

31 January 2013

Dear Shareholders

We are pleased to enclose our half yearly report for the recently formed Direct Nickel group.

The company's progress over the last few months has been very satisfactory with many of the promised milestones completed or underway.

As the Company moves forward on its path to become a nickel producer of global scale, there are three areas of focus.

- ☞ The Test Plant in Perth is the number one priority. Its commissioning in stages and successful operation will provide essential information and operating data for the bankable feasibility studies inevitably required by the company and its partners in progressing the first large scale commercial plant.

Although it is early days, commissioning progress is very satisfactory. The Plant will be used to demonstrate the Direct Nickel Process working on the key types of nickel laterites – on limonite, on saprolite and on a blend of the two.

The initial commissioning work involves processing nickel ore from Indonesia which has been supplied by PT Antam, one of Indonesia's largest producers of nickel using traditional ferro-nickel processes.

The successful demonstration of larger scale processing of ores will build significantly on prior bench scale testing in Perth of the Direct Nickel Process on over 60 samples of ores from 26 different worldwide nickel deposits.

- ☞ Our number two focus is the development of the first processing plant, most likely in Indonesia. Indonesia is seen as an excellent location as we do not need to operate as miners there with the attendant development delays and political risks. Instead we expect to be able to source some of the world's highest grade nickel delivered directly to our processing plant by existing miners who, from next year, are required to process ore in Indonesia.

Discussions are continuing with PT Antam to expand our existing Co-Operation Agreement with them to take advantage of the expected results of the test program.

- ☞ The Botue-Mambare Project in PNG remains an important asset for the Company. Direct Nickel holds a 50% share in the Project with our UK joint venture partner, Regency Mines plc. The Joint Venture partners have commissioned a Value Engineering Study to examine the various go-forward options. This is currently on hold pending agreement between the parties on funding arrangements.

Our financial results for the half year are attached. In preparing these we take a conservative position, as we do with any releasing any public information. Most notably we have chosen to maintain a nil carrying value for our Indonesian efforts and also for our Mambare efforts and asset, notwithstanding their very significant potential benefit to the company.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Vincent Sweeney', is written over a white background.

Vincent Sweeney
Chairman



DIRECT NICKEL LIMITED

(Formerly WinTech Group Limited)

ACN 003 087 689

Appendix 4D Interim Financial Report

**for the half-year ended
31 December 2012**

To be read in conjunction with the 30 June 2012 Annual Report
In Compliance with Listing Rule 4.2A

DIRECT NICKEL LIMITED

(Formerly WinTech Group Limited)

ACN 003 087 689

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current Reporting Period: Half-year ended 31 December 2012
Previous Reporting Period: Half-year ended 31 December 2011

Results to be announced to the market		A\$
Revenue from ordinary activities	increased 12,518%	2,878,661
Loss after tax attributable to members	decreased 54.2% to	1,031,112
Loss for the half-year attributable to members	decreased 54.2% to	1,031,112

Dividends

No dividends have been paid or provided for during the half year

Other Information	31 December 2012	31 December 2011
Net Tangible Assets per ordinary share	0.76	(4.09)

Refer to the Directors' Report – Review of Operations for an explanation of the above information and the attached financial statements.

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
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COMPANY PARTICULARS

DIRECTORS

Mr Vincent Sweeney (Non executive Chairman)
Mr Russell Debney (Managing Director)
Mr William Drinkard (Non executive Director)
Mr Christopher Gower (Non executive Director)

COMPANY SECRETARY

Mr Vincent Sweeney

AUDITORS

William Buck
Level 20, 181 Williams Street
Melbourne Vic 3000

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PRINCIPAL PLACE OF BUSINESS

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STOCK EXCHANGE LISTING

Direct Nickel Limited shares are listed on
the Australian Securities Exchange Limited
ASX Code: DIR

CORPORATE ADVISORS

Sydney Capital Partners
www.sydneycapital.com.au

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
ACN 003 087 689

DIRECTORS' REPORT

The Directors present their report together with the financial statements of Direct Nickel Limited (formerly WinTech Group Limited) (the "Company") and its controlled entities (the "Group") for the half-year ended 31 December 2012, and the independent auditor's review report thereon.

