

MEJORITY CAPITAL LIMITED

ACN 106 760 148

(Formerly Bridge Global Capital Management Limited)

Appendix 4D - Half Year Report 31 December 2016

1. DETAILS OF THE REPORTING PERIOD AND THE PREVIOUS CORRESPONDING PERIOD

Reporting Period	Half Year Ended 31 December 2016
Previous Corresponding Period	Half Year Ended 31 December 2015

2. RESULTS FOR ANNOUNCEMENT

Revenue from Ordinary Activities	790,733
Previous Corresponding Period	602,771
Percentage Change from Previous Period	31.2%

Loss from Ordinary Activities after Tax	(\$1,394,768)
Previous Corresponding Period	(\$2,232,672)
Percentage Change from Previous Period	37.5%

Net Loss for the Period attributable to Members	(\$1,394,768)
Previous Corresponding Period	(\$2,232,672)
Percentage Change from Previous Period	37.5%

The dividend per security	There are no dividends proposed or paid relating to the reporting period.
The record date for determining entitlements	N/A

3. EARNINGS PER SECURITY

Earnings per share per security	
Reporting Period	(1.1)
Previous Period	(2.3)

4. NET TANGIBLE ASSETS PER SECURITY

Reporting Period	3.29
Previous Period	5.09



Simon Lill
Chairman
27 February 2017



ACN 106 760 148

(Formerly Bridge Global Capital Management Limited)

INTERIM FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
31 DECEMBER 2016**

**THIS INTERIM FINANCIAL REPORT IS TO BE READ IN CONJUNCTION WITH THE FINANCIAL REPORT FOR THE YEAR
ENDED 30 JUNE 2016**

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Your directors submit the half-year financial report of the consolidated entity (the “Group”) consisting of Mejority Capital Limited (the “Company”) and the entities it controlled, for the half-year to 31 December 2016.

In order to comply with the provisions of the *Corporations Act 2001*, the directors’ report as follows:

DIRECTORS

The names of the directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

DIRECTORS

Simon Lill (appointed 18 May 2011)
Neil Sheather (appointed 10 November 2014)
Mark Shin Yong Chew (appointed 13 May 2016)
Dao Soon Woei Wong (appointed 5 April, 2016)

RESULTS

The loss for the half year after tax was \$1,394,768 (2015: loss of \$2,232,672).

The Company operates within the Financial Services sector in Australasia, with four key fee earning platforms for operations:

1. Funds Management;
2. Proprietary Trading;
3. Trading Commissions; and
4. Corporate Activity.

REVIEW OF OPERATIONS

During the six month period to 31 December 2016, the Company conducted an in depth review and evaluation of its operations both in Australia and in Hong Kong. As a result the Board has decided to exit its investment in Mejority Securities Ltd HK (MSL).

The main reasons for the divestment are:

- the significant drain on cash MSL has caused the Group; and
- a slowing of capital and investment inflows from its Asian based clients.

Consequently on 7 December 2016, the Company entered into a Memorandum of Understanding with Global Group International Holdings Limited HK (GGI) for GGI to wholly acquire MSL HK.

The terms of acquisition are as follows:

- A non-refundable deposit of HKD1,100,000 on signing of the MOU and commencement of Due Diligence – this has been paid.
- A payment of HKD9,900,000 being a gross payment from which sales commissions to business brokers involved with the transaction will be deducted; and
- The refund of HKD3,600,000 which is on deposit in Hong Kong securing the Company’s financial obligations with the HK SFC.

Hence the total cash returned to MJC is in the order of A\$2,100,000 (less expenses). It is anticipated that the transaction will settle before the end of the 1st half of 2017.

MJC acquired MSL in May of 2016 as part of its cross over strategy between Australia and Hong Kong as a conduit into the Chinese capital markets. The strategy has suffered due in part to a tightening of capital outflows from China and MJC struggling to control the costs of the business. It believes the sale outcome provides a reasonable return to shareholders, stems losses that were occurring, and allows MJC to continue its strategy as it will retain a close co-operation with the incoming Global Group that will provide it with similar access to the Chinese capital markets. The co-operation agreement with Global will also afford MJC the opportunity to utilise the existing

infrastructure to service existing Hong Kong and Chinese clients, whilst maintaining the Company's overall Asian strategy in a more cost effective manner.

