

APPENDIX 4D

HALF-YEAR REPORT

FOR THE 6 MONTH PERIOD ENDED 31 DECEMBER 2015

ABN 18 152 098 854

Highlights

- Net loss after tax of \$3,221,764
- Increased expenditure over the previous corresponding period due to:
 - o commencement of work associated with the full bankable feasibility study of the Kidston PSH Project;
 - o Freehold acquisition of the Kidston Mine Site; and
 - Commencement of a full feasibility study into the development of a new staged large-scale solar 150MW photovoltaic project on the Kidston site.

Commentary

For the half year ended 31 December 2015, Genex Power Limited (**Genex, Company** or **Consolidated Entity**) incurred an after tax loss of \$3,221,764. The majority of expenditure was incurred on the commencement of the full bankable feasibility study of the Kidston Pumped Storage Hydroelectric (PSH) Project and the commencement of a full feasibility Study into the development of a new staged large-scale solar 150MW photovoltaic project on the Kidston site.

In December 2015 the Company announced that it has secured federal government funding of up to \$4,000,000 via a funding agreement with the Australian Renewable Energy Agency (ARENA). The ARENA funding will be applied towards detailed feasibility work associated with the PSH Project.

The Company did not generate any income during the half year, other than through bank interest.

Cash at Bank

As at 31 December 2015, Genex had cash at bank of \$3,403,387. In addition, there is a term deposit of \$3,804,312 in place which is used as security for an ANZ bank guarantee for the Environmental Financial Assurance.

APPENDIX 4D HALF YEAR REPORT

1. Company details

Name of entity: ABN:

Reporting Period:

Previous Reporting period:

Genex Power Limited 18 152 098 854

Half year ended 31 December 2015 Full year ended 30 June 2015

2. Results for announcement to the market

	Key information		%		Half-Year ended 31 December 2015 \$
2.1	Revenue from ordinary activities	up	201%	to	43,052
2.2	Loss from ordinary activities attributable to the owners of Genex Power Limited	up	143%	to	3,221,764
2.3	Total comprehensive Loss for the period attributable to the owners of Genex Power Limited	up	143%	to	3,221,764

Dividends

2.4 No dividends have been paid or provided for during the period.

2.5 Explanation of the Company's Half Year Results.

The principal activities of the Consolidated Entity during the course of the half year consisted of the commencement of work in relation to a full bankable feasibility study (BFS) in relation to the technical and economic viability of developing a PSH power project at Kidston in far north Queensland. During the reporting period the Company also identified an additional opportunity and commenced a full feasibility study for the development of a new large-scale solar photovoltaic project on the Kidston site. The proposed Kidston Solar Project will have a nameplate staged generation capacity of up to 150MW and will be co-located adjacent to the Pumped Storage Project. The Company appointed AECOM as the feasibility manager for the Solar Project.

Genex did not raise any additional funds during the reporting period having raised money via an IPO in June 2015. In December 2015 the Company announced that it had secured federal government funding of up to \$4,000,000 via a funding agreement with the Australian Renewable Energy Agency (ARENA). The ARENA funding will be applied towards detailed feasibility work associated with the PSH Project. No funds were received from ARENA during the reporting period.

In December 2015 the Company acquired the Kidston Mine Site after its conversion to freehold from leasehold for consideration of \$175,000.

The Company did not receive any revenue during the period other than interest earned from its bank accounts totalling \$43,052.

The Consolidated Entity generated an operating loss of \$3,221,764 for the half year ended 31 December 2015 (which is an increase in the loss of \$1,328,279 for the period ended 31 December 2014), principally due to costs associated with an increase in activity by the Company in undertaking the Kidston PSH project bankable feasibility study and commencement of a full feasibility study in relation to the Kidston Solar Project.

3.	Net tangible assets	Reporting period	Previous corresponding period
	Net tangible assets per ordinary share	2.21 cents	(3.24) cents

The calculation of net tangible assets per ordinary share uses the total number of shares on issue as at 31 December 2015 being 158,393,750 shares.

4. Control gained over entities

During the half year, a new subsidiary Genex (Solar) Pty Limited was incorporated. Genex (Solar) Pty Limited is a wholly owned subsidiary of Genex (Kidston) Pty Limited which in turn is a wholly owned subsidiary of Genex Power Limited.

Except for the above, there was no change in the status of the Consolidated Entity through the year.

5. Loss of control over entities

There was no change in the status of the Consolidated Entity during the half year.

6. Details of associates and joint ventures

There are no associates of the Consolidated Entity.

7. Audit

The attached Financial Report of Genex Power Limited for the half year ended 31 December 2015 has been reviewed by William Buck and Associates, the Company's auditor.

