

# Annexure 3A: Annual / Half Yearly Disclosure

## References

Chapter 3, SIM VSE Listing Rules

|                             |                  |
|-----------------------------|------------------|
| Name of entity              | ABN, ACN or ARBN |
| ULTIMATE POWER & ENERGY LTD | 40 159 476 892   |

**PLEASE TICK ONE**

- Annual Disclosure
- Half Yearly Disclosure

Half year/financial year ended ('Current period') 31 DECEMBER 2014

### Summary

|  |                     |                |   | \$A,000 |      |
|--|---------------------|----------------|---|---------|------|
| Sales revenue or operating revenue   | up/down             | 0              | % | to      | NIL  |
| <del>Profit</del> (loss) before abnormal items and after tax                                   | <del>Up</del> /down | 35.67          | % | to      | (92) |
| Abnormal items before tax  |                     | gain (loss) of |   |         | NIL  |
| <del>Profit</del> (loss) after tax but before outside equity interests                         | <del>Up</del> /down | 35.67          | % | to      | (92) |
| Extraordinary items after tax attributable to members  |                     | gain (loss) of |   |         | NIL  |
| <del>Profit</del> (loss) for the period attributable to members                                | <del>Up</del> /down | 35.66          | % | to      | (92) |
| Dividends (distributions)  |                     | 0              |   |         |      |
| Franking rate applicable   |                     | 0              |   |         |      |
| Current period   |                     | 0              |   |         |      |
| Final Interim  |                     | 0              |   |         |      |
| Previous corresponding period  |                     | N/A            |   |         |      |
| Final Interim  |                     | N/A            |   |         |      |
| Record date for determining entitlements to the dividend (in the case of a trust distribution) |                     |                |   |         |      |

Short details of any bonus or cash issue or other items(s) of importance not previously released to the Exchange:

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## Consolidated Profit and Loss Account

|   | Current period \$A'000 | Previous corresponding period \$A'000 |
|---|------------------------|---------------------------------------|
| Sales revenue or operating revenue  | 1                      | 3                                     |
| Expenses from ordinary activities   | (93)                   | (146)                                 |
| Borrowing costs   | 0                      | 0                                     |
| Share of net profit (loss) of associates and joint venture entities             | 0                      | 0                                     |
| <b>Profit (loss) from ordinary activities before tax</b>                        | <b>(92)</b>            | <b>(143)</b>                          |
| Income tax on ordinary activities   | 0                      | 0                                     |
| <b>Profit (loss) from ordinary activities after tax</b>                         | <b>(92)</b>            | <b>(143)</b>                          |
| Outside equity interests  | 0                      | 0                                     |
| <b>Profit (loss) from ordinary activities after tax attributable to members</b> | <b>(92)</b>            | <b>(143)</b>                          |
| Profit (loss) from extraordinary activities after tax attributable to members   | 0                      | 0                                     |
| <b>Profit (loss) for the period attributable to members</b>                     | <b>(92)</b>            | <b>(143)</b>                          |
| Retained profits (accumulated losses) at the beginning of the financial period  | 0                      | 0                                     |
| Net transfers to and from reserves  | 0                      | 0                                     |
| Net effect of changes in accounting policies                                    | 0                      | 0                                     |

## Profit restated to exclude amortisation of goodwill

|   | Current period \$A'000 | Previous corresponding period \$A'000 |
|---|------------------------|---------------------------------------|
| Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill     | (92)                   | (143)                                 |
| Less (plus) outside equity interests  | 0                      | 0                                     |
| <b>Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members</b> | <b>(92)</b>            | <b>(143)</b>                          |

## Revenue and expenses from operating activities

|                                 | Current period \$A'000 | Previous corresponding period \$A'000 |
|---------------------------------|------------------------|---------------------------------------|
| Details of revenue and expenses |                        |                                       |
| Interest Received               | 1                      | 3                                     |
| Refund of Rental Bond           | 3                      | 0                                     |
| Administration Expenses         | (26)                   | (65)                                  |
| Personnel Expenses              | (14)                   | (11)                                  |
| Director's Remuneration         | (35)                   | (45)                                  |

## Intangible and extraordinary items

|  | Consolidated - current period |             |           |
|--|-------------------------------|-------------|-----------|
|  | Before tax                    | Related tax | After tax |
|  | \$A'000                       | \$A'000     | \$A'000   |
| Motor Vehicle Expense                    | (1)                           | 0           | (2)       |
| Amortisation of goodwill                 | 0                             | 0           | 0         |
| Amortisation of other intangibles        | (20)                          | 0           | (23)      |
| <b>Total amortisation of intangibles</b> |                               |             |           |
| Extraordinary items (details)            | 0                             | 0           | 0         |
| <b>Total extraordinary items</b>         | 0                             | 0           | 0         |

## Comparison of half year profits

(Annual statement only)

|  | Current year \$A'000 | Previous year \$A'000 |
|--|----------------------|-----------------------|
| Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year | (92)                 | (143)                 |
| Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year          | N/A                  | N/A                   |