The Company continues with its core day to day operations under its existing AFSL, which comprise:

- provision of financial advice and trading services to retail and wholesale clients. This is currently the Company's major source of income;
- strategic corporate advice to a select group of companies; and
- licensing services, where it has external corporate authorised representatives that operate under its AFSL for which it earns fee revenue.

The Company maintains offices on the Gold Coast and Sydney where it currently has 6 advisers. It is seeking to expand its office locations to other major Australian cities and to employ additional advisers.

MJC is also seeking to expand and diversify its revenue stream and to that end has recently appointed four Corporate Authorised Representatives ("CAR") who add to the Company's revenue stream. The Company is in discussion with other CAR's whom it hopes will materialise into formal commercial agreements through the next quarter. This area of business will be a key focus for the Australian operations in 2017.

The Company expects the combination of the above two revenue streams will see an increase in operational revenues from that reported at 30 June 2016.

SUBSEQUENT EVENTS

GGI have advised the Company, as at 21 February 2017, significant progress had been made in relation to the due diligence and that the process would be concluded in the very near future. Conclusion requires notification to MJC that GGI have signed off on due diligence and will then commence the requisite HK SFC approvals to finalise the change in shareholder.

To date, the Company is not aware of any issues or concerns arising from the due diligence being conducted by GGI and its representatives.

Other than the matters disclosed above, there was no other matter or circumstance that has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

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

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the *Corporations Act 2001*, and on behalf of the Board by:



SIMON LILL
DIRECTOR

Dated the 27th of February 2017

**Lead Auditor's Independence Declaration under Section 307C
of the *Corporations Act 2001* to the Directors of Mejority Capital Limited.**

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016, there have been:

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



Crowe Horwath Brisbane



CAMERON HENRY
Partner

Signed at Brisbane, 27 February 2017

MEJORITY CAPITAL LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	NOTE	31 DEC 2016 \$	31 DEC 2015 \$
Continuing operations			
Revenue			
Rendering of services		697,996	370,155
Change in fair value of investment property		-	176,016
Interest income		3,356	9,987
Other income		89,381	46,613
		<u>790,733</u>	<u>602,771</u>
Realised share and investment fund trading loss		-	(1,268,821)
Expenses			
Product commissions		(433,421)	(328,479)
Audit fees		(24,521)	(18,450)
Corporate and professional expenses		(499,397)	(606,865)
Change in fair value of investments	4	(585,022)	(703,638)
Occupancy expenses		(38,969)	(11,712)
Finance expenses		(18,153)	(39,800)
Other expenses		(20,292)	(41,193)
		<u>(829,042)</u>	<u>(2,416,187)</u>
LOSS BEFORE INCOME TAX		(829,042)	(2,416,187)
Income tax benefit		-	183,515
		<u>(829,042)</u>	<u>(2,232,672)</u>
DISCONTINUED OPERATIONS			
Loss from discontinued operations after income tax	9	(565,726)	-
		<u>(1,394,768)</u>	<u>(2,232,672)</u>
LOSS FOR THE PERIOD			
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
ITEMS THAT MAY BE CLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Exchange differences on translation of foreign operations		(6,969)	-
		<u>(6,969)</u>	<u>-</u>
TOTAL OTHER COMPREHENSIVE LOSS		(6,969)	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,401,737)	(2,232,672)
EARNINGS PER SHARE			
Basic and diluted loss per share (cents per share)		(1.1)	(2.3)
EARNINGS PER SHARE – CONTINUING OPERATIONS			
Basic and diluted loss per share (cents per share)		(0.7)	(2.3)

The accompanying notes form part of these condensed consolidated interim financial statements.

