

INVEST NEXUS LIMITED

ABN 93 168 564 056

Annual Financial Report For The Year Ended 30 June 2014

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CORPORATE GOVERNANCE STATEMENT

The Board has the responsibility of ensuring that the Company is properly managed so as to protect and enhance shareholders interests in a manner that is consistent with the Company's responsibility to meet its obligations to all parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

The main corporate governance policies are summarised below:

Director's Access to Independent Professional Advice

It is the Board's policy that any committees established by the Board should:

- Be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise.
- Be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require.
- Operate in accordance with the terms of reference established by the Board.

Audit Committee and Risk Management Committee

The Audit Committee meets with the external auditors at least once a year. This committee addresses the financial and compliance oversight responsibilities of the Board. The specific activities include assessing and monitoring:

- The adequacy of the Company's internal controls and procedures to ensure compliance with all applicable legal obligations.
- The adequacy of the financial risk management processes.
- The appointment of the external auditor, any reports prepared by the external auditor and liaising with the external auditor.

Remuneration and Management Succession Planning Committee

The role of the Remuneration and Management Succession Planning Committee is to, among other things, support and advise the Board in fulfilling its responsibilities to shareholders by:

- Reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- Ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- Maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
- Ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

Nomination and Corporate Governance Committee

The role of the Nomination and Corporate Governance Committee is to advise the Board on the composition of the Board and its Committees and the necessary and desirable competencies of Board members, develop a process for the evaluation of the performance of the Board, its committees and individual executive and non-executive directors, ensure that proper succession plans for Board members are in place for consideration by the Board, advise the Board on governance standards and appropriate corporate governance policies for the Company, and critically review the Company's performance against its corporate governance policies.

DIRECTORS' REPORT

Your directors present their report on the Company for the financial period ended 30 June 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors in office at any time during or since the end of the period are:

Jun Ling
Guofei Chen
David Paul Batten
Luciana Ozcan

Guofei Chen and David Paul Batten have been in office since 14 March 2014 being the date of incorporation of the company to the date of this report.

Jun Ling held the office of Director from 14 March 2014 to 11 October 2014.

Luciana Ozcan has held the office of Director since 11 October 2014 to the date of this report.

Company Secretary

Jun Ling and Guofei Chen jointly held the position of company secretary from 14 March 2014 until 11 October 2014.

From 11 October 2014, Guofei Chen and Luciana Ozcan jointly hold the position of company secretary.

Principal Activities

The principal activity of the Company is investigating opportunities to invest in Australian real estate, government bonds and bank bonds, as well as fixed income deposit products and corporate bonds.

Our business model and objectives

The Company proposes to generate future income by investing (either directly or indirectly) predominantly in Australian real estate (including real estate development portfolios), government bonds, bank bonds, as well as investments in corporate bonds and fixed income deposit products.

The Company proposes to fund these investments by issuing bonds or loans to wholesale entities such as Australian regulated wholesale managed investment schemes.

Operating Results

The Company incurred a net operating loss for the period of \$63,894.

Dividends Paid or Recommended

No dividends have been paid since the date of incorporation and the directors do not recommend the payment of a dividend.

Review of Operations

Invest Nexus Limited was incorporated on 14 March 2014. During the course of the period it issued a prospectus to facilitate the raising of additional capital and to have its shares admitted for quotation on the National Stock Exchange of Australia Limited.

Financial Position

The net assets of the Company were \$436,106 as at 30 June 2014. This comprised of the startup capital of \$500,000 less the accumulated losses for the period of \$63,894.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the financial period other than those disclosed elsewhere in this report.

After Balance Date Events

The Company successfully completed a capital raising pursuant to a prospectus issued on 13 June 2014 and had its share admitted for quotation on the National Stock Exchange of Australia Limited on 28 July 2014. There have been no other activities which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future.

Future Developments, Prospects and Business Strategies

The Company will pursue its investment objectives for the long-term benefit of members. This will require the continued review of the investment strategy that is in place and may from time to time require some changes to that strategy.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments. Accordingly, we do not provide a forecast of the likely results of our activities.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under the law of the Commonwealth or State.