## Consolidated balance sheet

### Current assets

|                                     | As shown in last                 |                       |  |
|-------------------------------------|----------------------------------|-----------------------|--|
|                                     | At end of current period \$A'000 | annual report \$A'000 | As in last half yearly statement \$A'000 |
| Cash                                | 39                               | 130                   | 170                                      |
| Receivable                          | 54                               | 58                    | 58                                       |
| Investments                         | 0                                | 0                     | 0  |
| Inventories                         | 0                                | 0                     | 0  |
| Other (provide details if material) | 0                                | 0                     | 0  |
| <b>Total current assets</b>         | <b>93</b>                        | <b>188</b>            | <b>228</b>                               |

### Non-current assets

|   |   |   |   |
|---|---|---|---|
| Receivables                               | 0 | 0 | 0 |
| Investments                               | 0 | 0 | 0 |
| Inventories                               | 0 | 0 | 0 |
| Other property, plant and equipment (net) | 0 | 0 | 0 |
| Intangibles (net)                         | 0 | 0 | 0 |
| Other (provide details if material)       | 0 | 0 | 0 |

|   |       |       |       |
|---|-------|-------|-------|
| <b>Total non-current assets</b>                     | 0     | 0     | 0     |
| <b>Total assets</b>                                 | 93    | 188   | 228   |
| Current liabilities                                 |       |       |       |
| Accounts payable                                    | 152   | 156   | 160   |
| Borrowings  | 0     | 0     | 0     |
| Provisions  | 17    | 15    | 16    |
| Other (provide details if material)                 | 0     | 0     | 0     |
| <b>Total current liabilities</b>                    | 169   | 171   | 176   |
| Non-current liabilities                             |       |       |       |
| Accounts payable                                    |       |       |       |
| Borrowings  | 0     | 0     | 0     |
| Provisions  | 0     | 0     | 0     |
| Other (provide details if material)                 | 0     | 0     | 0     |
| <b>Total non-current liabilities</b>                | 0     | 0     | 0     |
| <b>Total liabilities</b>                            | 169   | 171   | 176   |
| <b>Net assets</b>                                   | (76)  | 17    | 52    |
| Equity  |       |       |       |
| Capital   | 538   | 538   | 538   |
| Reserves  | 0     | 0     | 0     |
| Retained profits (accumulated losses)               | (614) | (521) | (486) |
| Equity attributable to members of the parent entity | 0     | 0     | 0     |
| Outside equity interests in controlled entities     | 0     | 0     | 0     |
| <b>Total equity</b>                                 | (76)  | 17    | 52    |
| Preference capital and related premium included     | 0     | 0     | 0     |

### Consolidated statement of cash flows

#### Cash flows related to operating activities

|                                     | Current period \$A'000 | Previous corresponding period \$A'000 |
|-------------------------------------|------------------------|---------------------------------------|
| Receipts from customers             | 0                      | 0                                     |
| Payments to suppliers and employees | (93)                   | (150)                                 |
| Dividends received                  | 0                      | 0                                     |

|  |             |              |
|--|-------------|--------------|
| Interest and other items of similar nature received          | 1           | 3            |
| Interest and other costs of finance paid                     | 0           | 0            |
| Income taxes paid  | 0           | 0            |
| Other (provide details if material)                          | 0           | 0            |
| <b>Net operating cash flows</b>                              | <b>(92)</b> | <b>(147)</b> |
| <b>Cash flows related to investing activities</b>            |             |              |
| Payments for purchases of property, plant and equipment      | 0           | 0            |
| Proceeds from sale of property, plant and equipment          | 0           | 0            |
| Payment for purchases of equity investments                  | 0           | 0            |
| Proceeds from sale of equity investments                     | 0           | 0            |
| Loans to other entities                                      | 0           | 0            |
| Loans repaid by other entities                               | 0           | 0            |
| Other (provide details if material)                          | 0           | 0            |
| <b>Net investing cash flows</b>                              | <b>0</b>    | <b>0</b>     |
| <b>Cash flows related to financing activities</b>            |             |              |
| Proceeds from issues of securities (shares, options, etc.)   | 0           | 0            |
| Proceeds from borrowings                                     | 0           | 0            |
| Repayment of borrowings                                      | 0           | 0            |
| Dividends paid   | 0           | 0            |
| Other (provide details if material)                          | 0           | 0            |
| <b>Net financing cash flows</b>                              | <b>0</b>    | <b>0</b>     |
| <b>Net increase (decrease) in cash held</b>                  | <b>(92)</b> | <b>(147)</b> |
| Cash at beginning of period<br>(see Reconciliation of cash)  | 0           | 0            |
| Exchange rate adjustments                                    | 0           | 0            |
| <b>Cash at end of period</b><br>(see Reconciliation of cash) | <b>39</b>   | <b>170</b>   |

## Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

NIL

## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|                             | Current period<br>\$A'000 | Previous corresponding<br>period \$A'000 |
|-----------------------------|---------------------------|--|
| Cash on hand and at bank    | 39                        | 170                                      |
| Deposits at call            | 0                         | 0  |
| Bank overdraft              | 0                         | 0  |
| Other (provide details)     | 0                         | 0  |
| Total cash at end of period | 39                        | 170                                      |

## Ratios

### Profit before tax/sales

|   | Current period | Previous corresponding<br>period |
|---|----------------|----------------------------------|
| Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue | 0%             | 0%                               |

### Profit after tax/equity interests

|   |      |        |
|---|------|--------|
| Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period | 121% | (278%) |
|---|------|--------|

