impact on the consolidated financial statements.

- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'.

The adoption of this amending standard does not have any material impact on the consolidated financial statements.

- AASB 2012-2 'Amendments to Australian Accounting Standards 'Disclosures – Offsetting Financial Assets and Financial Liabilities' - As the Group does not have any offsetting arrangements in place, the application of the amendments to AASB 7 does not have any material impact on the consolidated financial statements.

The adoption of all the new and revised Standards and Interpretations has not resulted in any material changes to the Group's accounting policies and have had no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations have not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its consolidated financial statements except those disclosed above. There are no upcoming new or revised Standards and Interpretations which are expected to have a material impact on the Group.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2017	30 June 2018
AASB 1031 'Materiality' (2013)	1 January 2017	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2017	30 June 2015
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	1 January 2017	30 June 2015
AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'	1 January 2017	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2017	30 June 2015
IFRS 15 "Revenue"	1 January 2017	30 June 2018

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.

(ii) *Revaluation of land holdings, infrastructure and buildings in China*

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. In 2013, the board used a directors' valuation for the assets. In the 2014 financial year, the board has adopted an independent valuation as undertaken by the Jichao Huang, a licensed real estate valuer in the People's Republic of China and the holder of a valid registration certificate with valuer registration number 3520130045. Mr Huang is employed as a licensed valuer by Xiamen Jin Heng Xin Real Estate Agent Company who is the issuer of the Valuation Report and Certificate of Valuation the board has used in the preparation of these accounts. 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 \$68,860,450, together with construction in progress of \$1,641,600. The movement in the valuation of the asset is accounted through the profit and loss in line with the accounting policies outlined in this report.

Change in accounting Policy

The Group has made a change to its accounting policy relating to land usage rights in China. It previously recognised and disclosed land usage rights in China as Property at fair value under AASB 116, the effect of which was that land usage rights were subject to revaluation, and then carried at the revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Given the deviation of opinions and the differing industry practice, the board has noted the very recent preferences expressed by Australian regulators and as such, the Group has now adopted the alternative recognition of the assets as an intangible asset under AASB 138. AASB 138 does not provide for annual fair value increases to be recognised, although the impairment losses (if any) are still recognised.

Please also refer to Note 9 and Note 28 for the restated value of the land usage rights in accordance with AASB 138, and the resulting impact on other accounts in the financial statements.

3. REVENUE AND OTHER INCOME

Arising from the restatement of the financial statements, there is only \$264 in other revenue, as the net gain on revaluation of the land right usage is no longer brought to account. This previously accounted for a net gain of \$3,356,643 in the financial year ending 30 June 2014, and \$3,780,398 in the financial year ending 30 June 2013. However, these amounts are not recognised under AASB 138 which is now adopted by the Company.

4. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Mazu Alliance Limited, at 30 June 2014. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2014 \$	2013 \$
Current assets	72,440	69,557
Non-current assets	38,759,903	39,199,293
Total assets	38,832,343	39,268,850
Current liabilities	951,099	146,601
Non-current liabilities	7,099,239	7,823,294
Total liabilities	8,050,338	7,969,895
Issued capital	62,741,586	62,741,586
Option reserve	1,000	1,000
Accumulated losses	(31,960,580)	(31,443,631)
Total equity	30,782,006	31,298,955
Profit / (loss) for the year	(516,949)	(481,822)
Total comprehensive profit / (loss) for the year	(516,949)	(481,822)

5. CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2014	2013
Cash at bank and in hand	\$162,376	\$311,715
Short-term deposits	-	-
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	\$162,376	\$311,715

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 2014 and 2013 before income tax include the following specific expenses:

	2014	2013
Continuing Expenses:		
Amortisation of Land use rights and assets	\$970,855	\$ 1,306,543

7. TRADE OTHER RECEIVABLES

Non Current

Other receivables	\$2,541,895	\$2,637,006
-------------------	-------------	-------------

2014	Gross Amount	Past due but not impaired (Days Overdue)				Within Initial Trading Terms
		<30	31-60	61-90	>90	
Other Receivables	2,541,895	-	-	-	2,541,895	-
Total	2,541,895	-	-	-	2,541,895	-

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	
	2014	2013
Plant & Equipment	\$281,408	\$288,889
Less Depreciation	(\$123,727)	(\$69,838)
Total Plant & Equipment	\$157,681	\$219,051