MEJORITY CAPITAL LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	NOTE	31 DEC 2016	30 JUN 2016
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		495,060	3,959,335
Receivables		140,083	530,662
Financial assets	4	2,650,147	3,189,113
Assets classified as held for sale	8	1,879,831	-
TOTAL CURRENT ASSETS		5,165,121	7,679,110
NON-CURRENT ASSETS			
Property, plant and equipment		18,143	24,526
Investment property		673,715	673,715
Intangibles		-	203,252
TOTAL CURRENT ASSETS		691,858	901,493
TOTAL ASSETS		5,856,979	8,580,603
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		354,660	2,635,513
Liabilities classified as held for sale		958,966	-
TOTAL CURRENT LIABILITIES		1,313,626	2,635,513
NON-CURRENT LIABILITIES			
Borrowings		448,000	448,000
TOTAL CURRENT LIABILITIES		448,000	448,000
TOTAL LIABILITIES		1,761,626	3,083,513
NET ASSETS		4,095,353	5,497,090
EQUITY			
Issued capital	6	8,715,533	8,715,533
Reserves		(10,137)	(3,168)
Accumulated losses		(4,610,043)	(3,215,275)
TOTAL EQUITY		4,095,353	5,497,090

The accompanying notes form part of these condensed consolidated interim financial statements.

MEJORITY CAPITAL LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	ISSUED CAPITAL \$	RESERVES	ACCUMULATED LOSSES \$	TOTAL \$
BALANCE AT 1 JULY 2015	7,700,896	-	(94,500)	7,606,396
Total comprehensive loss for the period				
Loss for the period	-	-	(2,232,672)	(2,232,672)
Total other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(2,232,672)	(2,232,672)
Shares issue expenses for the period	(1,975)	-	-	(1,975)
BALANCE AT 31 DECEMBER 2015	7,698,921	-	(2,327,172)	5,371,749
BALANCE AT 1 JULY 2016	8,715,533	(3,168)	(3,215,275)	5,497,090
Total comprehensive loss for the period				
Loss for the period	-	-	(1,394,768)	(1,394,768)
Total other comprehensive loss	-	(6,969)	-	(6,969)
Total comprehensive loss	-	(6,969)	(1,394,768)	(1,401,737)
BALANCE AT 31 DECEMBER 2016	8,715,533	(10,137)	(4,610,043)	4,095,353

The accompanying notes form part of these condensed consolidated interim financial statements.

MEJORITY CAPITAL LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	NOTE	31 DEC 2016 \$	31 DEC 2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		1,458,700	2,131,511
Interest income received		12,822	9,988
Dividends received		-	2,419
Payments to suppliers and employees		(1,997,874)	(1,175,600)
Interest expenses paid		(18,625)	(39,800)
Net client monies movement		(1,650,377)	-
Net cash used in operating activities		(2,195,354)	928,518
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property plant & equipment		(1,868)	(7,701)
Payments for investment property		-	(16,318)
Payments for listed equities		(39,555)	(412,599)
Payments for other investments		(6,500)	(2,161,265)
Proceeds from sale of direct equity investments		-	215,030
Proceeds from deposits on call – restricted cash		-	444,872
Deposit held – Hong Kong divesture		174,620	-
Net cash from/(used in) financing activities		126,697	(1,937,981)
CASH FLOW FROM FINANCING ACTIVITIES			
Share issue costs		-	(138,592)
Net cash used in financing activities		-	(138,592)
Net decrease in cash held		(2,068,657)	(1,148,055)
Cash at beginning of year		3,959,335	4,057,309
Exchange rate differences		14,158	15,466
Cash and cash equivalents at end of period		1,904,836	2,924,720
Less cash reclassified to assets held for sale	8	(1,409,775)	-
Cash and cash equivalents held by continuing operations		495,061	2,924,720

The accompanying notes form part of these condensed consolidated interim financial statements.