### Earnings per security (EPS)

|   | Current period | Previous corresponding<br>period |
|---|----------------|----------------------------------|
| Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share |                |                                  |
| (a) Basic EPS   | (0.0077)       | (0.0120)                         |
| (b) Diluted EPS (if materially different from (a))  |                |                                  |

### NTA backing

|  | Current period | Previous corresponding<br>period |
|--|----------------|----------------------------------|
| Net tangible asset backing per ordinary security | 0.00445        | 0.00455                          |

**Details of specific receipts/outlays, revenues/expenses**

|   | Current period \$ A'000 | Previous corresponding period \$A'000 |
|---|-------------------------|---------------------------------------|
| Interest revenue included   | 1                       | 3                                     |
| Interest revenue included but not yet received (if material)  | 0                       | 0                                     |
| Interest costs excluded from borrowing costs capitalised in asset values  | 0                       | 0                                     |
| Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material) | 0                       | 0                                     |
| Depreciation (excluding amortisation of intangibles)  | 0                       | 0                                     |
| Other specific relevant items – Personnel Expenses  | 14                      | 11                                    |

**Control gained over entities having material effect**

Name of entity N/A

|  |    |
|--|----|
| Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired | \$ |
| Date from which such profit has been calculated  |    |
| Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period                              | \$ |

**Loss of control of entities having material effect**

Name of entity N/A

|  |    |
|--|----|
| Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control                  | \$ |
| Date from which the profit (loss) has been calculated  |    |
| Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period | \$ |
| Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control                               | \$ |

## Reports for industry and geographical segments

### Segments

|   |   |
|---|---|
| Operating Revenue   | N/A   |
| Sales to customers outside the economic entity                                    |   |
| Inter-segment sales   |   |
| Unallocated revenue   |   |
| Total revenue   |   |
| Segment result  |   |
| Unallocated expenses  |   |
| Consolidated profit from ordinary activities after tax (before equity accounting) |   |
| Segment assets  | ) Comparative data for segment assets should be as at |
| Unallocated assets  | ) the end of the previous corresponding period        |
| Total assets  | )   |

### Dividends

Date the dividend is payable N/A

Record date to determine entitlements to the dividend  
(ie. on the basis of registrable transfers received up to  
5.00 pm)

### Amount per security

|  |               | Franking<br>rate applicable | %   | %   | %   |
|--|---------------|-----------------------------|-----|-----|-----|
| <i>(annual report only)</i>                |               |                             |     |     |     |
| <b>Final dividend:</b>                     | Current year  | ¢                           | N/A | ¢   | N/A |
|  | Previous year | ¢                           | ¢   | ¢   | ¢   |
| <i>(Half yearly and annual statements)</i> |               |                             |     |     |     |
| <b>Interim dividend:</b>                   | Current year  | 0 ¢                         | N/A | 0 ¢ | N/A |
|  | Previous year | 0 ¢                         | ¢   | 0 ¢ | ¢   |

**Total annual dividend (distribution) per security**

*(Annual statement only)*

|                       | Current year | Previous year |
|-----------------------|--------------|---------------|
| Ordinary securities   | ¢            | ¢             |
| Preference securities | ¢            | ¢             |

**Total dividend (distribution)**

|                       | Current period \$A'000 | Previous corresponding period - \$A'000 |
|-----------------------|------------------------|---|
| Ordinary securities   | \$ 0                   | \$ 0                                    |
| Preference securities | \$ N/A                 | \$ N/A                                  |
| <b>Total</b>          | \$ 0                   | \$ 0                                    |

**Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities**

|                       | Current period \$A'000 | Previous corresponding period \$A'000 |
|-----------------------|------------------------|---------------------------------------|
| Ordinary securities   | \$ 0                   | \$ 0                                  |
| Preference securities | \$ N/A                 | \$ N/A                                |
| <b>Total</b>          | \$ 0                   | \$ 0                                  |

The dividend or distribution plans shown below are in operation.

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The last date(s) for receipt of election notices to the dividend or distribution plans

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Any other disclosures in relation to dividends (distributions)

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## Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

| Entities share of:                                 | Current period<br>\$A'000 | Previous corresponding<br>period \$A'000 |
|--|---------------------------|--|
| Profit (loss) from ordinary activities before tax. | 0                         | 0  |
| Income tax   | 0                         | 0  |
| Profit (loss) from ordinary activities after tax   | 0                         | 0  |
| Extraordinary items net of tax                     | 0                         | 0  |
| Net profit (loss)                                  | 0                         | 0  |
| Outside equity interests                           | 0                         | 0  |
| Net profit (loss) attributable to members          | 0                         | 0  |

## Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity                      N/A

Percentage of ownership interest held at end of period or date of disposal

Contribution to profit (loss) from ordinary activities and extraordinary items after tax

## Equity accounted associates and joint venture entities

|                                 | Current period | Previous corresponding period | Current period<br>\$A'000 | Previous corresponding period<br>\$A'000 |
|---------------------------------|----------------|-------------------------------|---------------------------|--|
| <b>Total</b>                    |                |                               |                           |  |
| <b>Other material interests</b> |                |                               |                           |  |
| <b>Total</b>                    |                |                               |                           |  |

## Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| Category of securities  |               |               | Issue Price | Paid-up value |
|---|---------------|---------------|-------------|---------------|
|   | Number issued | Number listed | (cents)     | (cents)       |
| <b>Preference securities</b><br>(description)                             | 0             | 0             |             |               |
| Changes during current period   | 0             | 0             |             |               |
| <b>Ordinary securities</b>  | 9,000,000     | 9,000,000     | 0.007227    | 0.007227      |
|   | 3,010,000     | 3,010,000     | 0.25        | 0.25          |
| Changes during current period   |               |               |             |               |
| <b>Convertible debt securities</b><br>(description and conversion factor) | 0             | 0             |             |               |
| Changes during current period   | 0             | 0             |             |               |

|  |               |               | Exercise price | Expiry date |
|--|---------------|---------------|----------------|-------------|
|  | Number issued | Number listed |                |             |
| <b>Options</b> (description and conversion factor) | 0             | 0             |                |             |
| Changes during current period                      | 0             | 0             |                |             |
| Exercised during current period                    | 0             | 0             |                |             |
| Expired during current period                      | 0             | 0             |                |             |
| <b>Debentures</b>                                  | 0             | 0             |                |             |
| <b>Unsecured Notes</b>                             | 0             | 0             |                |             |

## Discontinuing Operations

### Consolidated profit and loss account

|  | Continuing operations     |  | Discontinuing operations  |  | Total entity              |  |
|--|---------------------------|--|---------------------------|--|---------------------------|--|
|  | Current period<br>\$A'000 | Previous corresponding period<br>\$A'000 | Current period<br>\$A'000 | Previous corresponding period<br>\$A'000 | Current period<br>\$A'000 | Previous corresponding period<br>\$A'000 |
| Sales revenue or operation revenue               | 0                         | 0  | 0                         | 0  | 0                         | 0  |
| Other revenue                                    | 1                         | 3  | 0                         | 0  | 1                         | 3  |
| Expenses from ordinary activities                | (93)                      | (146)                                    | 0                         | 0  | (93)                      | (146)                                    |
| Profit (loss) before tax                         | (92)                      | (143)                                    | 0                         | 0  | (92)                      | (143)                                    |
| Less tax   | 0                         | 0  | 0                         | 0  | 0                         | 0  |
| Profit (loss) from ordinary activities after tax | (92)                      | (143)                                    | 0                         | 0  | (92)                      | (143)                                    |

### Consolidated statement of cash flows

|                          | Continuing operations       |  | Discontinuing operations    |  | Total entity                |  |
|--------------------------|-----------------------------|--|-----------------------------|--|-----------------------------|--|
|                          | Current period -<br>\$A'000 | Previous corresponding period -<br>\$A'000 | Current period -<br>\$A'000 | Previous corresponding period -<br>\$A'000 | Current period -<br>\$A'000 | Previous corresponding period -<br>\$A'000 |
| Net operating cash flows | (91)                        | (147)                                      | 0                           | 0  | (91)                        | (147)                                      |
| Net investing cash flows | 0                           | 0  | 0                           | 0  | 0                           | 0  |
| Net financing cash flows | 0                           | 0  | 0                           | 0  | 0                           | 0  |

**Other disclosures**

|  | Current period<br>\$ A'000 | Previous corresponding<br>period \$ A'000 |
|--|----------------------------|---|
| Carrying amount of items to be disposed of:                      |                            |   |
| - total assets   | 0                          | 0   |
| - total liabilities  | 0                          | 0   |
| Profit (loss) on disposal of assets or settlement of liabilities | 0                          | 0   |
| Related tax  | 0                          | 0   |
| Net profit (loss) on discontinuance                              | 0                          | 0   |

**Description of disposals**

N/A

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**Comments by directors**

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**Basis of accounts preparation**

*If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.*

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

N/A

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A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

N/A

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Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

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N/A

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Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

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N/A

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Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

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N/A

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**Additional disclosure for trusts**

Number of units held by the management company or responsible entity to their related parties:

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N/A

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A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
  - Management fees
- 
- 
- 

Other fees

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## Annual meeting

(Annual statement only)

The annual meeting will be held as follows:

Place \_\_\_\_\_

Date \_\_\_\_\_

Time \_\_\_\_\_

Approximate date the annual report will be available \_\_\_\_\_

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are/~~are not~~\* (delete one) followed as compared with the most recent prospectus.
- 4 This statement does/~~does not~~\* (delete one) give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:  
**PLEASE TICK ONE**
  - The financial statements have been audited.
  - The financial statements have been subject to review by a registered auditor (or overseas equivalent).
  - The financial statements are in the process of being audited or subject to review.
  - The financial statements have *not* yet been audited or reviewed.
- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/~~will follow immediately they are available~~\* (delete one).
- 7 The entity has/~~does not have~~\* (delete one) a formally constituted audit committee.

Signed:  \_\_\_\_\_  
(Director) (Director/Company Secretary)

Print name: ZEMING YANG \_\_\_\_\_

Dated: 16<sup>TH</sup> MARCH, 2015 \_\_\_\_\_

## NOTES

- True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
- Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.
- Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.