DIRECTORS' REPORT

Information on Directors

Jun Ling	—	Executive Director, Chief Executive Officer, Chief Financial Officer and Company Secretary
Qualifications	—	Bachelor of Commerce, Master Degree in Finance and licensed under Property, Stock and Business Agent Act 2002 (NSW)
Experience	—	Board member from 14 March 2014 to 11 October 2014
Interest in Shares and Options	—	None
Special Responsibilities	—	Member of Due Diligence Committee, Remuneration and Management Succession Planning Committee, Nomination and Corporate Governance Committee
Directorships held in other listed entities	—	None
Guofei Chen	—	Non-Executive Director, Chairman and Company Secretary
Qualifications	—	Bachelor of Accounting, Master Degree in Financial Analysis , Diploma of Business Administration and Diploma of Financial Planning
Experience	—	Board member and Chairman since 14 March 2014
Interest in Shares and Options	—	None
Special Responsibilities	—	Member of Due Diligence Committee, Audit and Risk Management Committee, Remuneration and Management Succession Planning Committee, Nomination and Corporate Governance Committee
Directorships held in other listed entities	—	None
David Paul Batten	—	Non-Executive Director and Independent Director
Qualifications	—	Bachelor of Education, Graduate Diploma of Business Finance, Diploma in Advanced Options Trading, PS 146 compliant in both General Advice and Derivatives
Experience	—	ASIC accepted Responsible Manager for several companies.
Interest in Shares and Options	—	None
Special Responsibilities	—	Member of Due Diligence Committee, Audit and Risk Management Committee, Remuneration and Management Succession Planning Committee, Nomination and Corporate Governance Committee
Directorships held in other listed entities	—	Director with Victor Group Holdings Pty Ltd (ASX listed)

DIRECTORS' REPORT

Luciana Ozcan	—	Executive Director, Chief Executive Officer, Chief Financial Officer and Company Secretary
Qualifications	—	Diploma of Financial Services
Experience	—	Board member since 11 October 2014
Interest in Shares and Options	—	None
Special Responsibilities	—	Member of Due Diligence Committee, Remuneration and Management Succession Planning Committee, Nomination and Corporate Governance Committee
Directorships held in other listed entities	—	None

REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for each director of Invest Nexus Limited, and for the executives receiving the highest remuneration.

Remuneration policy

All issues in relation to remuneration of both Executive Directors and Non-Executive Directors are dealt with by the Remuneration and Management Succession Planning Committee Charter.

The constitution of Invest Nexus Limited requires approval by the shareholders in general meetings of a maximum amount of remuneration per year to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Committee takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Directors. The amount of remuneration currently approved by shareholders for Non-Executive Directors is a maximum of \$50,000 per annum.

Non-Executive Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company. Non-Executive Directors do not receive any performance based remuneration.

Details of remuneration for period ended 30 June 2014

The Company has only one executive, and he is a Director of the Company.

Details of the remuneration for each Director of the Company was as follows:

	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Jun Ling	8,877	821	-	9,698
Guofei Chen	6,771	626	-	7,397
David Paul Batten	6,771	626	-	7,397
Luciana Ozcan	-	-	-	-
	22,419	2,073	-	24,492

End of Remuneration Report

DIRECTOR'S REPORT

Meetings of Directors

During the financial period, 3 meetings of directors (including committees) were held. Attendances were:

	DIRECTORS MEETINGS		DUE DILIGENCE COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Jun Ling	1	1	2	2
Guofei Chen	1	1	2	2
David Paul Batten	1	1	2	2
Luciana Ozcan	-	-	-	-

Shareholdings – Ordinary shares

Number of Shares Held by Directors

	Balance 14.03.2014	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.06.14
Jun Ling	-	-	-	-	-
Guofei Chen	-	-	-	-	-
David Paul Batten	-	-	-	-	-
Luciana Ozcan	-	-	-	-	-
Total	-	-	-	-	-

* Net Change Other refers to shares purchased or sold during the financial period.

Options

At the date of this report, the company had no options outstanding.

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for an who is or has been an officer or auditor of the Company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceeding which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part proceedings. The company was not a party to any such proceedings during the period.

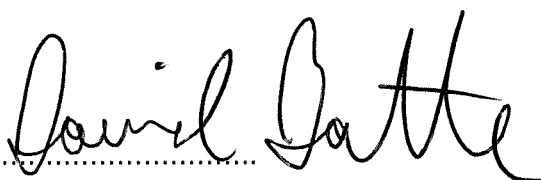
Non-audit Services

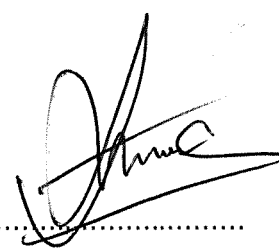
The auditor has not provided any non-audit services during the period.