DIRECTORS

The names of the Directors in office at any time during or since the end of the half-year are:

Vincent Sweeney (appointed 07 October 2011)
Russell Debney (appointed 2 October 2012)
William Drinkard (appointed 7 October 2012)
Christopher Gower (appointed 15 November 2012)
Steve Liebeskind (resigned 7 October 2012)
Rick Taylor (resigned 2 October 2012)

REVIEW OF OPERATIONS

The results of the entity for the half-year ended 31 December 2012 was a loss of \$1,031,112 after income tax compared to 2011 which incurred a loss of \$2,731,666.

This result reflects the legal acquisition of Direct Nickel Holdings Pty Ltd and its related entities which were successfully completed in December 2012, which meant that control of the company was reversed from Direct Nickel Limited shareholders to those of Direct Nickel Projects Pty Ltd. As a consequence, the reverse acquisition rules, set out in AASB 3 *Business Combinations* were triggered. Accordingly, these financial statements contemplate the continuation of financial reporting of Direct Nickel Projects Pty Limited (the "Direct Nickel Group"). This has meant that the comparative results reported in this financial report are those of the accounting acquirer, Direct Nickel Projects Pty Limited (formerly "Direct Nickel Pty Ltd"), and not of those of the legal acquirer, Direct Nickel Limited (formerly "WinTech Group Limited"). On 15 November 2012 at the Wintech Group Limited AGM the Company changed its name to Direct Nickel Limited.,

Direct Nickel Group business includes the research and development of patented technology which uses recycled acids in processing Nickel laterites. The Group has developed a test plant, in-conjunction with CSIRO in Perth, which it intends to use to market its process. In addition to this the Group continues to invest in its 50% interest in Oro Nickel Limited which owns a nickel deposit in Papua New Guinea with its 50% joint venture partner is Regency Mines PLC and to invest in its 80% owned PT Direct Nickel Limited which is based in Indonesia and is in start-up phase.

SUBSEQUENT EVENTS

Since 31 December 2012 the company has no subsequent events to report.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Lead Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 5 for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors:



Vincent Sweeney
Chairman
Sydney
31st January 2013

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF DIRECT NICKEL LIMITED
(FORMERLY WINTECH GROUP LIMITED)**

I declare that, to the best of my knowledge and belief that during the half year ended 31 December 2012 there have been:

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

A handwritten signature in blue ink that reads 'William Buck'.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A handwritten signature in blue ink that reads 'J.C. Luckins'.

J.C. Luckins
Director

Dated in Melbourne this 31st day of January, 2013

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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MEMBER
GLOBAL ALLIANCE OF
INDEPENDENT FIRMS

DIRECT NICKEL LIMITED
(Formerly Wintech Group Limited)
ACN 003 087 689

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	Consolidated Group	
		<i>31 December</i>	
		2012	2011
		\$	\$
Income			
Research and development grant credits received		1,005,801	-
Variation of licence rights		1,800,000	
Fees from services rendered		64,234	-
Interest income		8,626	22,996
Operating Expenses			
Loss on investment		(93,333)	(683,975)
Administration and corporate expenses		(756,844)	(277,130)
Depreciation expense		(7,919)	(10,448)
Employee benefits expense		(1,843,116)	(1,063,564)
Setup costs for establishing foreign operations			
Indonesia		(213,821)	-
Papua New Guinea		(73,971)	-
Legal and consulting expenses		(389,026)	-
Research and development expenses		(531,743)	(719,545)
		<hr/>	<hr/>
Loss before income tax expense		(1,031,112)	(2,731,666)
Income tax expense	6	<hr/> -	<hr/> -
Loss attributable to members of the Company		(1,031,112)	(2,731,666)
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total Comprehensive Income attributable to members of the Company		(1,031,112)	(2,731,666)
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share			
Basic and diluted loss per share (cents)	7	(1.017)	(2.940)

The accompanying notes form part of these financial statements.