1. REPORTING ENTITY

Mejority Capital Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half year ended 31 December 2016 comprises the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily focused on providing financial services, predominantly in funds management and broker trading.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2016 are available upon request from the Company's registered office at Level 2, Suite 9, 389 Oxford Street, Mt. Hawthorn WA 6016 or at www.mejoritycapital.com.au.

2. BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134: *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

These condensed consolidated interim financial statements do not include full disclosures of the type normally included in annual financial statements. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial statements.

It is recommended that these condensed consolidated interim financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2016 and any public announcements made by Mejority Capital Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

(B) ESTIMATES

When preparing the condensed consolidated interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the condensed consolidated interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2016. In addition, the following significant areas of estimation uncertainty and critical judgements in applying accounting policies that had a significant effect on the preparation of the condensed consolidated interim financial statements include:

3. SIGNIFICANT ACCOUNTING POLICIES

The same accounting policies and methods of computation have been followed in these condensed consolidated interim financial statements as were applied in the most recent annual financial statements except for the application of the following Accounting Standard which became relevant to the Group in preparing the condensed consolidated interim financial statements for the current period due to the proposed sale of MEjority Securities Limited. The Group has considered the implications of any new or amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

ASSETS HELD FOR SALE

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than continuing use.

Immediately before classification as held-for-sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's other accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

4. CURRENT FINANCIAL ASSETS

Financial assets held at period end include the following:

	CONSOLIDATED	
	DECEMBER	JUNE
	2016	2016
	\$	\$
Current		
<i>Financial assets at fair value through profit or loss</i>		
Listed equity securities	268,282	317,543
Units in listed managed investment funds	2,381,865	2,871,570
	2,650,147	3,189,113
Non-current		
<i>Financial assets held at cost</i>		
Unlisted equity securities	-	-
	-	-

(i) *Classification of financial assets at fair value through profit or loss*

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for trading (i.e. selling in short-term). They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

(ii) *Amounts recognised in profit or loss*

Changes in the fair values of financial assets at fair value have been recorded through the profit or loss, representing a net loss of \$585,022 for the year (2015: net loss of \$703,638).

(iii) *Movement for the period*

	LISTED EQUITIES HELD	MANAGED INVESTMENT FUNDS	UNLISTED EQUITIES	TOTAL
	\$	\$	\$	\$
Opening balance – 30 June 2016	317,543	2,871,570	-	3,189,113
Additions	39,556	6,500	-	46,056
Change in fair value of investments	(88,817)	(496,205)	-	(585,022)
Closing Balance – 31 December 2016	268,282	2,381,865	-	2,650,147

5. FAIR VALUE MEASUREMENT

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2016 (June 2016: \$3,189,113).

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	\$	\$	\$	\$
December 2016				
Listed equity securities	268,282	-	-	268,282
Units in managed investment funds	2,381,865	-	-	2,381,865
Unlisted equity securities (iv)	-	-	-	-
Fair value at 31 December 2016	2,650,147	-	-	2,650,147
June 2016				
Listed equity securities	317,543	-	-	317,543
Units in managed investment funds	2,871,570	-	-	2,871,570
Unlisted equity securities (iv)	-	-	-	-
Fair value at 30 June 2016	3,189,113	-	-	3,189,113

- The fair value of financial instruments traded in active markets (such as publicly traded equities and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the last closing price or unit (acquisition) strike price.
- The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.
- There have been no transfers between the levels of the fair value hierarchy during the six (6) months to 31 December 2016.
- Unlisted equity securities are designated as Level 3 investments. These relate to seed investments into entities with new product opportunities in the medical and web-based technologies. They are all seeking opportunities in the coming 12-24 month period. At balance date, fair value could not be reliably estimated and as such these investments remain fully impaired.

Discussions on valuation processes and outcomes are held on at least a six (6) months basis and consider all available information, both qualitative and quantitative, as applicable to the type of investment and on the basis of its current life cycle.

6. SHARE CAPITAL

	CONSOLIDATED			
	DECEMBER 2016		JUNE 2016	
	No. of shares.	\$	No. of shares.	\$
(a) Ordinary shares fully paid	124,459,291	8,715,533	124,459,291	8,715,533

(b) Movement in ordinary shares on issue for the period

There was no movement in the six-month period since 30 June 2016.