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 30 June 2014 has been received and can be found 6 of the annual report.

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


Director.....

David Batten
 28 October 2014

Director.....

Luciana Ozcan
 28 October 2014

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS
ACT 2001 TO THE DIRECTORS OF INVEST NEXUS LIMITED**

I declare that, to the best of my knowledge and belief, during the period ended **30 June 2014** there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



WALKER WAYLAND NSW
Chartered Accountants



Grant Allsopp
Partner

Dated this 28th day of October 2014, Sydney

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	Note	30.06.2014
		\$
Other income	2	1,968
Total income from ordinary activities		1,968
Administration expenses	3	65,862
Operating (loss) before income tax		(63,894)
Income tax (expense)/credit relating to ordinary activities		-
(Loss) attributable to members of the company		(63,894)
Other comprehensive income for the financial period		-
Total comprehensive income for the financial period		(63,894)
 Overall Operations		
Basic earnings per share (cents per share)	12	(12.78)
Diluted earnings per share (cents per share)	12	(12.78)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	30.06.2014
		\$
ASSETS		
Cash and cash equivalents	5	576,296
Trade and other receivables	6	157,502
TOTAL ASSETS		733,798
LIABILITIES		
Trade and other payables	7	47,792
Payables to related party	8	249,900
TOTAL LIABILITIES		297,692
NET ASSETS		436,106
EQUITY		
Issued capital	9	500,000
Accumulated losses		(63,894)
TOTAL EQUITY		436,106

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	Issued Capital	(Accumulated Losses)	Total
	\$	\$	\$
Balance at 14.03.2014			
Shares issued on incorporation	500,000	-	500,000
Loss for the period	-	(63,894)	(63,894)
Total comprehensive income for the period	-	(63,894)	(63,894)
Balance at 30.06.2014	500,000	(63,894)	436,106

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

		30.06.2014
	Note	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers		(43,460)
Interest received		1,056
Net cash (used in) operating activities	15(a)	<u>(42,404)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases to acquire financial assets		<u>-</u>
Net cash (used in) investing activities		<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		500,000
Advances from borrowings		278,700
Repayments of borrowings		(25,500)
Loans to associates		<u>(134,500)</u>
Net cash provided by financing activities		<u>618,700</u>
Net increase / (decrease) in cash held		576,296
Cash at beginning of period		<u>-</u>
Cash at end of period	5	<u>576,296</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations of the Australian Accounting Standards Board.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the company comply with International Financial Reporting Standards ('IFRS').

The company was incorporated on 14 March 2014 and accordingly only current period figures covering the period from incorporation are shown.

Basis of Preparation

Reporting Basis and Conventions

Except for cash flow information, the financial report has been prepared on an accrual basis and is based on historical costs modified by revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars, unless otherwise noted

The financial statements were authorised for issue by the directors on 21 October 2014.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Fair Value of Financial Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Taxation

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(f) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

(g) Financial instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with substance of the contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded as the proceeds received, net of direct issue costs.

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (continued)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

De-recognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(h) Critical Accounting Estimates and Judgements

The preparation of financial reports in conformity with AIFRS requires the use of certain critical accounting estimates. This requires the Board and management to exercise their judgement in the process of applying the Company's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) New Accounting Standards for Application in Future Periods

Invest Nexus Limited has not applied any Australian Accounting Standards or AASB Interpretations that have been issued at balance date but are not yet operative for the period ended 30 June 2014 ("the inoperative standards"). Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Company's financial statements.

Interpretation 21: Levies (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Company's financial statements.

AASB 2013-3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) New Accounting Standards for Application in Future Periods (continued)

AASB 2013-4: *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013-4 makes amendments to AASB 139: *Financial Instruments: Recognition and Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Company's financial statements.

AASB 2013-5: *Amendments to Australian Accounting Standards – Investment Entities* (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013-5 amends AASB 10: *Consolidated Financial Statements* to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Company's financial statements.

The adoption of the various Australian Accounting Standards and Interpretations in issue but not yet effective will not impact the company's accounting policies. However, the pronouncements will result in changes to information currently disclosed in the financial statements. The company does not intend to adopt any of these pronouncements before their effective dates.