**ULTIMATE POWER & ENERGY LIMITED AND CONTROLLED  
ENTITIES** ACN 159 476 892

Consolidated Half Year Financial Report

For the half-year ended 31 December 2014

# ULTIMATE POWER & ENERGY LIMITED AND CONTROLLED ENTITIES

ACN 159 476 892

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This consolidated financial report was authorised for issue by the Directors on 16<sup>th</sup> March 2015. The company has the power to amend and reissue this financial report.

## CORPORATE DIRECTORY

|                         |   |
|-------------------------|---|
| Directors:              | Zeming (Michael) Yang (Chairman)<br>Jacky Yang (Director)<br>Bin Jin (Non-Executive Director)                                     |
| Company Secretary:      | Zeming (Michael) Yang   |
| Registered Office:      | 45 Callaghan Avenue<br>Glen Waverley VIC 3150   |
| Share Register:         | Boardroom Pty Limited<br>Level 7<br>207 Kent Street<br>SYDNEY NSW 2000  |
| Auditor:                | Nexia Court & Co<br>Level 16<br>1 Market Street<br>SYDNEY NSW 2000  |
| Solicitors:             | Herbert Geer Lawyers<br>Level 12<br>77 King Street<br>SYDNEY NSW 2000<br>Telephone: +61 2 9239 4500<br>Facsimile: +61 2 9239 4555 |
| Stock exchange listing: | Ultimate Power & Energy Limited and Controlled Entities are listed on the National Stock Exchange of Australia (NSX Code: UPE)    |
| Website:                | <a href="http://www.wupenergy.com">www.wupenergy.com</a>  |

## Directors' Report

Your directors present their consolidated financial report on Ultimate Power & Energy Limited and its controlled entities for the half-year ended 31 December 2014.

### Directors

The following persons were directors of Ultimate Power & Energy Limited during the half-year and up to the date of this report:

#### **Z M YANG**

Executive Chairman – appointed 13<sup>th</sup> July, 2012

Secretary – appointed 18<sup>th</sup> July, 2013

#### **B JIN**

Non-Executive Director – appointed 13<sup>th</sup> July, 2012

#### **J YANG**

Non-Executive Director and company secretary – appointed 31<sup>st</sup> January, 2014

### Principal Activities

- Further major development on the manufacturing process of the tested initial prototype of 1<sup>st</sup> and 2<sup>nd</sup> UPE System.

### Review of operations

Loss attributable to members of Ultimate Power & Energy Limited for the half-year ended 31 December 2014 was \$101,901 mainly to do with compliance costs and R & D Activities. No dividends were paid or declared payable during or since the half-year.

The company has completed its initial testing on the prototypes of 1<sup>st</sup> UPE system (UPE 1) and 2<sup>nd</sup> UPE system (UPE 2). The company is in its final manufacturing process of building the prototypes for UPE 1 & 2.

### Event after the reporting period

After many corrections and testing, the UPE original newest power system is very close to the much anticipated designed requirements. Moreover in some functions it has surpassed the initial designed requirements. In regarding to the weight aspect it needs further corrections, so we can reach the best ideal weight.

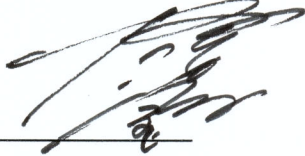
At this moment, UPE has engaged two companies to produce our test samples. The reason for doing so is mainly to ensure business confidentiality. At the same time it is because the production line of the two companies is slightly different, meaning the quality produced would be different, and this affects the final quality of our product. Our company will choose the best production line to produce our products.

Currently, the domestic economy situation of China is constantly changing, this has caused some cities and businesses experiencing fund shortages, the two companies that are working for us are experiencing this problem, too. Our original plan was to receive the product sample at the start of 2015, however due to the problems in China it now has been delayed until around June 2015. Toward this we can only be patient. Once the product sample is produced, UPE will open up a brand new era and prospect following our plan.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to be 'Z YANG', written over a horizontal line.

Z YANG  
Director

Melbourne  
16<sup>th</sup> March, 2015

ULTIMATE POWER & ENERGY LIMITED  
 ABN 40 159 476 892  
 Consolidated Statement of Comprehensive Income  
 For the half year ended 31 December 2014

|   |      | 1 Jul - 31 Dec   | 1 Jul - 31 Dec   |
|---|------|------------------|------------------|
|   |      | 2014             | 2013             |
|   | Note | \$               | \$               |
| Interest Income   |      | 988              | 3,092            |
| Refund of rental bond                                     |      | 3,134            | -                |
| Administrative expenses                                   | 5    | (35,390)         | (65,339)         |
| Personnel expenses  | 8    | (14,475)         | (11,440)         |
| Directors' Remuneration                                   | 7    | (34,800)         | (45,000)         |
| Motor vehicle expenses                                    |      | (718)            | (2,469)          |
| Development costs   | 6    | (20,640)         | (22,484)         |
| <b>Total comprehensive income attributable to members</b> |      | <u>(101,901)</u> | <u>(143,640)</u> |
| Other comprehensive income                                |      | -                | -                |
| <b>Total comprehensive income attributable to members</b> |      | <u>(101,901)</u> | <u>(143,640)</u> |
| <br>  |      |                  |                  |
| Basic and diluted loss per share (cents per share)        | 14   | (0.0085)         | (0.0120)         |

*The above consolidated statement of Comprehensive Income should be read in conjunction with the accompanying notes*