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
ACN 003 087 689

BALANCE SHEET
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	Consolidated Group	
		31 December 2012 \$	30 June 2012 \$
Current Assets			
Cash and cash equivalents	3	3,531,274	641,736
Receivables		41,302	41,114
Financial assets		-	364,307
Rental bond		2,000	34,026
Total Current Assets		3,574,576	1,081,183
Non-Current Assets			
Plant and equipment	4	3,808,500	3,070,139
Intellectual Property		524,578	524,578
Total Non-Current Assets		4,333,078	3,594,717
Total Assets		7,907,654	4,675,900
Current Liabilities			
Trade payables		629,920	305,756
Convertible notes		-	3,328,177
Provisions for employee entitlements		449,051	241,201
Total Current Liabilities		1,078,971	3,875,134
Non-Current Liabilities			
Provisions for employee entitlements		5,415,637	4,681,508
Total Non-Current Liabilities		5,415,637	8,009,685
Total Liabilities		6,494,608	8,556,642
Net Assets/(Liabilities)		1,413,046	(3,880,742)
Equity			
Issued capital	8	23,743,280	17,418,380
Accumulated losses		(22,330,234)	(21,299,122)
Total Equity		1,413,046	(3,880,742)

The accompanying notes form part of these financial statements.

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
ACN 003 087 689

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2011	15,677,252	(15,024,730)	652,522
Total comprehensive income	-	(2,731,666)	(2,731,666)
Balance at 31 December 2011	15,677,252	(17,756,396)	(2,079,144)
Balance at 1 July 2012	17,418,380	(21,299,122)	(3,880,742)
Total comprehensive income	-	(1,031,112)	(1,031,112)
Issue of ordinary fully paid shares	8,145,137	-	8,145,137
Cost of equity	(1,820,237)	-	(1,820,237)
Balance at 31 December 2012	23,743,280	(22,330,234)	1,413,046

The accompanying notes form part of these financial statements.

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
ACN 003 087 689

CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	Consolidated Group	
		<i>31 December</i>	
		2012	2011
		\$	\$
Cash flows from operating activities			
Receipts for variation of license and project activities		1,931,089	-
Research and Development credits from ATO		1,005,801	-
Interest Income		8,626	22,996
Payments to suppliers and employees		(2,362,954)	(2,523,248)
Set up costs for establishing PNG and Indonesia		(213,821)	-
		<u>368,741</u>	<u>(2,500,252)</u>
Net cash from/(used in) operating activities			
Cash flows from investing activities			
Proceeds from sales of assets		270,974	-
Acquisition of Plant and equipment		(1,280)	-
		<u>269,694</u>	<u>-</u>
Net cash from investing activities			
Issue of share capital		2,251,103	-
Proceeds from convertible notes		-	1,640,483
		<u>2,251,103</u>	<u>1,640,483</u>
Net cash provided from financing activities			
Net increase in cash and cash equivalents held		2,889,538	(612,586)
Cash and cash equivalents at the beginning of the half-year		<u>641,736</u>	<u>1,426,993</u>
Cash and cash equivalents at the end of the half-year		<u><u>3,531,274</u></u>	<u><u>814,407</u></u>

The accompanying notes form part of these financial statements.

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
ACN 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

These general purpose financial statements for the interim half-year period ending 31 December 2012 have been 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 Accounting Standards.

These interim financial statements are intended to provide users with an update on the latest annual financial statements of Direct Nickel Limited (formerly WinTech Group Limited). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2012, together with any announcements made during the half-year.

Direct Nickel Limited (formerly Wintech Group Limited) completed the legal acquisition of Direct Nickel Projects Pty Ltd (formerly Direct Nickel Pty Ltd) on 27 December 2012. Under the terms of its accounting policy for reverse acquisitions of entities that are not businesses, Direct Nickel Projects Pty Ltd is for accounting purposes the acquirer of Direct Nickel Limited. Accordingly, the consolidated financial statements of the group have been prepared as a continuation of the consolidated financial statements of Direct Nickel Projects Pty Ltd. The accounting acquirer has accounted for the acquisition from 27 December 2012. The columns headed Consolidated Group and also the comparative information for the period 1 July 2011 to 31 December 2011 and as at 30 June 2012 presented in these financial statements represent the consolidated numbers for the Direct Nickel Projects Pty Ltd unless indicated otherwise. Refer to Note 8 for further details of the acquisition.