30.06.2014
\$

NOTE 2: OPERATING PROFIT BEFORE INCOME TAX EXPENSE

Other income

Interest received	1,968
Total income from deposits	1,968
Total revenue	1,968

NOTE 3: ADMINISTRATION EXPENSES

Accountancy fees	15,000
Auditor's remuneration	10,000
Bank charges	30
Director's fees	22,419
Filing fees	444
Listing fees	11,550
Share registry fee	1,750
Rent paid	2,596
Superannuation contributions	2,073
Total administration expenses	65,862

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 4: INCOME TAX

30.06.2014

\$

- a. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:

Operating loss before income tax on ordinary activities	(63,894)
Prima facie tax/(benefit) on profit/(loss) from ordinary activities before income tax at 30%	<u>(19,168)</u>

- b. Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions of deductibility set out in Note 1(c) occur

- Temporary differences	6,000
- Operating losses	13,168
	<u>19,168</u>

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	249,945
Deposits at call	326,351
	<u>576,296</u>

All cash investments are invested with Authorised Deposit Taking Institutions. The credit risk exposure of the company in relation to cash and cash equivalents is the carrying amount and any unpaid accrued interest.

The effective interest rate on deposits at call was 2.25%.

Reconciliation of cash

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	576,296
Bank overdrafts	-
	<u>576,296</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

Goods and services tax receivable	2,090
Loan to related party	134,500
Prepayments	20,000
Withholding tax refundable	912
	<u>157,502</u>

The loan to related party is unsecured, interest free and is repayable upon demand.

	Note	Opening balance 01/07/2013	Charge for the period	Amounts written off	Closing balance 30/06/2014
		\$	\$	\$	\$
(i) Current related parties	17	-	134,500	-	134,500
		-	134,500	-	<u>134,500</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 6: TRADE AND OTHER RECEIVABLES (continued)

30.06.2014

\$

	Gross Amount	Past Due and Impaired	Past due but Not Impaired (days overdue)				Within Initial Trade Terms
	\$	\$	< 30	31-60	61-90	> 90	\$
2014							
Trade and term receivables	134,500	-	-	-	-	-	134,500
Other receivables	23,002	-	-	-	-	-	23,002
	<u>157,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,502</u>

NOTE 7: TRADE AND OTHER PAYABLES

Accrued charges	20,000
Director's fees and superannuation payable	24,492
Loan from related party	3,300
	<u>47,792</u>

NOTE 8: PAYABLES TO RELATED PARTY

Loan from related party	249,900
	<u>249,900</u>

The loan from related party is unsecured, interest free and repayable upon demand.

NOTE 9: ISSUED CAPITAL

Movements in Issued Capital of the Company during the financial period were as follows:

Date	Details	Ordinary shares	Issue Price \$	Issued Capital \$
14/03/2014	Incorporation of Company	500,000	1.00	500,000
30/06/2014	Balance	<u>500,000</u>	<u>1.00</u>	<u>500,000</u>

All ordinary shares rank equally for all purposes of participation in profits and capital of the Company.

NOTE 10: CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (payables to related party as detailed in note 8 and offset by cash and bank balances) and equity of the Company (comprising issued capital as detailed in note 9 and retained earnings).

The Company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 11: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the director's report for details of the remuneration paid or payable to each member of the Company's key management personnel (KMP) for the period ended 30 June 2014.

The totals of remuneration paid to KMP of the company during the period are as follows:

	30.06.2014
	\$
Short-term employee benefits	22,419
Post-employment benefits	2,073
Other long-term benefits	-
Total KMP compensation	<u>24,492</u>

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-period's estimated cost of providing for the Company's defined benefits scheme post-retirement, superannuation contributions made during the period and post-employment life insurance benefits.

NOTE 12: EARNINGS PER SHARE

No.

Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share	500,000
Weighted average number of ordinary shares outstanding during the period used in calculation of dilutive earnings per share	500,000
	\$
- Loss attributable to members of the company	(63,894)
	Cents
a. Basic earnings per share	(12.78)
b. Diluted earnings per share	(12.78)

NOTE 13: AUDITOR'S REMUNERATION

Remuneration of the auditor of the company for:

- auditing and reviewing the financial reports	10,000
- all other services (not related to audit of the financial reports)	-
	<u>10,000</u>

There were no non-audit services provided by the auditor for the period ended 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 14: SEGMENT REPORTING

(a) Description of segments

The Board makes the strategic resource allocations for the Company. The Company has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for the Company's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.

The Company currently only operates in the financial services segment in the geographic area of Australia.

(b) Segment information provided to the Board

The internal reporting provided to the Board for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards.