8. Attachments

The Half Year Report of Genex Power Limited for the period ended 31 December 2015 follows.

9. Signed

Signed in accordance with a resolution of the Board of Directors.

Dated this 26th day of February 2016.

Signed:

Michael J. Addison
Managing Director

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1. DIRECTORS' REPORT

The Directors present their report, together with the financial statements, of Genex Power Limited (referred to hereafter as the 'Consolidated Entity') consisting of Genex Power Limited (referred to hereafter as 'Genex', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the six month period ended 30 December 2015.

Directors

The following persons were Directors of Genex Power Limited during the whole of the period and up to the date of this report, unless otherwise stated:

Michael Addison (appointed 15 July 2011)
Simon Kidston (appointed 1 August 2013)
Ben Guo (appointed 25 October 2013)
Ralph Craven (appointed 29 May 2015)
Alan du Mée (appointed 29 May 2015)
Yongqing Yu (appointed 8 February 2016)

Principal activities

The principal activities of the Consolidated Entity during the course of the half year consisted of the commencement of work in relation to a full bankable feasibility study (BFS) in relation to the technical and economic viability of developing a pumped storage hydroelectric (PSH) project at Kidston in far north Queensland. During the reporting period the Company also identified an additional opportunity and commenced a full feasibility study for the development of a new large-scale solar photovoltaic project on the Kidston site. The proposed Kidston Solar Project will have a nameplate generation capacity of up to 150MW and will be co-located adjacent to the PSH Project. The Company appointed AECOM as the feasibility manager for the Solar Project.

Genex did not raise any additional funds during the reporting period having raised money via an IPO in June 2015. In December 2015 the Company announced that it had secured federal government funding of up to \$4,000,000 via a funding agreement with the Australian Renewable Energy Agency (ARENA). The ARENA funding will be applied towards detailed feasibility work associated with the PSH Project. No funds were received by ARENA within the reporting period.

In December 2015 the Company acquired the Kidston Mine Site after its conversion to freehold from leasehold for consideration of \$175,000.

The Company did not receive any revenue during the period other than interest earned from its bank accounts totalling \$43,052.

The Consolidated Entity generated an operating loss of \$3,221,764 for the half year ended 31 December 2015 (which is an increase on the loss of \$1,328,279 in the period ended 31 December 2014), principally due to costs associated with an increase in activity by the Company in undertaking the Kidston PSH project BFS and a full feasibility study in relation to the Kidston Solar Project.

Matters subsequent to the end of the year

Subsequent to the end of the half year ended 31 December 2015 the following events took place:

On 14 January 2016 Genex announced that it had been advised by ARENA that it had been invited to submit a full application to ARENA pursuant to ARENA's large-scale solar photovoltaic competitive funding round. The full application will be in respect of the first 50MW phase of the Company's 150MW large-scale Kidston Solar Project and is due by 15 June 2016.

On 18 January 2016, Genex announced it had successfully concluded the conversion of the Kidston energy project site in north Queensland from crown leasehold status to freehold ownership by Genex.

On 1 February 2016, the first Drawdown notice was submitted to ARENA for payment of \$731,243 to Genex pursuant to the ARENA funding agreement, which is for a total of up to \$4,000,000.

On 2 February 2016, Genex announced that it had received Development Approval for the 150MW Kidston Solar Project from the Etheridge Shire Council.

On 8 February, Mr. Yongqing Yu was appointed to the board of Genex as Non-Executive Director as the nominee of the Company's largest shareholder, Zhefu Hydro Power International Engineering Corporation.

Apart from the matters outlined above there have been no other material events or circumstances which have arisen since 31 December 2015 that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Loss per Share

The loss per share for Genex Power Limited for the period was 2.03 cents per share.

Results of Operations and Dividends

The Group's net loss after taxation attributable to the members of Genex Power Limited for the period ended 31 December 2015 was \$3,221,764. The Directors of Genex have resolved not to recommend a dividend for the period ended 31 December 2015.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on the following page.

On behalf of the Directors

A .

Michael Addison Managing Director

26 February 2016 Sydney



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GENEX POWER LIMITED

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2015 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

Chartered Accountants

William Buck

ABN 16 021 300 521

Les Turis

L.E. Tutt

Partner

Sydney, 26 February 2016

CHARTERED ACCOUNTANTS

& ADVISORS

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Genex Power Limited Financial Statements For the half year ended 31 December 2015

3. FINANCIAL STATEMENTS

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General information

The financial statements cover Genex Power Limited as a Consolidated Entity consisting of Genex Power Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Genex Power Limited's functional and presentation currency.

