

**Periodic Disclosure Query**

1) Please provide a statement of financial position for the asset held for sale-SKCM.

Outstanding period	30-09-2018 AUD\$	31 March 2018 AUD\$
Assets accounts detailed breakdown	Intangible assets-20,959 Fixed assets-25,829 Other receivables-11,222,633 Cash-115	Intangible assets-20,959 Fixed assets-25,829 Other receivables-11,222,633 Cash-115
Liabilities accounts detailed breakdown	Trade and other payables-12,846,949 Amount due to directors-1,779,020	Trade and other payables-12,846,949 Amount due to directors-1,779,020
Assets held for sales		

2) In the Company's 2018 Half-Yearly Financial Report, we note the amounts of disposal group assets classified as held for sale at \$11,269,536 and liabilities directly associated with assets classified as held for sales at \$14,625,969. These amounts were not reflected in the Company's 2018 Annual Report as at 31 March 2018 and the Company's 2019 Annual Report as at 31 March 2019. Please explain why such information only appeared in the Company's 2018 Half-Year Financial Report and not in the subsequent financial reports of the Company.

A: During half year review period the management of the company is committed to a plan to sell SKCM and were looking for buyer. According to IFRS5, the assets and liabilities related to SKCM have been presented as held-for-sale in the statement s of financial position. This plan has been taken into consideration only after 31 March 2018, so as at 31 March 2018 the accounts of SKCM was consolidated to group accounts as subsidiary so these amounts were not reflected in the Company's 2018 Annual Report. After a few months the management of the Company has realised that it is difficult to find buyer within 12 months so they ceased to classified as discontinued operation and reclassified as continuing operation and so these amount were not reflected in the Company's 2019 Annual report consequently.

3) We note that according to the 2018 Half-Yearly Financial Report SKCM hasn't carried on any business and no income incurred since 1 April 2017. Considering the Company' response to the General Disclosure Query on 19 November 2018 which refers to the Company's current business, please provide a timeline of business activity of SKCM that reflects any discontinued of operations.

A: In July 2018, the management of the company have decided to sell all aspects of the SKCM. From August 2018 they looked for buyer until Feb 2019 the found that it is difficult to find buyer within 12 months so they ceased SKCM as a discontinued operation and reclassified as continuing operation.

4) Please explain the nature of the Other Receivable of \$11,222,633 recorded in the 2019 Half-Yearly Financial Report as at 30 September 2019. Noting that the Other Receivable amount has been recorded in the Company's financial reports since 2016, please explain what steps have taken by the Company to assess the recoverability of the receivable amount and confirm when the outstanding amount can be recovered by the Company.

A: The other receivable due from 嘉兴坤伦贸易有限公司[@]. The company have a agreement with this company. The management of the company send confirmation letter as soon as the year end accounts are closed each year to confirm the outstanding balance. No dispute with this company and there is no doubtful debts history from this company in the past. The management of company have confidence in the recoverability of this receivable. According to the current agreement this outstanding amount can be recovered on 2 June 2020.

[@] Unofficial translation of entity name: **Jiaxing Kunlun Trading Co., Limited**

Director: ZHOU Xinghang
Date: 19 February 2020