7. SEGMENT INFORMATION

The directors have considered the requirements of AASB 8 – *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker in allocating resources and have concluded that, during the half year, the Group operated in broking services industry within the geographical segments of Australia and Hong Kong/China. Previously the chief operating decision maker also reviewed reports detailing profit or loss by business sector, being both broking services and funds management, however this is now monitored as one aggregated segment.

	Broking Services						Consolidated	
	Australia		Hong Kong/China*		Unallocated		Total	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015	Dec 2016	Dec 2015	Dec 2016	Dec 2015
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Revenue from external customers	697,996	475,795	443,668	-	-	-	1,141,664	475,795
Results								
Reportable segment loss before income tax	(829,042)	(2,232,672)	(565,726)	-	-	-	(1,394,768)	(2,416,187)
Income tax benefit							-	183,515
Elimination of discontinued operations							565,726	-
Loss from continuing operations							(829,042)	(2,232,672)

*Discontinued – see note 9

8. ASSETS HELD FOR SALE

Disposal group held for sale

The broking services segment of the Group operating in Hong Kong/China is presented as a disposal group held for sale following the commitment of the Group's management during the period to a plan to sell its ownership interests in MEjority Securities Limited. The ownership interest in MEjority Securities Limited is expected to be sold during 2017, and has been classified as assets held for sale at 31 December 2016.

The disposal group was subsequently measured at the lower of its carrying amount and its fair value less costs to sell. This did not result in any impairment losses being realised for the period ended 31 December 2016.

As at 31 December 2016 the disposal group comprised assets of \$1,879,831 less liabilities of \$958,966 detailed as follows:

	\$
Cash and cash equivalents	1,409,775
Trade and other receivables	264,334
Other assets	205,722
Trade and other payables	(367,034)
Other current liabilities	(591,932)
	920,865

9. DISCONTINUED OPERATION

In December 2016 the Group discontinued its Hong Kong/China broking services segment. This occurred via management's commitment to a plan during the period to sell this segment following a strategic decision to reduce its broking services activities in South East Asia. The assets and liabilities in MEjority Securities Limited were therefore classified as held for sale at 31 December 2016 (see note 8).

As the Hong Kong/China segment did not commence until May 2016, there are no comparative discontinued Hong Kong/China segment results for the half year ended 31 December 2015, and hence the comparative condensed consolidated statement of profit or loss and other comprehensive income has not been restated.

For the six months ended 31 December

	2016 \$	2015 \$
Results of discontinued operation		
Revenue	443,668	-
Other income	37,176	-
Expenses	(1,046,570)	-
Loss from operating activities	(565,726)	-
Income tax expense	-	-
Loss from operating activities, net of income tax	(565,726)	-
Loss for the period	(565,726)	-
Basic and diluted loss per share (cents)	(0.05)	-
Cash flows used in discontinued operation		
Net cash used in operating activities	(1,837,765)	-
Net cash from investing activities	-	-
Effect on cash flows	(1,837,765)	-

10. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2016.

11. EVENTS SUBSEQUENT TO REPORTING DATE

There are no other matters or circumstances that have arisen since 31 December 2016 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

MEJORITY CAPITAL LIMITED
DIRECTORS' DECLARATION

In the opinion of the directors of Mejority Capital Limited ("the Company")

The financial statements and notes, as set out on pages 5 to 15 are in accordance with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the financial position of the Company as at 31 December 2016 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
- b. Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* 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.

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



SIMON LILL
DIRECTOR

27 February 2017

Independent Auditor's Review Report to the Members of Mejority Capital Limited

We have reviewed the accompanying half-year financial report of Mejority Capital Limited (the Company), which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group 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 Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mejority Capital 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*.

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 Mejority Capital Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Crowe Horwath Brisbane



CAMERON HENRY

Partner

Signed at Brisbane, 27 February 2017