The accounting policies have been consistently applied by the Group and are consistent with those of the previous financial year and corresponding interim financial reporting period. Due to the acquisition of WinTech Group Limited as disclosed in Note 8 of the Financial Statements the following additional accounting policies have been applied by the Group in this financial reporting period:

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Direct Nickel Limited at the end of the reporting period. A controlled entity is any entity over which Direct Nickel Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

b. Reverse acquisitions of entities that are not businesses

When an entity obtains control over an entity and that entity is not a business, the company applies its accounting policy for consolidations, and any consideration paid in-respect of the acquisition of that entity in-excess of the net book value of assets and liabilities acquired is expensed to the profit and loss. When the costs of an acquisition of such an entity can be directly attributed to the successful issue of share capital during the accounting period, these costs are recognised directly in equity and net off against the issued capital account.

Where consideration for the acquisition involves the issue of issued capital by the accounting acquirer, such equity is measured at its grant date fair value. Grant date is the date in which all parties to the transaction are fully aware of the rights and entitlements attributed to the consideration of the issued capital issued by the accounting acquirer.

c. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

DIRECT NICKEL LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

d. Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

DIRECT NICKEL LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

f. Interests in Joint Ventures

The Group's shares of the assets, liabilities, revenue and expenses of jointly controlled operations have been included in the appropriate line items of the consolidated financial statements.

The Group's interests in joint venture entities are recorded using the equity method of accounting.

Where the Group contributes assets to the joint venture or if the Group purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Group's share of the joint venture shall be recognised. The Group recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

g. Intangible Assets

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

Intellectual property

All intellectual property, including licences, patents and trademarks are recognised at cost of acquisition. Intellectual property with an infinite life is subsequently carried at cost less any impairment losses. Such intellectual property is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which such intellectual property is monitored not larger than an operating segment.

h. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled have been measured at the amounts expected to be paid when the liability is settled. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy any vesting requirements.

i. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
ACN 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

j. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods, licence rights or variation to those rights is recognised upon the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods or licence rights.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

2. SEGMENT NOTE

As at 31 December 2012 the Group was involved in one operating segment being the research and development of nickel processing technology within the Oceania region.

3. CASH AND CASH EQUIVALENTS

As at 31 December 2012 cash and cash equivalents included cash totalling \$177,115 (June 2012: \$300,482) held specifically for the expenditure on research and development projects at the Group's Demonstration Plant in Perth.

4. PLANT AND EQUIPMENT

Plant and equipment is represented by the Group's Perth Demonstration Plant, which is in the process of construction and is not yet available for use. The total costs of construction of the plant as at 31 December were \$3,743,286 (30 June 2012: \$3,049,422).

5. INTEREST IN JOINT VENTURE ENTITY

The Group owns a 50% interest in Oro Nickel Limited, a joint venture entity created for the management and operation of the Mambare project domiciled in Papua New Guinea. As at 31 December 2012 Oro Nickel Limited's accounts held net assets worth \$2,280,209 (30 June 2012: \$2,534,513), represented principally by capitalised exploration to the Mambare project worth \$5,506,472 (30 June 2012: \$5,615,396). The functional currency of the joint venture entity is the Kina.

As at 31 December 2012 the Group had contributed \$2,057,183 in cash calls and in consideration through services rendered to the project (30 June 2012: \$1,983,134).

As at both 31 December and 30 June 2012, the directors have concluded that, due to the uncertainty and timing of future cashflows relating to the project, the investment in the joint venture entity has been written down to \$nil in these financial statements (30 June 2012: \$nil).