Movement in Carrying Amounts

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

Balance at 1 July 2013	\$219,051
Foreign Exchange movement	(\$3,345)
Depreciation expense	(\$58,025)
Balance at 30 June 2014	\$157,681

9. LAND USAGE RIGHTS AND BUILDINGS & INFRASTRUCTURE

9.1 Land Usage Rights

		Consolidated Group	
		2014	2013
		Restated	Restated
Commercial land	At independent valuation	\$13,964,938	\$18,157,200
Residential land	At acquisition date (7 Nov 2011) fair value	\$31,604,439	\$32,787,295
Less amortisation land usage rights		(\$1,887,569)	(\$1,318,168)
Total		\$43,681,808	\$49,626,328

9.2 Buildings & Infrastructure

Building improvements	At independent valuation	\$3,556,800	\$3,831,840
Infrastructure	At independent valuation	\$4,788,000	\$5,432,875
Amortisation buildings & infrastructure		(\$1,043,100)	(\$641,646)
		\$7,301,700	\$8,623,069
Construction in Progress	At independent valuation	\$1,641,600	\$2,128,934

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 usage right	Buildings and Infrastructure	Construction in Progress	Total
	\$	\$	\$	\$
Balance at 1 July 2012	46,888,868	8,341,404	1,875,508	57,105,780
Impairment	(3,669,599)	(607,595)	-	(4,277,194)
Foreign Currency Translation	6,846,448	1,317,023	253,426	8,416,897
Depreciation/amortisation expense	(439,389)	(427,764)	-	(867,154)
Balance at 30 June 2013	49,626,328	8,623,069	2,128,934	60,378,331
Balance at 1 July 2013	49,626,328	8,623,069	2,128,934	60,378,331
Impairment	(3,537,212)	(585,675)	(410,529)	(4,533,416)
Foreign Currency Translation	(1,837,907)	(334,240)	(76,805)	(2,248,952)
Depreciation/amortisation expense	(569,400)	(401,454)	-	(970,854)
Balance at 30 June 2014	43,681,808	7,301,700	1,641,600	52,625,108

10. OTHER ASSETS

	Consolidated Group	
	2013	2012
	\$	\$
Prepaid expenses	43,883	42,588
GST Receivables	68,375	66,582
Total Assets	\$112,258	109,170

11. INCOME TAX

Note 11(a)

Income tax expense components

	Consolidated Group	
	2014	2013
	\$	\$
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% (2013: 30%)

- consolidated group	(1,332,602)	(1,369,354)
Add:		
Tax effect of:		
- Non deductible expenses	1,254,397	1,301,670
Less:		
Tax effect of:		
- Expenditure claimed as deduction	-	(741)
- 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	(78,206)	(68,425)

Income tax expense attributable to loss from ordinary activities

The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset at this stage of the Group.

Note 11(c)

Current and Non-current Tax Liabilities

CURRENT	2014	2013
Income tax payable	-	-

NON-CURRENT					
	Opening Balance	Charged to expenses	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/(Losses) on land & building revaluation	15,154,092	(1,244,840)	-	-	13,909,252
Balance at 30 June 2013	18,453,286	(1,244,840)	-	-	17,208,447

NON-CURRENT					
	Opening Balance	Charged to expenses	Charged directly to Equity	Exchange differences	Closing Balance
Consolidated Group					
Deferred tax liability					
Balance at 30 June 2013					
Gain from acquisition	3,299,194	-	-	-	3,299,194
Gain/(Losses) on land & building revaluation	13,909,252	(1,323,089)	-	-	12,586,163
Balance at 30 June 2014	17,208,446	(1,323,089)	-	-	15,885,358

12. OTHER PAYABLES

Consolidated Group		2014	2013
Current			
Trade Creditors	12.1	\$3,001,630	3,122,989
Accruals		\$72,898	\$52,898
Related Party Liability	12.2	\$784,498	-
		\$3,859,025	\$3,175,887

12.1 The Other Creditors amount in 2014 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.

12.2 Refer to Remuneration Report for more detail.

13. ISSUED CAPITAL AND OPTIONS

	Note	Consolidated Group	
		2014	2013
Issued Capital			
Issued options 40,000,000	13(ii)	\$1,000	\$1,000
Fully paid shares 235,886,961		<u>\$63,741,058</u>	<u>\$63,741,058</u>
		\$63,742,058	\$63,742,058

(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, Resigned 15/04/2015 effective from 27/04/2015)
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:

2014

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	-	-	-	-

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	-	-	-	-

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.