ULTIMATE POWER & ENERGY LIMITED  
 ABN 40 159 476 892  
 Consolidated Statement of Financial Position  
 As at 31 December 2014

|                                   | Note | 31-Dec<br>2014<br>\$ | 30-Jun<br>2014<br>\$ |
|-----------------------------------|------|----------------------|----------------------|
| <b>CURRENT ASSETS</b>             |      |                      |                      |
| Cash and cash equivalents         | 9    | 38,903               | 130,624              |
| Trade and other receivables       | 10   | 54,868               | 57,772               |
| <b>TOTAL CURRENT ASSETS</b>       |      | <u>93,771</u>        | <u>188,396</u>       |
| <b>TOTAL ASSETS</b>               |      | <u>93,771</u>        | <u>188,396</u>       |
| <b>CURRENT LIABILITIES</b>        |      |                      |                      |
| Trade and other payables          | 11   | 161,462              | 156,465              |
| Employee benefits                 | 12   | 17,474               | 15,195               |
| <b>TOTAL CURRENT LIABILITIES</b>  |      | <u>178,936</u>       | <u>171,660</u>       |
| <b>TOTAL LIABILITIES</b>          |      | <u>178,936</u>       | <u>171,660</u>       |
| <b>NET (LIABILITIES) / ASSETS</b> |      | <u>(85,165)</u>      | <u>16,736</u>        |
| <b>EQUITY</b>                     |      |                      |                      |
| Accumulated losses                |      | (623,339)            | (521,438)            |
| Contributed equity                | 13   | 538,174              | 538,174              |
| <b>TOTAL EQUITY</b>               |      | <u>(85,165)</u>      | <u>16,736</u>        |

*The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.*

ULTIMATE POWER & ENERGY LIMITED  
Consolidated Statement of Changes in Equity  
For the half year ended 31 December 2014

|  |      | Attributable to owners<br>ULTIMATE POWER & ENERGY LIMITED |                      |                 |
|--|------|---|----------------------|-----------------|
| Consolidated   | Note | Contributed<br>equity                                     | Retained<br>earnings | Total<br>equity |
| <hr/>  |      |   |                      |                 |
| Balance at 1 July 2014                                       |      | 538,174   | (521,438)            | 16,736          |
| <b>Total comprehensive income for the half-year</b>          |      | -   | (101,901)            | (101,901)       |
|  |      | <u>538,174</u>  | <u>(623,339)</u>     | <u>(85,165)</u> |
| <br>   |      |   |                      |                 |
| <b>Transactions with owners in their capacity as owners:</b> |      |   |                      |                 |
| Contributions of equity, net of transaction costs            |      | -   | -                    | -               |
|  |      | <u>-</u>  | <u>-</u>             | <u>-</u>        |
| Balance at 31 December 2014                                  |      | <u>538,174</u>  | <u>(623,339)</u>     | <u>(85,165)</u> |
| <br>   |      |   |                      |                 |
| Consolidated   |      | Contributed<br>equity                                     | Retained<br>earnings | Total<br>equity |
| <hr/>  |      |   |                      |                 |
| Balance at 1 July 2013                                       |      | 538,174   | (342,924)            | 195,250         |
| <b>Total comprehensive income for the half-year</b>          |      | -   | (143,640)            | (143,640)       |
|  |      | <u>538,174</u>  | <u>(486,564)</u>     | <u>51,610</u>   |
| <br>   |      |   |                      |                 |
| <b>Transactions with owners in their capacity as owners:</b> |      |   |                      |                 |
| Contributions of equity, net of transaction costs            |      | -   | -                    | -               |
|  |      | <u>-</u>  | <u>-</u>             | <u>-</u>        |
| Balance at 31 December 2013                                  |      | <u>538,174</u>  | <u>(486,564)</u>     | <u>51,610</u>   |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

ULTIMATE POWER & ENERGY LIMITED  
 ABN 40 159 476 892  
 Consolidated Statement of Cash Flows  
 For the half year ended 31 December 2014

|  | 1 Jul - 31 Dec<br>2014<br>\$ | 1 Jul - 31 Dec<br>2013<br>\$ |
|--|------------------------------|------------------------------|
| <hr/>  |                              |                              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>              |                              |                              |
| Payments to suppliers and employees                      | (92,896)                     | (150,410)                    |
| Interest received  | 1,173                        | 3,458                        |
| <b>Net cash flows from operating activities</b>          | <u>(91,723)</u>              | <u>(146,952)</u>             |
| <br><b>Net decrease in Cash held</b>                     |                              |                              |
| Net decrease in cash and cash equivalents                | (91,723)                     | (146,952)                    |
| Cash and cash equivalents at the beginning of the period | <u>130,625</u>               | <u>316,710</u>               |
| <b>Cash and cash equivalents at the end of period</b>    | <u>38,903</u>                | <u>169,758</u>               |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

**NOTE 1 – REPORTING ENTITY**

ULTIMATE POWER & ENERGY LIMITED (the 'Company') is a company incorporated in Australia under the *Corporations Act 2001*. This consolidated condensed interim financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

**NOTE 2 – BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The half year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporation Act 2001, Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the consolidated Annual financial report of the group as at, and for the year ended 30 June 2014 and any public announcements made by Ultimate Power and Energy Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the Corporation Act 2001. The half year report does not include full disclosures of the type normally included in an annual financial report.

