

Emperor Range Group Limited

ABN 19 161 234 395

Half Year Financial Report - 30 June 2015

Emperor Range Group Limited
Directors' report
30 June 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Emperor Range Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2015.

Directors

The following persons were directors of Emperor Range Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Yuhan Chen
Brendan Peter Connell(resigned 1 May 2015)
Michael Robert Billing (resigned 1 May 2015)
Min Yu (appointed 16 February 2015)
Chien-Chih Kao (appointed 16 February 2015)
Tao Xue (appointed 5 May 2015)
Pierre Lau (appointed 5 May 2015)

Principal activities

The principal activity of the consolidated entity during the financial year was exploration of tenements situated in Xinjiang Uygur Autonomous Region of the People's Republic of China.

No significant change in the nature of these activities occurred during the year.

Review of operations

The loss of the consolidated entity for the half year financial period is \$273,955 (2014: \$5,788).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest dollars.

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 the following page.

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

On behalf of the directors



Xue Tao
Director

14 September 2015

**DECLARATION OF INDEPENDENCE
BY PAUL GOSNOLD
TO THE DIRECTORS OF EMPEROR RANGE GROUP LIMITED**

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

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

This declaration is in respect of Emperor Range Group Limited and the entities it controlled during the period.



Paul Gosnold
Director

BDO Audit (SA) Pty Ltd

Adelaide, 14 September 2015

Emperor Range Group Limited

30 June 2015

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General information

The financial statements cover Emperor Range Group Limited as a consolidated entity consisting of Emperor Range Group Limited and the entities it controlled at the end of, or during, the half-year. 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 financial statements are presented in Australian dollars, which is Emperor Range Group Limited's functional and presentation currency.

Emperor Range Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 41
55 Collins Street
Melbourne VIC 3000

Principal place of business

Level 41
55 Collins Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 September 2015.

Emperor Range Group Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2015

		Consolidated	
		Half year ended	
	Note	30 Jun 2015	30 Jun 2014
		\$	\$
Revenue		-	-
Other income		13,993	-
Expenses			
Administrative expenses	3	(287,948)	(5,788)
(Loss) before income tax expense		(273,955)	(5,788)
Income tax expense		-	-
(Loss) after income tax expense for the half-year		(273,955)	(5,788)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		127,332	(6,615)
Other comprehensive income for the half-year, net of tax		127,332	(6,615)
Total comprehensive income for the half-year		<u>(146,623)</u>	<u>(12,403)</u>
(Loss) for the half-year is attributable to:			
Owners of Emperor Range Group Limited		(273,955)	(5,788)
Total comprehensive income for the half-year is attributable to:			
Owners of Emperor Range Group Limited		(146,623)	(12,403)
		Cents	Cents
Basic earnings per share		(0.30)	n/a
Diluted earnings per share		(0.30)	n/a

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Emperor Range Group Limited
Statement of financial position
As at 30 June 2015

	Consolidated	
Note	30 Jun 2015	31 Dec 2014
	\$	\$
Current assets		
Cash and cash equivalents	1,500,786	2,125,690
Trade and other receivables	57,853	91,532
Total current assets	<u>1,558,639</u>	<u>2,217,222</u>
Non-current assets		
Property, plant and equipment	92,572	93,186
Exploration and evaluation assets	2,381,811	2,263,579
Total non-current assets	<u>2,474,383</u>	<u>2,356,765</u>
Total assets	<u>4,033,022</u>	<u>4,573,987</u>
Current liabilities		
Trade and other payables	48,782	279,394
Total current liabilities	<u>48,782</u>	<u>279,394</u>
Non-current liabilities		
Other payables to related parties	403,543	567,273
Total non-current liabilities	<u>403,543</u>	<u>567,273</u>
Total liabilities	<u>452,325</u>	<u>846,667</u>
Net assets	<u>3,580,697</u>	<u>3,727,320</u>
Equity		
Contributed equity	4,128,145	4,128,145
Foreign exchange reserves	145,672	18,340
Retained profits	(693,120)	(419,165)
Total equity	<u>3,580,697</u>	<u>3,727,320</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Emperor Range Group Limited
Statement of changes in equity
For the half-year ended 30 June 2015