2014

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	-	-	-	-	-

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	-	-	-	-	-

15. REMUNERATION OF AUDITORS

	2014	2013
	\$	\$
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:	20,000	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:

Consolidated Group	2014 \$	2013 \$
Reconciliation of cash and cash equivalents		
Cash at bank	162,736	311,715

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

Consolidated Group	2014 \$	2013 \$
Operating losses	(4,442,008)	(4,546,512)
Non cash expenses		-
Movement in inventory	1,097	-
Increase / (decrease) in debtors	(1,689)	(1,792)
Increase / (decrease) in creditors	77,317	43,537
Increase / (decrease) in prepayments		1,076
Impairment of land, building infrastructure	3,210,327	3,032,354
Amortisation expense of land	970,854	1,306,543
Foreign exchange		-
Depreciation	57,995	45,886
Movements in foreign exchange	(13,368)	(2,467)
Cash from operating activities	(139,474)	(121,372)

17. EARNINGS PER SHARE

		2014 cents	2013 cents
	Consolidated Group		
(a)	Basic and diluted gain/(loss) per share	(1.88)	(1.93)
(b)	Diluted gain/(loss) per share	(1.61)	(1.65)
(c)	Weighted average number of shares outstanding during the year used in the calculation of basic gain per share	235,886,961	235,886,961

Reconciliation of profit used in the calculating basic gain per share

		2014 \$	2013 \$
	Net profit / (loss)	(4,442,008)	(4,546,512)
	Net profit / (loss) attributable to outside equity interest	-	-
	Profit / (loss) used in calculating basic loss per share	(4,442,008)	(4,546,512)

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 debt, and therefore this risk is minimal.

As at 30 June 2014 the company's exposure to interest rate risk was limited to the cash at bank of \$162,736 of which \$Nil at floating interest rates. No interest is payable on this amount.

As there is no material exposure to interest rate risk no sensitivity analysis is performed.

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. The Company had material exposure to two individual debtors. However, the largest of these has now been settled [See Note 19 below re Debtors]. With the second of these debtors, the Company is exposed in the sum of RMB 3 million. No provision for doubtful debt has been made as the Company anticipates that it will collect this amount in full.

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 2014 and will be treated as such until construction is commenced.

	2014	2013
	\$	\$
Capital Expenditure Commitments		
Capital expenditure commitments contracted for:		
Construction of Wushi Mazu Tourism Area Stage 1	17,740,000	17,740,000

20. EVENTS OCCURRING AFTER BALANCE DATE

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 2014.

Capital raising and steps towards requotation on ASX

On 13 April 2015, the Company lodged a prospectus with ASIC for the purpose of raising between \$4,050,000 and \$9,000,000 in capital, re-establishing a spread of shareholders, and meeting the compliance requirements for reinstatement to quotation of its securities on ASX. The prospectus is currently subject to a stop order from ASIC. The restatement of these accounts will enable the Company to progress with the capital raising.

Constitution

On 28 April 2015, by special resolution, the members adopted a replacement constitution for the Company. The replacement constitution is broadly consistent with the provisions of the previous constitution, and incorporates amendments to the Corporations Act and ASX Listing Rules since the previous constitution was adopted on 25 July 2000.

21. CONTINGENT LIABILITIES

The company did not have any contingent liabilities at 30 June 2014 or 30 June 2013 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 re quotation 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. 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.

22. SHARE BASED PAYMENTS

There were no share based payments made in the 2014 financial year. (2013: There were no share based payments made in the 2013 financial year.)

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:

Consolidated Group	2014		2013	
	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 2014 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 2014 (2013: Nil).

Options exercised

No options issued were exercised during the year ended 30 June 2014 (2013: Nil).

Options lapsed

No options lapsed or were forfeited during the year ended 30 June 2014 (2013: Nil).

24. CONTROLLED ENTITIES

a. Controlled Entities Consolidated

	Country of incorporation	Percentage owned (%)	
		2012	2011
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 2014 financial year or the 2013 financial year.