Genex Power 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 11 2 Bligh Street Sydney NSW 2000

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 26 February 2016. The Directors have the power to amend and reissue the financial statements.

Genex Power Limited Consolidated Statement of profit and loss and other comprehensive income For the half year ended 31 December 2015

		ated		
	Notes	31 December 2015	31 December 2014	
		\$	\$	
Revenue	<u> </u>	43,052	14,284	
Expenses				
Project costs		(1,595,144)	(646,023)	
Salary expenses		(859,054)	(403,500)	
Administrative expenses		(352,913)	(131,323)	
Compliance cost and regulatory fees		-	(3,664)	
Consulting costs		(319,754)	(103,193)	
Legal fees		(54,193)	(917)	
Travel and entertainment		(83,758)	(52,889)	
Total Expenses	_	(3,264,816)	(1,341,509)	
Loss before income tax expense	_	(3,221,764)	(1,327,225)	
Income tax expense		-	(1,054)	
Loss after income tax expense		(3,221,764)	(1,328,279)	
Other comprehensive income for the period, net of tax	_	-	<u>-</u>	
Total comprehensive loss for the period Attributable to the owners of Genex Power Limited		(3,221,764)	(1,328,279)	
		31 December	31 December	
		2015 \$	2014 \$	
		Cents	Cents	
Basic loss per share Diluted loss per share		(2.03) (2.03)	(1.78) (1.78)	
Diluted 1033 per silare		(2.03)	(1.70)	

Genex Power Limited Consolidated Statement of financial position For the half year ended 31 December 2015

		Consolida	ated
	Notes	31 December 2015	30 June 2015
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		3,403,387	10,669,145
Trade and other receivables		146,449	80,075
Prepayments	-	4,585	58,123
		3,554,421	10,807,343
Non-Current Assets			
Term deposit/Bank guarantee	4	3,804,312	-
Environmental Bond Receivable	4	-	3,804,311
Goodwill		3,804,312	3,804,312
Property, plant and equipment	3	175,000	-
Other Assets	_	20,670	18,270
		7,804,294	7,616,893
Total Assets	-	11,358,715	18,434,236
Liabilities			
Current Liabilities			
Trade and other payables	5	203,326	491,160
Loans		(60)	46,285
Provisions		42,353	25,194
Environmental bond payable		-	3,804,312
Rehabilitation and restoration provision	_	234,000	234,000
		479,619	4,600,951
Non-Current Liabilities			
Rehabilitation and restoration provision	_	3,570,311	3,570,311
		3,570,311	3,570,311
Total Liabilities	-	4,049,930	8,171,262
Net Assets	-	7,308,785	10,262,974
	-	, , ,	, ,-
Equity Share capital	c	12 477 020	12 477 020
Share capital Option reserves	6 7	12,477,028	12,477,028
Option reserves Accumulated losses	,	1,647,660	1,380,085
Accumulated 1055e5		(6,815,903)	(3,594,140)
Total Equity	=	7,308,785	10,262,973

Genex Power Limited Consolidated Statement of changes in equity For the half year ended 31 December 2015

	Notes	Issued	Option	Accumulated	Total
Consolidated		Capital	Reserves	Losses	Equity
		\$	\$	\$	\$
Balance at 1 July 2014		717,350	30	(540,866)	176,514
Loss after income tax		-	-	(1,328,279)	(1,328,279)
Other comprehensive loss		-	-	-	-
Total comprehensive loss for period		717,350	30	(1,869,145)	(1,151,765)
Shares issued during the period net issue costs		1,884,146	-	-	1,884,146
Share options issued during the period	_	-	55	-	55
Balance at 31 December 2014		2,601,496	85	(1,869,145)	732,436
Balance at 1 July 2015		12,477,028	1,380,085	(3,594,140)	10,262,974
Loss after income tax		-	-	(3,221,764)	(3,221,764)
Other comprehensive loss		-	-	-	-
Total comprehensive loss for period		12,477,028	1,380,085	(6,815,903)	6,923,785
Shares issued during the period net issue costs		-	-	-	-
Share options issued during the period	_		267,575	-	267,575
Balance at 31 December 2015		12,477,028	1,647,660	(6,815,903)	7,308,785

Genex Power Limited Consolidated Statement of cash flows For the half year ended 31 December 2015