Consolidated	Issued capital \$	Foreign Exchange Reserves \$	Retained profits \$	Total equity \$
Balance at 1 January 2014	320,644	4,459	(147,315)	177,788
Loss after income tax expense for the half-year	-	-	(5,788)	(5,788)
Other comprehensive income for the half-year, net of tax	-	(6,615)	-	(11,240)
Total comprehensive income for the half-year	-	(6,615)	(5,788)	(17,028)
<i>Transactions with owners in their capacity as owners:</i>				
Balance at 30 June 2014	<u>320,644</u>	<u>(2,156)</u>	<u>(153,103)</u>	<u>160,760</u>
Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 January 2015	4,128,145	18,340	(419,165)	3,727,320
Loss after income tax expense for the half-year	-	-	(273,955)	(273,955)
Other comprehensive income for the half-year, net of tax	-	127,332	-	127,332
Total comprehensive income for the half-year	-	127,332	(273,955)	(146,623)
<i>Transactions with owners in their capacity as owners:</i>				
Balance at 30 June 2015	<u>4,128,145</u>	<u>145,672</u>	<u>(693,120)</u>	<u>3,580,697</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Emperor Range Group Limited
Statement of cash flows
For the half-year ended 30 June 2015

	Note	Consolidated 30 Jun 2015 \$	30 Jun 2014 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(430,938)	(105)
Net cash received from (used in) operating activities		<u>(430,938)</u>	<u>(105)</u>
Cash flows from investing activities			
Interest received		13,993	-
Net cash received from (used in) investing activities		<u>13,993</u>	<u>-</u>
Cash flows from financing activities			
Repayment of directors loans		(223,850)	-
Net cash received from (used in) financing activities		<u>(223,850)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(640,794)	(105)
Cash and cash equivalents at the beginning of the financial half-year		2,125,690	510
Effects of exchange rate changes on cash and cash equivalents		15,890	27
Cash and cash equivalents at the end of the financial half-year		<u><u>1,500,786</u></u>	<u><u>432</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following new and amended Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 January 2015. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

Note 2. Operating segments

The consolidated entity is organised into one single operating segment, being mining and exploration in Xinjiang Autonomous Region of the People's Republic of China. All non-current assets are held under Fujian Sanming Longhui Industry & Trade Co., Ltd, the Chinese operating entity located in the People's Republic of China. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Emperor Range Group Limited
Notes to the financial statements
30 June 2015

Note 3. Expenses

	Consolidated	
	30 Jun 2015	30 Jun 2014
	\$	\$
<i>Administration expenses</i>		
Bank charges	275	-
Depreciation	5,365	44
Travel	3,989	4,631
Audit fees	10,000	-
Other Professional fees	14,797	-
Regulator fees	34,709	-
Employees benefits expenses	141,667	-
Others	41,067	-
Interest expenses	36,079	1,113
 Total administration expenses	 <u>287,948</u>	 <u>5,788</u>

Note 4. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 5. Commitments or contingencies

The consolidated entity had no contingent liabilities as at 30 June 2015 and 31 December 2014

Note 6. Events after the reporting period

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Note 7. Related Party Transactions

	6 Month Period ended 30 June 2015	Year Ended 31 Dec 2014
Loans from Mr Yuhan Chen (executive director)		
Beginning of the year	567,273	121,513
Loans advanced	12,500	590,074
Loan repayments made	(223,850)	-
Unwinding of interest charges	36,079	-
Foreign exchange differences	11,541	-
Fair value adjustment	-	(144,314)
 End of year	 <u>403,543</u>	 <u>567,273</u>

Note 8. Going Concern

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. This includes the realisation of capitalised exploration and evaluation expenditure of \$2,381,811 (31 December 2014: \$2,263,579).

The consolidated entity has incurred a net loss after tax for the half-year ended 30 June 2015 of \$273,955 (30 June 2014: \$5,788) and operations were funded by a net cash outflow of \$640,794 (30 June 2014: \$105).

The consolidated entity's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development. Should the consolidated entity not achieve the matters set out above, there would then be significant uncertainty over the ability of the consolidated entity to continue as a going concern, and, therefore, it may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the half-year financial report.

The half-year financial report does not include any adjustments that may be necessary if the consolidated entity is unable to continue as a going concern.

Emperor Range Group Limited
Directors' declaration
30 June 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Xue Tao
Director

14 September 2015

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EMPEROR RANGE GROUP LIMITED

Report on the Half-Year Financial Report

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

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

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

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

Independence

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

Conclusion

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

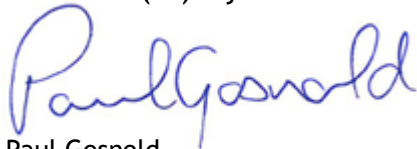
- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 8 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity and/or successful exploration and subsequent exploitation of the consolidated entity's tenements. These conditions, along with other matters as set out in Note 8, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



BDO Audit (SA) Pty Ltd



Paul Gosnold
Director

Adelaide, 14 September 2015