DIRECT NICKEL LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

6. INCOME TAX ASSETS NOT RECOGNISED

As at 31 December 2012 the Group has \$22,330,230 in accumulated losses (June 2012: \$21,299,122). The Directors believe that some of these losses may potentially be available to offset future assessable income, however, due to the recent transaction highlighted in Note 8, and the inherent uncertainty prevalent in recognising such an asset, the quantum of this asset cannot be recognised in the balance sheet nor reliably estimated for disclosure purposes.

7. LOSS PER SHARE

The earnings and weighted average number of ordinary shares used in calculation of basic earnings per share are as follows:

	2012	2011
Net loss for the half year attributed to ordinary Shareholders	(1,031,112)	(2,731,666)
Weighted average number of ordinary shares adjusted for the Wintech acquisition *	101,384,215	92,920,133

* For the period 1 July 2011 to 31 December 2011 Direct Nickel had issued an average of 13,868,677 shares. This have been adjusted by a factor of 6.7 in order to incorporate the effects of the Wintech acquisition (refer to Note 8).

8. ISSUED CAPITAL AND THE ACQUISITION OF DIRECT NICKEL LIMITED (formerly WinTech Group Limited)

As stated in Note 1, these financial statements are those of the consolidated group ultimately owned and controlled by Direct Nickel Projects Pty Ltd (formerly Direct Nickel Pty Ltd). During the period, the Group acquired Direct Nickel Limited (formerly Wintech Group Limited), a company listed on the Australian Securities Exchange. The details of the completion of this transaction are as follows:

- In January 2012 Wintech Group Limited's board and shareholders approved the issue of 110 million ordinary shares, to be held in escrow, pending the completion of due diligence procedures in-connection with the acquisition of 100% of the shares in Direct Nickel Pty Ltd. As at this time, Wintech Group Limited had 1,372,439 ordinary fully paid shares on issue. The 110 million shares had no voting rights, rights to capital or profit distributions or rights on wind-up until such time as they were released from escrow.
- On 3 October, at an extraordinary meeting of Direct Nickel Pty Ltd, shareholders voted to approve a capital reduction and share cancellation with the exception of those shares owned by Wintech Group Limited, in-exchange for the shares issued by Wintech in escrow. Each shareholder of Direct Nickel Pty Ltd received 6.7 Wintech shares for every share held in Direct Nickel Pty Ltd.
- On 15 November 2012 the shareholders of Wintech Group Limited voted to change the name of the company to Direct Nickel Limited. At a general meeting held on the same day, shareholders of Direct Nickel Pty Ltd voted to approve to change the name of Direct Nickel Pty Ltd to Direct Nickel Projects Pty Ltd.
- On 27 December 2012 the new consolidated entity announced to the ASX that all necessary approvals and procedures were obtained in order to complete the transaction and the escrow conditions formerly held over the 110 million shares issued by Wintech Group Limited lapsed.

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
ACN 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

The number of fully paid and unrestricted shares in the legal entity, formerly known as Wintech Group Limited, for the period is as follows:

	2012 No.
Issued and paid up capital of Direct Nickel Limited	
Balance at the beginning of the financial period	1,372,439
Shares allotted on acquisition of Direct Nickel Holdings Pty Ltd and subsidiaries	110,000,000
Issue of fully paid ordinary shares	5,069,676
Balance at the end of the financial period	<u>116,442,115</u>

Under the Group's accounting policy for reverse acquisitions, the Directors have assessed that the transactions discussed above meet the accounting definition of a reverse acquisition, and accordingly, these financial statements reflect those of the accounting (and not the legal) acquiree. The main reason for the application of this policy was due to the fact that following the transaction, the former shareholders of Direct Nickel Projects Pty Ltd acquired 103,659,157 of the 110,000,000 shares issued by Wintech Group Limited. Under these accounting rules, the comparative results of the entity formerly known as Wintech Group Limited have been restated to the following:

- The comparatives of the balance sheet are those of the consolidated group controlled by Direct Nickel Projects Pty Ltd as at 30 June 2012: and
- The comparatives of the statement of comprehensive income, statement of changes in equity and the cashflow statement are those of the consolidated group controlled by Direct Nickel Projects Pty Ltd for the period 1 July 2011 to 31 December 2011.