The accounting policies have been consistently applied by the entities in the consolidated group.

The half year consolidated interim financial report was approved by the Board of Directors on 16 March 2015.

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

***GOING CONCERN***

The consolidated financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

During the year the Company incurred a loss of \$101,901 (Dec 2013: \$143,640) and operating cash outflow of \$91,723 (Dec 2013: \$146,952). The company is in a net liability position of \$85,165 (Jun 2014: \$16,736)

The company currently forecasts a positive operating cash flow position for the 2015 financial year which is due to an expected capital raising program to commence in August 2015. Without going to the market to raise capital, the Company will be in a negative cash flow position for the 2015 financial year. Therefore there is significant doubt over the continuing going concern of the company. The Company continues to be in a stage of research and development on its UPE Systems and as a result is currently not generating revenue.

While the above factors indicate a material uncertainty in the going concern preparation basis of the financial statements, the directors consider that the company will be able to continue as a going concern, after consideration of the following factors:

- The current liability is relatively small and of which \$141,302 relates to director's payables

- The on-going day-to-day running costs for the Australia office have been forecasted and are relatively moderate and will be well within the control of the management
- The lease on the office suite at 13/40 Montclair Avenue, Glen Waverley, VIC 3150 was not renewed. There are no further costs of this nature in the Company
- The company is planning to pursue a capital raising program in the 1<sup>st</sup> quarter of the 2016 financial year.

From the above it can be drawn that if the company is unsuccessful with its capital raising efforts in the near future there exists a very significant material uncertainty that the company will not be able to continue as a going concern and realize its assets and settle its liabilities at the values currently disclosed in these financial statements.

However, the Directors believe they will be able to raise the capital and the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

#### **EMPLOYEE BENEFITS**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on- costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### **PROVISIONS**

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

#### **CASH & CASH EQUIVALENTS**

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

#### **REVENUE**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

#### **FINANCE COSTS**

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other finance costs are recognised income in the period in which they are incurred.

#### **GOODS & SERVICES TAX (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as

part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet 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.

**COMPARATIVE FIGURES**

When required by the Accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

***New or revised Standards and Interpretations that are first effective in the current reporting period***

A number of new and revised accounting standards were applicable from 1 July 2014. However, none of the standards identified has any impact on the Company during the period.

**NOTE 3: OPERATING SEGMENTS – IDENTIFICATION OF REPORTABLE SEGMENTS**

During the half year the Company operated principally in one business segment being the green and emerging energy sector in one geographical segment being Australia.

**NOTE 4: - COMPANY AND ITS CONTROLLED ENTITIES**

The Company Ultimate Power and Energy Limited owns both UPE International Pty Ltd (A.C.N. 159 498 192) and UPE Operations Pty Ltd (A.C.N. 159 498 227) 100%

|   | <b>31 Dec 14</b> | <b>31 Dec 13</b> |
|---|------------------|------------------|
|   | \$               | \$               |
| <b><u>NOTE 5: ADMINISTRATIVE EXPENSES</u></b> |                  |                  |
| Accounting & audit fees                       | 29,300           | 40,223           |
| Office rent & outgoings                       | -                | 14,568           |
| Advertising                                   | -                | 73               |
| Filing fees                                   | 2,556            | 1,622            |
| Telephone, mobile & fax                       | -                | 314              |
| Bank charges                                  | 90               | 100              |
| Consultant services                           | -                | 4,000            |
| Listing costs                                 | 3,444            | 4,439            |
|   | <u>35,390</u>    | <u>65,339</u>    |
| <b><u>NOTE 6: DEVELOPMENT COST</u></b>        |                  |                  |
| Development cost                              | 20,640           | 22,484           |
|   | <u>20,640</u>    | <u>22,484</u>    |
| <b><u>NOTE 7: DIRECTORS REMUNERATION</u></b>  |                  |                  |
| Directors wages                               | 34,800           | 45,000           |
|   | <u>34,800</u>    | <u>45,000</u>    |

|   | <b>31 Dec 14</b> | <b>30 June 14</b> |
|---|------------------|-------------------|
| <b><u>NOTE 8: PERSONNEL EXPENSES</u></b>              | <b>\$</b>        | <b>\$</b>         |
| Wages   | 10,200           | 3,781             |
| Superannuation contributions                          | 4,275            | 4,512             |
| Annual leave entitlement                              | -                | 3,147             |
|   | <u>14,475</u>    | <u>11,440</u>     |
| <br><b><u>NOTE 9: CASH AND CASH EQUIVALENTS</u></b>   |                  |                   |
| CBA online account                                    | 38,259           | 129,084           |
| Cheque account  | 644              | 1,540             |
|   | <u>38,903</u>    | <u>130,624</u>    |
| <br><b><u>NOTE 10: OTHER RECEIVABLES</u></b>          |                  |                   |
| Director related receivables                          | 53,360           | 53,360            |
| GST refundable  | 1,429            | 4,147             |
| Interest receivable                                   | 79               | 265               |
|   | <u>54,868</u>    | <u>57,772</u>     |
| <br><b><u>NOTE 11: TRADE &amp; OTHER PAYABLES</u></b> |                  |                   |
| Director loan payable                                 | 141,302          | 141,302           |
| Audit fees payable                                    | 9,500            | 13,750            |
| Bank charges payable                                  | 10               | 10                |
| Developments costs payable                            | 10,650           | 669               |
| Listing costs payable                                 | -                | 734               |
|   | <u>161,462</u>   | <u>156,465</u>    |
| <br><b><u>NOTE 12: EMPLOYEE BENEFITS</u></b>          |                  |                   |
| PAYG withholding payable                              | 3,990            | 3,849             |
| Superannuation payable                                | 2,138            | -                 |
| Provision for annual leave                            | 11,346           | 11,346            |
|   | <u>17,474</u>    | <u>15,195</u>     |

