



PREMIERE EASTERN ENERGY LIMITED

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Appendix – Statement of Financial Position and Consolidated Pro Forma Statement of Financial Position as at 30 June 2014

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Date - 6 February 2015

Section 1 - Statement of Financial Position and Consolidated Pro Forma Statement of Financial Position as at 30 June 2014

The following Statement of Financial Position and Consolidated Pro Forma Statement of Financial Position as at 30 June 2014 has been prepared to illustrate the effects of the pro forma adjustments (including the actual subscription) which are set out below and in **Section 2** as if they had occurred on or before 30 June 2014.

Premiere Eastern Energy Limited
ACN 169 923 095

STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 30 June 2014

	Note	Reviewed Premiere Australia ⁽¹⁾ \$'000	Reviewed 30 June 2014 Premiere Singapore ⁽²⁾ \$'000	Reviewed Actual Subscription \$'000
CURRENT ASSETS				
Cash and cash equivalents	1	-	99,023	101,550
Trade and other receivables		-	47,352	47,352
Inventory		-	5,580	5,580
Prepayments		-	1,015	1,015
TOTAL CURRENT ASSETS		-	152,970	155,497
NON CURRENT ASSETS				
Property, plant and equipment		-	1,530	1,530
Land-use rights		-	9,890	9,890
Investment in Genius Supreme Investments Ltd	2	-	-	-
TOTAL NON CURRENT ASSETS		-	11,420	11,420
TOTAL ASSETS		-	166,390	166,917
CURRENT LIABILITIES				
Trade and other payables	3	-	27,631	23,488
Convertible notes	4	-	13,570	-
Non-convertible debt	4	-	-	7,633
Current tax liabilities		-	2,452	2,452
TOTAL CURRENT LIABILITIES		-	43,653	33,573
TOTAL LIABILITIES		-	43,653	33,573
NET ASSETS		-	120,737	133,344
SHAREHOLDERS EQUITY				
Issued capital	5	-	-	11,848
Foreign currency translation reserve		-	7,964	7,964
Reserves		-	2,525	2,525
Retained earnings	6	-	106,217	106,976
Non-controlling interest		-	4,031	4,031
TOTAL SHAREHOLDERS EQUITY		-	120,737	133,344

(1) Premiere Australia was registered on the 4th of June 2014 with 1 share. Amount of capital paid was AUD\$1.00.

(2) Reviewed Premiere Singapore ('Premiere Singapore') financial information has been extracted from the reviewed financial statements of Premiere Singapore for the period ended 30 June 2014 for the purposes of the preparation of the pro forma consolidated statement of financial position as at 30 June 2014 to provide potential shareholders with a view of the Group's financial position.

Section 2 - Pro forma transactions

The following transactions and events contemplated in this Appendix, referred to as the Pro forma Adjustments, which have been taken place on or before the completion of the Actual Subscription are presented as if they together with the Actual Subscription had occurred on or 30 June 2014:

a) Group restructure agreements subsequent to 30 June 2014:

- Pursuant to a Share Sale Agreement dated 29 August 2014 the Company has issued 749,966,929 Ordinary Shares to the existing shareholders of Premiere Singapore as purchase consideration for 100% of the share capital of Genius Supreme Investments Limited ("Genius") (**Reverse Acquisition Transaction**).

b) Conversion of convertible notes by bondholders

- Pursuant to an agreement between by bondholders and Premiere Singapore dated 29 August 2014, convertible notes amounting to \$5.9 million were converted into 137,129,844 shares in Premiere Australia.

c) Conversion of convertible notes interest accrued to equity

- Pursuant to an agreement dated 29 August 2014 between the bondholders and Premiere Singapore, accrued interest on convertible notes were satisfied by the issue of 12,903,226 shares amounting to the equivalent of SGD\$3 million in Premiere Australia.

d) Reclassification of remaining convertible notes to debt instrument

- Pursuant to an agreement dated 29 August 2014 between the bondholders and Premiere Singapore, the remaining portion of convertible notes has been novated to a non-convertible debt instrument in Premiere Australia with the following terms:
 - The loan is denominated in Singapore dollars (SGD\$9 million);
 - Interest rate of 4% per annum is to be accrued on the outstanding balance;
 - The loan shall be repaid in the following tranches:
 - SGD\$5 million to be paid before 6 months after a successful listing on the ASX;
 - The outstanding balance to be paid within 12 months after a successful listing on the ASX;

e) The issue of 17,534,500 fully paid ordinary shares at \$0.20 each amounting to \$3,506,900 (Actual Subscription**), referred to as the **Actual Subscription**; and**

- f) Expenses associated with the Actual Subscription (including advisory, legal, accounting and administrative fees as well as printing, advertising and other expenses), estimated to be \$980,000 (**Actual Subscription Costs**).