(c) Other Segment Information

The Company is domiciled in Australia and all of the Company's income is derived from Australian entities.

NOTE 15: CASH FLOW INFORMATION

30.06.2014

\$

a. Reconciliation of cash flow from operations with (loss) after income tax

(Loss) after income tax	(63,894)
(Increase)/decrease in trade and other receivables	(23,002)
Increase/(decrease) in trade payables and accruals	44,492
Cash flow from operations	(42,404)

NOTE 16: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The risks associated with the holding of financial instruments such as investments, cash and cash equivalents, other financial cash assets, receivables and payables include credit risk, liquidity risk and market risk.

Credit Risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

In relation to cash and cash equivalents disclosed in note 5, the credit risk exposure is the carrying amount and any interest accrued.

The Company's cash and cash equivalents are deposited with a major Australian bank. All deposits are at call.

The credit risk exposure for the Company's receivables as disclosed in note 6 is the carrying amount.

None of these assets are over-due or considered to be impaired.

Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due.

The Company manages liquidity risk by maintaining sufficient cash on deposit to allow it to repay its borrowings as and when they fall due.

Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 16: FINANCIAL INSTRUMENTS (continued)

(a) Financial Risk Management (continued)

	Weighted average effective interest rate	Less than 1 year	1-5 years	5+ years	Total
	%	\$	\$	\$	\$
30 June 2014					
Non-interest bearing	-	253,200	-	-	253,200
	-	253,200	-	-	253,200

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Period ended 30 June 2014		
+ 1% in interest rates	3,264	3,264
- 1% in interest rates	(3,264)	(3,264)

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments, which are carried at amortised cost (ie term receivables, held-to-maturity assets, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Company.

		2014	
	Note	Carrying Amount \$	Fair Value \$
Financial assets			
Cash and cash equivalents	5	576,296	576,296
Trade and other receivables:			
– related parties – loans and advances	6	134,500	134,500
– unrelated parties – trade and term receivables	6	23,002	23,002
Total trade and other receivables		157,502	157,502
Total financial assets		733,798	733,798
Financial liabilities			
Trade and other payables	7, 9	297,692	297,692
Total financial liabilities		297,692	297,692

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTE 16: FINANCIAL INSTRUMENTS (continued)

(a) Financial Risk Management (continued)

Market Risk

Market risk is the risk that changes in the market prices will affect the fair value of financial instruments. The Company principle activity was investing in cash deposits that are not subject to fluctuating markets. The Company is not materially subject to interest rate risk as all of its cash investments and bank deposits are short term in nature, and its borrowings are non interest bearing.

NOTE 17: RELATED PARTY TRANSACTIONS

(a) The Company's main related parties are as follows:

- (i) *Entities exercising control over the Company*
The ultimate parent entity that exercises control over the Company is Victoria and Emily (Pty) Limited which is incorporated in the Republic of Seychelles.
- (ii) *Key management personnel*
The only key management personnel are Jun Ling, Guofei Chen, David Paul Batten and Luciana Ozcan.
- (iii) *Other related parties*
Forbes Wealth Pty Limited is considered to be related party because Guofei Chen is a director.
Forpro Group Pty Limited is considered to be related party because Guofei Chen is a shareholder.
GSM Financial Group Pty Limited is regarded as a related party as David Paul Batten was appointed as a director on 6 August 2014 and it is therefore considered to be a related party at the date of this report.

(b) Transactions with Victoria and Emily (Pty) Limited

Subscribed for 500,000 shares at \$1.00 per shares upon incorporation of the Company.

30.06.2014
\$

(c) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Related party

Loan to Forbes Wealth Pty Limited	134,500
Loan from Forpro Group Pty Limited	3,300
Loan from GSM Financial Group Pty Limited	249,900

Loans and advances to related parties

Balance at beginning of period	-
Advances	160,000
Repayments	(25,500)
Closing balance	134,500

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

30.06.2014
\$

NOTE 17: RELATED PARTY TRANSACTIONS (continued)

Loans and advances from related parties

Balance at beginning of period	-
Advances	253,200
Closing balance	253,200

NOTE 18: CONTINGENCIES

Operating lease commitments	
Not longer than one year	13,125
Longer than one year and not longer than five years	-
Minimum lease payments	13,125
Less: future finance charges	-
Total lease liabilities	13,125
Representing lease liabilities:	
Current	13,125
Non-current	-
	13,125

The company has an operating lease in place for the rent of their current premises. This lease is due to expire on 31 January 2015.