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 expenses were approved by the shareholders at the General Meeting held on 7 June 2011. Another \$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.

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 (which amount includes the advisory fees and legal expenses set out above) 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 re quotation 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. 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	10,000	1,710
b	Repayments from XCS to Mazu City	10,000	1,710
c	Loan from XCS to Wushi Tourism	50,000	8,550
d	Loan from Wushi Tourism to XCS	105,000	17,955

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 2014.

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.

28. IMPACT ARISING FROM A CHANGE IN ACCOUNTING POLICY

a. Impact on Statement of Comprehensive Income - 30 June 2014

	30 June 2014	Profit Increase/(Decrease)	30 June 2014 (Restated)
Revenue			
Income from investments	\$264		\$264
Total revenue	\$264		\$264
Less expenses			
Accounting and audit fees	\$20,000		\$20,000
Advisory fees	\$22,000		\$22,000
Amortise land use China	\$1,751,154	(\$780,300)	\$970,854
ASX listing fee	\$20,000		\$20,000
Depreciation	\$58,026		\$58,025
Finance expenses	\$919		\$919
General & administrative expenses	\$134,146		\$134,146
Impairment of buildings and infrastructure	-	\$734,279	\$734,279
Impairment of land usage rights	-	\$2,476,048	\$2,476,048
Income tax expense	-		-
Legal fees	\$2,458		\$2,458
Operating expenses	\$3,374		\$3,374
Sales tax	\$25		\$25
Unrealised foreign exchange	\$142		\$142
Total expenses	\$2,012,244	\$2,430,028	\$4,442,272
Profit / (loss) before income tax	(\$2,011,980)	(\$2,430,028)	(\$4,442,008)
Income tax expense	-		-
Net loss for the year	(\$2,011,980)	(\$2,430,028)	(\$4,442,008)
Other comprehensive income			
Net Gain from Revaluation	\$3,356,643	(\$3,356,643)	-
Total comprehensive income for the year	\$1,344,663	(\$5,786,671)	(\$4,442,008)
Net profit / (loss) attributable to:			
Members of the parent entity	\$1,344,663	(\$5,786,671)	(\$4,442,008)
Non-controlling interests			
Earnings per share for the period			
Basic profit/(loss) per share (cents per share)	0.57		(1.88)
Diluted profit/(loss) per share (cents per share)	0.49		(1.61)

b. Impact on Statement of Comprehensive Income - 30 June 2013

	30 June 2013	Profit Increase/(Decrease)	30 June 2013 (Restated)
Revenue			
Income from investments	\$1		\$1
Total revenue	\$1		\$1
Less expenses			
Accounting and audit fees	\$26,449		\$26,449
Advisory fees	-		-
Amortise land use China	\$1,306,543		\$1,306,543
ASX listing fee	\$14,900		\$14,900
Depreciation	\$45,809		\$45,809
Finance expenses	(\$12,054)		(\$12,054)
General & administrative expenses	\$131,721		\$131,721
Impairment of buildings and infrastructure	-	\$463,637	\$463,637
Impairment of land usage rights	-	\$2,568,719	\$2,568,719
Income tax expense	-		-
Legal fees	-		-
Operating expenses	\$3,258		\$3,258
Sales tax	-		-
Unrealised foreign exchange	(\$2,469)		(\$2,469)
Total expenses	\$1,514,157	\$3,032,356	\$4,546,513
Profit / (loss) before income tax	(\$1,514,156)	(\$3,032,356)	(\$4,546,512)
Income tax expense			
Net loss for the year	(\$1,514,156)	(\$3,032,356)	(\$4,546,512)
Other comprehensive income			
Net Gain from Revaluation	\$3,780,398	(\$3,780,398)	-
Total comprehensive income for the year	\$2,266,242	(\$6,812,754)	(\$4,546,512)
Net profit / (loss) attributable to:			
Members of the parent entity	\$2,266,242	(\$6,812,754)	(\$4,546,512)
Non-controlling interests			
Earnings per share for the period:			
Basic profit/(loss) per share (cents per share)	0.96		(1.93)
Diluted profit/(loss) per share (cents per share)	0.82		(1.65)