The pro forma transactions should be read in conjunction with the prospectus, replacement prospectus and supplementary prospectus issued by the Company.

Note 1 – Cash and Cash Equivalents

The Pro Forma cash and cash equivalents balances are set out below:

	Pro Forma Actual Subscription \$'000
Cash and cash equivalents at 30 June 2014	-
<i>Pro forma transactions:</i>	
Cash and cash equivalent recognised as a consequence of the reverse acquisition transaction	99,023
Proceeds from share issued under the Actual Subscription	3,507
Payment of the cash Actual Subscription costs	(980)
Pro forma cash and cash equivalents	101,550

Note 2 – Investment in Genius Supreme Investments Limited

The Pro Forma investment in Genius Supreme Investments Limited balances are set out below:

	Pro Forma Actual Subscription \$'000
Investment in Genius Supreme Investments Limited equivalent at 30 June 2014	
<i>Pro forma transactions:</i>	
Investment in Genius Supreme Investments Limited	-
Pro forma investment in Genius Supreme Investments Limited	-

Balance represents investment by Premiere Australia in Genius Supreme Investments Limited. Amount of \$4.27 million represents pursuant to an agreement between the shareholders of Premiere Singapore and Premiere Australia the net consideration by Premiere Australia after assuming convertible notes obligations and the accrued interest on convertible notes. Amount has been eliminated on consolidation of the entities within the Group.

Note 3 – Trade and other payables

The Pro Forma trade and other payables balances are set out below:

	Pro Forma Actual Subscription \$'000
Trade and other payables equivalent at 30 June 2014	-
<i>Pro forma transactions:</i>	
Trade payables	17,832
Revenue received in advance	1,273
Other tax payable	(106)
Convertible note interest	-
Salary payable	18
Accrued expenses	49
Other payables	4,422
Pro forma trade and other payables	23,488

Note 4 – Convertible Notes and Non-convertible debt

The Pro Forma convertible notes and non-convertible debt balances are set out below:

	Pro Forma Actual Subscription \$'000
Convertible notes and Non-convertible debt equivalent at 30 June 2014	
<i>Pro forma transactions:</i>	
Convertible notes	-
Non-convertible debt	7,633
Pro forma convertible notes and non-convertible debt	7,633

Convertible note balances have been transferred from Premiere Singapore to Premiere Australia and remaining unconverted balances have been novated to a non-convertible debt instrument in Premiere Australia.

Note 5 – Issued Capital

The Pro Forma issued capital balance is set out below:

	Pro Forma Actual Subscription \$'000
Issued capital at 30 June 2014 – Premiere Australia	-
<i>Pro forma transactions:</i>	
Issue of 749,966,929 Ordinary Shares to the existing shareholders of Premiere Singapore and equity adjustments resulting from the common control transaction	-
Proceeds from share issued under the Actual Subscription	3,507
Actual subscription costs allowable to be offset against equity (net of tax)	(177)
Proceeds from conversion of convertible notes by bondholders	5,937
Proceeds from conversion of interest accrued on convertible notes	2,581
Pro forma issued capital	11,848
	Pro Forma Actual Subscription no. of shares
Number of shares on issue at 30 June 2014	1
<i>Pro forma transactions:</i>	
Issue of Ordinary Shares for the acquisition of Genius	749,966,929
Issue of Offer Shares in the Company pursuant to Prospectus	17,534,500
Conversion of convertible notes by bondholders	137,129,844
Conversion of interest accrued on convertible notes	12,903,226
Pro forma number of shares issued	917,534,500

Note 6 – Retained Earnings

The Pro Forma retained earnings is reconciled as follows:

	Pro Forma Actual Subscription \$'000
Retained earnings at 30 June 2014 - Premiere	-
<i>Pro forma transactions:</i>	
Amounts recognised as a consequence of the acquisition transaction	106,217
Issue costs expensed under the Actual Subscription	(727)
Deferred tax assets associated with capital raising costs not recognised	(76)
Restructure of consolidated Group and disposal of Premiere Singapore	1,562
Pro forma retained earnings	106,976