NOTE 19: SUBSEQUENT EVENTS

On the 13 June 2014 the Company issued a prospectus for the issue of 167,000 fully paid ordinary shares of \$1.00 each and to facilitate the listing of the Company's shares on the National Stock Exchange of Australia Limited. The issue closed fully subscribed and the cost of the issue was \$95,000. The Company's shares were subsequently listed on 28 July 2014.

NOTE 20: COMPANY DETAILS

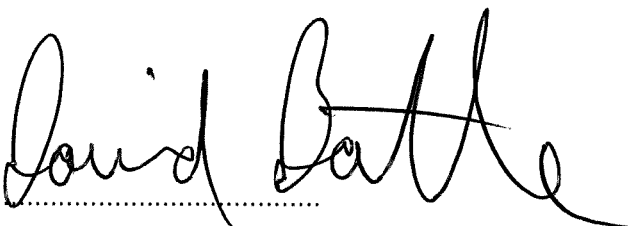
The registered office of Invest Nexus Limited is:

Office number 3928
Level 39
385 Bourke Street
Melbourne VIC 3000

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Invest Nexus Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 7 to 23, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company;
2. in the directors' 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; and
3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Director.....
David Batten

28 October 2014

Director.....
Luciana Ozcan

28 October 2014

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF INVEST NEXUS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Invest Nexus Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1 the directors also state in accordance with Accounting Standard AASB101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Invest Nexus Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
INVEST NEXUS LIMITED**

Auditor's Opinion

In our opinion:


- a. the financial report of Invest Nexus Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the period ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Report on the Remuneration Report

We have audited the remuneration report included in pages 4 to 5 of the directors' report for the period ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Invest Nexus Limited for the period ended 30 June 2014 complies with s300A of the *Corporations Act 2001*.


WALKER WAYLAND NSW
Chartered Accountants


Grant Allsopp
Partner

Dated this 28th day of October 2014
Sydney

STOCK EXCHANGE INFORMATION

TOP 20 ORDINARY SHAREHOLDERS AS AT 10 SEPTEMBER 2014.

Shareholder	Shares	% of Issued
Victoria And Emily (Pty) Ltd	500,000	74.963
Golden Sands Investment Pty Ltd	32,015	4.800
Sun Jianhua	30,015	4.500
Ju Cao	8,485	1.272
Shuqiang Wang	6,485	0.972
Meng Zhang	2,000	0.300
Tao Wang	2,000	0.300
Yingfeng Wang	2,000	0.300
Junli Zhao	2,000	0.300
Xinfeng Wang	2,000	0.300
Jungqing Liang	2,000	0.300
Xinli Wang	2,000	0.300
Aizhen Wang	2,000	0.300
Weiqin Li	2,000	0.300
Jiayou Wei	2,000	0.300
Chunjiang Chen	2,000	0.300
Chunyue Fang	2,000	0.300
Yingpeng Wei	2,000	0.300
Yonghong Lu	2,000	0.300
Qiang Zhang	2,000	0.300
	607,000	91.007

Number of A ordinary shares held

1 – 1,000
1,001 – 5,000
5,001 – 10,000
10,001 – 100,000
100,001 and over

Number of Shareholders

0
45
2
2
1

Substantial shareholders

Victoria And Emily (Pty) Ltd

Shares

500,000

CORPORATE DIRECTORY

Directors

Guofei Chen
David Paul Batten
Luciana Ozcan

Company Secretaries

Guofei Chen
Luciana Ozcan

**Principal Business Office
and Registered Office**

Office number 3928
Level 39
385 Bourke Street
Melbourne VIC 3000
Telephone 03 8459 2137

Accountants

Rees Pritchard Pty Limited
10 Murray Street
Hamilton NSW 2303
Telephone 02 4920 2877
Facsimile 02 4920 2878

Share Registry

Boardroom Pty Limited
Level 7
207 Kent Street
Sydney NSW 2000
Telephone 1300 737 760
Facsimile 1300 653 459

Auditors

Walker Wayland NSW Chartered Accountants
Suite 11.01
Level 11
60 Castlereagh Street
Sydney NSW 2000
Telephone 02 9951 5400
Facsimile 02 9951 5454

Solicitors

Baker & McKenzie
Level 27, AMP Centre
50 Bridge Street
Sydney NSW 1223
Telephone 02 9225 0200
Facsimile 02 9225 1595