No	otes	Consolidated	
	3	1 December 2015	31 December 2014
Cook flows from On organization Autivities		\$	\$
Cashflow from Operating Activities			
Receipts from customers		-	-
Payments to suppliers and employees (inclusive of GST)		(3,283,153)	(1,382,473)
Interest income		43,052	14,284
Income tax paid	- <u></u>	-	(1,054)
Net cash utilised by operating activities		(3,240,101)	(1,369,243)
Cashflow from Investing Activities			
Payment for purchase of land		(175,000)	-
Funds invested into a term deposit/bank guarantee		(3,804,312)	-
Net cash used in investing activities		(3,979,312)	-
Cashflow from Financing Activities			
Net proceeds from issue of shares		-	1,884,146
Net proceeds from issue of options		-	55
Net loan movement		(46,344)	-
Net cash from financing activities		(46,344)	1,884,201
Net increase in cash and cash equivalents		(7,265,758)	514,958
Cash and Cash equivalent at the beginning of the period		10,669,145	238,907
Cash and Cash equivalents at the end of the period		3,403,387	753,865

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, 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 year.

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

Basis of preparation

The half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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 30 June 2015 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.

Note 2. Operating Segment

Management has determined that the Consolidated Entity has one reportable segment; the development of clean energy projects in Australia. Except for Yongqing Yu, all Directors, executive and operating management are based in Australia.

Note 3. Property Plant and Equipment - Non-Current

	31 December 2015 \$	30 June 2015 \$
Land	175,000	

Genex acquired the freehold lease of the Kidston site in December 2015. The site was previously a crown land leased to Genex on a rolling 7 year term lease.

Note 4. Other assets - Non-Current

	31 December 2015 \$	30 June 2015 \$
ANZ bank guarantee	3,804,312	-
Rental bond	2,400	-
Electricity bond	18,270	18,270
Environmental bond	-	3,804,311
	3,824,982	3,822,581

The environmental bond is held by the State of Queensland (the State) for security for compliance with the requirements of Mineral Resources Act 1989 and the Environmental Protection Act 1994. The environmental bond is held in the name of Kidston Gold Mines Limited, a wholly owned subsidiary of Genex and the freehold owner of the Kidston site. The environmental bond will be released upon satisfactory restoration and rehabilitation of the mine site. The ANZ Bank Guarantee was obtained during December 2015 (note 5 below).

Note 5. Trade and other payables

	31 December	30 June
	2015	2015
Current	\$	\$
Trade creditors and accruals	170,144	316,334
PAYG withholdings	33,182	174,827
Bond release payable (i)		3,804,311
	203,326	4,295,472

(i) Under the terms of the Kidston Share Sale Agreement, the Consolidated Entity is required to pay an amount of \$3,804,311 to procure from the vendor those financial guarantees made to the State of Queensland on behalf of Kidston Gold Mines Limited. In December 2015, Genex activated a \$3,804,312 Bank Guarantee Facility with ANZ made to the State of Queensland. This Facility replaced the previous bank guarantee held by lodged by the previous owner of Kidston Gold Mines Limited and extinguished Bond payable liability between Barrick and Genex

Note 6. Equity - issued capital

		31 December 2015 Shares	30 June 2015 Shares	31 December 2015 \$	30 June 2015 \$
Ordinary shares - fully paid	=	158,393,750	158,393,750	12,477,028	12,477,028
Movements in ordinary share capital Details	Date		No of shares	Issue price	\$
Balance		_	17,000,000	_	170
Issue of shares Issue of shares Issue of shares Issue of shares Share issue costs, net of tax	2 Septembe 29 October 14 March 20 5 May 2014	2013 014	23,000,000 20,000,000 14,700,000 15,000	\$0.00001 \$0.00001 \$0.05 \$0.05	230 200 735,000 750 (19,000)
Balance	30 June 201	.4	74,715,000	_	717,350
Issue of shares Issue of shares Issue of shares pursuant to Zhefu Convertible Note	18 July 2014 27 July 2014 30 June 201	1 5	19,309,000 691,000 23,678,750	\$0.10 \$0.10 \$0.16	1,930,900 69,100 3,788,600
Issue of shares - IPO Issue of Loyalty Options Share issue costs, net of tax	30 June 201 30 June 201	-	40,000,000	\$0.20 - - 	8,000,000 (1,380,000) (648,867)
Movement for the year Balance	31 Decemb	er 2015 =	83,678,750 158,393,750	- -	11,759,678 12,477,028

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. The shares have no par value.

Note 7. Equity - option reserves

	31 December 2015 \$	30 June 2015 \$
Option reserves	1,647,660	1,380,085

Option reserve

The reserve is used to record the value of share and loyalty options issued by the Company on terms as outlined below.