| <b><u>NOTE 13: CONTRIBUTED EQUITY</u></b> | <b>31 Dec 14</b> | <b>30 June 14</b> |
|---|------------------|-------------------|
|   | \$               | \$                |
| Contributed equity                        | <u>538,174</u>   | <u>538,174</u>    |

Initial equity from Zeming Yang of \$65,403 was contributed. A further subscription of \$602,000 was raised on 26 October, 2012. Listing expenses totaling \$129,229 on 13 July 2012, which were considered to be relating to the equity – raising therefore have been used to offset equity raised.

| <b><u>NOTE 14: EARNING PER SHARE CALCULATION</u></b> | <b>31 Dec 14</b> | <b>31 Dec 13</b> |
|--|------------------|------------------|
|  | \$               | \$               |
| Loss attributed to ordinary equity holders:          | <u>(101,901)</u> | <u>(143,640)</u> |

|  | <b>31 Dec 14</b>  | <b>31 Dec 13</b>  |
|--|-------------------|-------------------|
| Total average weighted No. of Share issued | <u>12,010,000</u> | <u>12,010,000</u> |

|                     | <b>31 Dec 14</b> | <b>31 Dec 13</b> |
|---------------------|------------------|------------------|
|                     | \$               | \$               |
| EPS and Diluted EPS | <u>(0.0085)</u>  | <u>(0.0151)</u>  |

**NOTE 16: EVENTS OCCURRING AFTER THE REPORTING PERIOD**

Since the end of the half year the Directors are not aware of any matter or circumstance not otherwise dealt with in the financial report that has significantly or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial year.

In the directors' opinion:

- (a) The financial statements and notes set out on pages 6-15 are in accordance with the *Corporations Act 2001*, including:
  - a. Comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - b. Give a true and fair view of the entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date, and
- (b) In the Directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to s. 303(5) of the Corporations Act 2001.



Zeming Yang  
Director

Melbourne  
16<sup>th</sup> March, 2015

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ULTIMATE POWER AND ENERGY LIMITED

We have reviewed the accompanying half-year financial report of Ultimate Power and Energy Limited, which comprises the Consolidated Statement of Financial Position as at 31 December 2014, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising Ultimate Power and Energy Limited (the Company) and the entities it controlled at the period's end or from time to time during the half year.

### Directors' Responsibility for the Interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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 auditor of Ultimate Power and Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been given to the directors of Ultimate Power and Energy Limited.

#### Sydney Office

Level 16, 1 Market Street, Sydney NSW 2000  
PO Box 1195, Australia Square NSW 1215  
p +61 2 9251 4600, f +61 2 9251 7138  
info@nexiacourt.com.au, www.nexia.com.au

Independent member of Nexia International



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF ULTIMATE POWER AND ENERGY LIMITED  
(CONT'D)**

**Basis for Qualified Opinion**

Included in note 10 of the financial statements is a current receivable from a company director of \$53,360. We have not been provided with nor been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to the recoverability of this amount. Consequently, we have not been able to determine whether impairment exists in relation to this balance.

**Qualified Opinion**

Based on our review, which is not an audit, we have not become aware of any matter except for the possible effects of matter described in the Basis for Qualified Opinion paragraph, that makes us believe that the half year financial report of Ultimate Power and Energy Limited and controlled entities is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Emphasis of Matter Regarding Continuation as a Going Concern**

We draw attention to Note 2 of the financial statements "Going Concern". The financial statements have been prepared on the basis that the Company is a going concern. The Company has incurred a net loss during the period of \$101,901 and at balance date its total liabilities exceed its total assets by \$85,165

These conditions, along with the matters described in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and settle its liabilities in the normal course of business.

A handwritten signature in black ink that reads "Nexia Court & Co".

**Nexia Court & Co  
Chartered Accountants**

A handwritten signature in black ink that reads "Joseph Santangelo".

**Joseph Santangelo  
Partner**

17 March 2015  
Sydney

16 March 2015

The Directors  
C/- Michael Yang  
Ultimate Power & Energy Limited  
45 Callaghan Avenue  
GLEN WAVERLEY VIC 3150

Dear Board Members

**Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Ultimate Power and Energy Limited.

As lead audit partner for the review of the financial statements of Ultimate Power and Energy Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely



**Nexia Court & Co**  
**Chartered Accountants**



**Joseph Santangelo**  
**Partner**

Sydney

**Sydney Office**

Level 16, 1 Market Street, Sydney NSW 2000  
PO Box H195, Australia Square NSW 1215  
p +61 2 9251 4600, f +61 2 9251 7138  
info@nexiacourt.com.au, www.nexia.com.au

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