During the period of due diligence, the Directors of the consolidated Group determined that the entity formerly known as Wintech Group Limited did not satisfy the definition of a business, consistent with its accounting policy for reverse acquisitions, and accordingly determined that the transaction represented a share-based payment in-consideration for a listed shell entity, the major purpose of which was to enhance the liquidity of the consolidated group's share equity and further the potential for future issues of issued capital on the Australian Securities Exchange. Accordingly, all costs directly attributable to the acquisition have been classified as costs of issued capital and form part of equity. With the exception of the matter discussed in Note 9 Contingent Assets and Liabilities, no asset or liability was acquired by Direct Nickel Projects Pty Ltd arising from the acquisition.

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
ACN 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

The movements of Issued Capital, as they apply to the new consolidated Group are as follows:

Issued Capital

	Issued Shares	Issued Capital	Cost of Issuing equity	Total Issued Capital
	No.	\$	\$	\$
Balance at beginning of financial period	14,173,069	17,418,380	-	17,418,380
Conversion of 2010 and 2011 convertible notes	1,260,572	3,328,177	-	3,328,177
Issue of ordinary fully paid shares (pre-acquisition)	37,875	151,500	-	151,500
Cancellation of share capital	(15,471,516)	-	-	-
Shares issued to Direct Nickel Pty Ltd shareholders (basis of 6.7:1)	103,659,157	-	-	-
Shares issued Wintech Group Ltd shareholders	1,372,439	500,940	(500,940)	-
Shares issued as part of the cost of acquisition	3,614,204	1,319,294	(1,319,294)	-
Issue of ordinary fully paid shares	7,796,315	2,845,223	-	2,845,223
Balance at end of financial period	116,442,115	25,563,514	(1,820,234)	23,743,280

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings.

In the event of winding up of the company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of administration.

9. CONTINGENT ASSETS AND LIABILITIES

a) There is an amount owing to a creditor of the Group which is held at amortised cost of \$nil as it cannot be called for repayment before January 2033, except in certain events of default which is not considered likely.

b) The company holds an investment in an Indonesian company, PT Direct Nickel Limited whereby it holds 80% of the ordinary fully paid shares of its investee. As at the date of this report the directors are reviewing the rights and entitlements of these shares under Indonesian law and are yet to determine what future economic benefits are attached to these shares and on this basis no asset has been capitalised in the balance sheet.

10. SUBSEQUENT EVENTS

Since 31 December 2012 the company has nothing to report.

DIRECT NICKEL LIMITED
(Formerly WinTech Group Limited)
ACN 003 087 689

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2012 for the half-year ended on that date.
2. In director's 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.

This declaration is made in accordance with a resolution of the Board of Directors:



Vincent Sweeney
Chairman

Dated in Sydney, Australia on this 31st day of January 2013.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DIRECT NICKEL LIMITED (FORMERLY WINTECH GROUP LIMITED)

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Direct Nickel Limited (formerly Wintech Group Limited), which comprises the consolidated balance sheet as at 31 December 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 2012 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 Direct Nickel 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.

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS DIRECT NICKEL LIMITED (FORMERLY WINTECH GROUP 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 Direct Nickel Limited (formerly Wintech Group Limited) is not in accordance with the Corporations Act 2001 including:

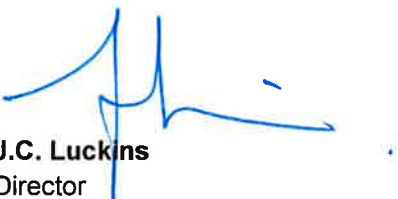
- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Matters Relating to the Electronic Presentation of the Reviewed Half Year Financial Report

This auditor's review report relates to the half year financial report of Direct Nickel Limited for the half year ended 31 December 2012 included on the company's website. The company's directors are responsible for the integrity of the website. We have not been engaged to report on the integrity of the website. The auditor's review report refers only to the half year financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half year financial report to confirm the information included in the reviewed financial report presented on this website.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J.C. Luckins
Director

Dated in Melbourne this 31st day of January, 2013