c. Impact on Statement of Financial Position – 30 June 2014

	30 June 2014	Change in Accounting Policy Increase/ (Decrease)	30 June 2014 (Restated)
ASSETS			
Current Assets			
Cash & cash equivalents	\$162,736		\$162,736
Material & inventories	\$104,346		\$104,346
Other assets	\$112,259		\$112,259
Total Current Assets	\$379,341		\$379,341
Non-Current Assets			
Building improvements	\$7,301,700		\$7,301,700
Construction in progress	\$1,641,600		\$1,641,600
Land usage rights	\$61,558,750	(\$17,876,954)	\$43,681,805
Plant & equipment	\$157,681		\$157,681
Trade and other receivables	\$2,541,895		\$2,541,895
Total Non-Current Assets	\$73,201,626	(\$17,876,945)	\$55,324,680
Total Assets	\$73,580,967	(\$17,876,945)	\$55,704,021
LIABILITIES			
Current Liabilities			
Trade and other payables	\$3,859,026		\$3,859,025
Total Current Liabilities	\$3,859,026		\$3,859,025
Non-Current Liabilities			
Deferred tax liability	\$21,512,019	(\$5,626,661)	\$15,885,358
Total Non-Current Liabilities	\$21,512,019	(\$5,626,661)	\$15,885,358
Total Liabilities	\$25,371,045	(\$5,626,661)	\$19,744,383
NET ASSETS	\$48,209,922	(\$12,250,284)	\$35,959,638
EQUITY			
Issued capital	\$62,741,586		\$62,741,586
Accumulated profit / (loss)	(\$20,850,293)	(\$12,599,426)	(\$33,449,718)
Reserves	\$6,318,629	\$349,141	\$6,667,770
Total Shareholders' Equity	\$48,209,922	(\$12,250,285)	\$35,959,638

d. Impact on Statement of Financial Position - 30 June 2013

	30 June 2013	Change in Accounting Policy Increase/ (Decrease)	30 June 2013 (Restated)
ASSETS			
Current Assets			
Cash & cash equivalents	\$311,715		\$311,715
Material & inventories	\$108,252		\$108,252
Other assets	\$109,886		\$109,886
Total Current Assets	\$529,853		\$529,853
Non-Current Assets			
Building improvements	\$8,623,069		\$8,623,069
Construction in progress	\$2,128,934		\$2,128,934
Land usage rights	\$59,304,090	(\$9,677,766)	\$49,626,328
Plant & equipment	\$219,051		\$219,051
Trade and other receivables	\$2,637,006		\$2,637,006
Total Non-Current Assets	\$72,912,150	(\$9,677,766)	\$63,234,384
Total Assets	\$73,442,003	(\$9,677,766)	\$63,764,240
LIABILITIES			
Current Liabilities			
Other payables	\$3,175,887		\$3,175,887
Total Current Liabilities	\$3,175,887		\$3,175,887
Non-Current Liabilities			
Related party liability	\$724,055		\$724,055
Deferred tax liability	\$20,073,457	(\$2,865,010)	\$17,208,447
Total Non-Current Liabilities	\$20,797,512	(\$2,865,010)	\$17,932,502
Total Liabilities	\$23,973,399	(\$2,865,010)	\$21,108,389
NET ASSETS	\$49,468,604	(\$6,812,756)	\$42,655,849
EQUITY			
Issued capital	\$62,741,586		\$62,741,586
Accumulated profit / (loss)	(\$22,194,956)	(\$6,812,754)	(\$29,007,710)
Reserves	\$8,921,974		\$8,921,974
Total Shareholders' Equity	\$49,468,604	(\$6,812,754)	\$42,655,849

ADDITIONAL SECURITIES EXCHANGE INFORMATION

AS AT 5:00PM AEDT ON 01 JULY 2015

Number of holders of equity securities

Ordinary shares

235,886,961 fully paid ordinary shares are held by 1,461 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	1,312	-
1,001 - 5,000	56	-
5,001 - 10,000	17	-
10,001 - 100,000	39	-
100,001 and over	37	2
Total	1,461	2

Notes:

- All holders are included in the report, with common holders merged into one holding.
- 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

Ordinary shareholder	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%
STEINBRUCK CAP PL	10,000,000	4.24%
EHRENFELD GABRIEL	5,000,000	2.12%
XIAOYAN LUO	4,153,704	1.76%
EHRENFELD GABRIEL	2,580,555	1.09%
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	231,028,084	97.95%

Option holder	B Class Options	
	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.