Options at the start of the period	28,500,000
Granted during the period	5,000,000
Forfeited during the period	-
Exercised during the period	-
Expired during the period	-
Outstanding at the end of the period	33,500,000
Vested and exercisable at the end of the period	8,500,000

These share options and Loyalty Options are the only outstanding share options of the Consolidated Entity. Please refer to the Annual Report for the year ended 30 June 2015 for the terms attached to the options.

Chief Operating Officer Options

Number	5,000,000
Value per option	\$0.077
Subscription price per option	\$Nil

Each option is convertible into 1 ordinary share in the parent entity

Exercise price per option \$0.25

Vesting condition The options will vest in 5 separate tranches upon the

achievement of various milestones. If a milestone is not achieved, then the options for that milestone will lapse

unvested.

Issue date6 August 2015Expiry date6 August 2020

Option exercise period At any time from date of vesting

Other conditions None

On 6 August 2015, 5,000,000 options were issued to Mr. Arran McGhie (Chief Operating Officer). The options have an exercise price of \$0.25, expire on the 6 August 2020 and are subject to various vesting conditions as announced to the ASX on 10 August 2015.

The value of the Chief Operating Officer Options granted during the period ended 31 December 2015 was calculated to be \$0.077 using Black Scholes Model. The volatility of options used in the Black Scholes valuation are based on share price volatility of other project development companies listed on the ASX with similar valuations and risk profiles. Features incorporated into the measurement of fair value of the options include:

Underlying share price	\$0.175
Exercise price	\$0.25
Expected volatility	60%
Option life	5 years
Expected dividends	Nil
Risk free interest rate	2.5%

Note 8: Fair Value

The Directors consider that the carrying values of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Note 9. Events after the reporting half year ended 31 December 2015

Subsequent to the end of the half year ended 31 December 2015 the following events took place:

On 14 January 2016 Genex announced that it had been advised by ARENA that it had been invited to submit a full application to ARENA pursuant to ARENA's large-scale solar photovoltaic competitive funding round. The full application will be in respect of the first 50MW phase of the Company's 150MW large-scale Kidston solar project and is due by 15 June 2016.

On 18 January 2016, Genex announced it had successfully concluded the conversion of the Kidston energy project site in north Queensland from crown leasehold status to freehold ownership by Genex.

On 1 February 2016, the first drawdown notice was submitted to ARENA for payment of \$731,243 to Genex pursuant to the ARENA funding agreement, which is for a total of up to \$4,000,000.

On 2 February 2016, Genex announced that it had received Development Approval for the 150MW Kidston Solar Project from the Etheridge Shire Council.

On 8 February, Mr. Yongqing Yu was appointed to the board of Genex as a Non-Executive Director as the nominee of the Company's largest shareholder, Zhefu Hydro Power International Engineering Corporation.

Apart from the matters outlined above there have been no other material events or circumstances which have arisen since 31 December 2015 that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 10. Loss Per Share

	31 December 2015 \$	31 December 2014 \$
Total comprehensive loss for the year Weighted average number of ordinary shares used in calculating basic loss per share Adjustments for calculation of diluted loss per share: Options over ordinary shares Weighted average number of ordinary shares used in calculating diluted loss per share	3,221,764 158,393,750	1,328,279 74,715,000
	158,393,750	74,715,000
Basic loss per share Diluted loss per share	Cents (2.03) (2.03)	Cents (1.78) (1.78)

Note 11. Share-based payments

On 6 August 2015, 5,000,000 options were granted as remuneration to the Chief Operating Officer. The total value of these options at the grant date was \$267,575 (Note 7)

Note 12. Dividends

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

4. DIRECTOR'S DECLARATION

In the opinion of the Directors of Genex Power Limited:

- a) The consolidated financial statements and notes of Genex Power Limited are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of its financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting; and
- b) 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 the Directors:



Michael Addison

Managing Director

26 February 2016 Sydney

5. CORPORATE DIRECTORY

DIRECTORS

Dr Ralph Craven
Mr Alan du Mée
Mr Yongqing Yu
Mr Michael Addison
Mr Simon Kidston
Mr Ben Guo
Non-Executive Director
Mon-Executive Director
Managing Director
Executive Director
Finance Director

COMPANY SECRETARY

Mr Justin Clyne

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PRINCIPAL BANKERS

ANZ Banking Group Limited



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF **GENEX POWER LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Genex Power Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of 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 financial report is not in accordance with the Corporations Act 2001 including:

giving a true and fair view of the company's financial position as at 31 December 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 Genex Power 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 Sydney Office 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.

CHARTERED ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GENEX POWER LIMITED (CONT)

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 Genex Power Limited is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

William Buck

Les Turis

Chartered Accountants

William Buck

ABN 16 021 300 521

L.E. Tutt Partner

Sydney, 26 February 2016