

SECTION 2C: APPENDIX 3

HALF YEAR REPORT

The following information must be given to NSX under listing rule 6.10

1. Details of the reporting period and the previous corresponding period.
2. Key information in relation to the following. This information must be identified as ***“Results for announcement to the market”***.
 - 2.1 The amount and percentage change up or down from the previous corresponding period of revenue.
 - 2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) after income tax
 - 2.3 The amount and percentage change up or down from the previous corresponding period of profit (loss) for the period attributable to members of the parent.
 - 2.4 The amount per security and franked amount per security of final and interim dividends or distributions or a statement that it is not proposed to pay dividends or distributions.
 - 2.5 The record date for determining entitlements to the dividends or distributions (if any).
 - 2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Note: The information required by item 2 must be placed at the beginning of the report. The other information may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately.
3. Net tangible assets per security with the comparative figure for the previous corresponding period.
4. Details of entities over which control has been gained or lost during the period, including the following.
 - 4.1 Name of the entity.
 - 4.2 The date of the gain or loss of control.
 - 4.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity’s profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.
6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
7. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.
8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).
9. For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

Note: The audit report or review must be provided as part of the report

Please refer to the relevant Practice Note for the preferred format of this information, to be published by the *Exchange* from time to time.

PRELIMINARY FINAL REPORT

The following information must be given to NSX under listing rule 6.11

1. Details of the reporting period and the previous corresponding period.
2. Key information in relation to the following. This information must be identified as ***“Results for announcement to the market”***.
 - 2.1 The amount and percentage change up or down from the previous corresponding period of revenue.
 - 2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) after income tax.
 - 2.3 The amount and percentage change up or down from the previous corresponding period of profit (loss) for the period attributable to members of the parent.
 - 2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.
 - 2.5 The record date for determining entitlements to the dividends (if any).
 - 2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Note: The information required by item 2 must be placed at the beginning of the report. The other information may be presented in whatever way is most convenient, eg combined with the body of the report, combined with notes to the accounts, or set out separately.

3. An income statement together with notes to the statement, prepared in compliance with AASB 101: Presentation of Financial Statements and 108: Accounting Policies, Changes in Accounting Estimates and Errors or the equivalent foreign accounting standard.
4. A balance sheet together with notes to the statement prepared in compliance with AASB 101: Presentation of Financial Statements or the equivalent foreign accounting standard. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.
5. A statement of changes in equity together with notes to the statement prepared in accordance with AASB 101: Presentation of Financial Statements or the equivalent foreign accounting standard.
5. A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 107: Cash Flow Statements, or the equivalent foreign accounting standard.

6. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.
7. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
8. A statement of retained earnings showing movements.
9. Net tangible assets per security with the comparative figure for the previous corresponding period.
10. Details of entities over which control has been gained or lost during the period, including the following.
 - 10.1 Name of the entity.
 - 10.2 The date of the gain or loss of control.
 - 10.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.
11. Details of associates and joint venture entities including the following.
 - 11.1 Name of the associate or joint venture entity.
 - 11.2 Details of the reporting entity's percentage holding in each of these entities.
 - 11.3 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.
12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.
13. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).
14. A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.

- 14.1 The earnings per security and the nature of any dilution aspects.
 - 14.2 Returns to shareholders including distributions and buy backs.
 - 14.3 Significant features of operating performance.
 - 14.4 The results of segments that are significant to an understanding of the business as a whole.
 - 14.5 A discussion of trends in performance.
 - 14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.
15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed
- Note: If the accounts have been audited or subject to review, the audit report or review should be provided with the report.
16. The auditors observed that there is a significant uncertainty as to the Company's ability to continue as a going concern and expect this to be reflected in their audit report when issued.
17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

Please refer to the relevant Practice Note for the preferred format of this information, to be published by the *Exchange* from time to time.

FORM: Half yearly/preliminary final report

Name of issuer

ULTIMATE POWER & ENERGY LIMITED

ACN or ARBN

159 476 892

Half yearly
(tick)

Preliminary
final (tick)

✓

Half year/financial year ended
(‘Current period’)

30 JUNE 2015

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A,000
Revenue (item 1.1)	up/down	15%	to	86
Profit (loss) for the period (item 1.9)	up/down	46%	to	97
Profit (loss) for the period attributable to security holders (item 1.11)	up/down	46%	to	96
Income Distributions		Current period		Previous corresponding period
		—		—
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

Consolidated income statement *(The figures are not equity accounted)*

(see note 3)

(In accordance with paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues <i>(item 7.1)</i>	86	75
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(183)	(253)
1.3 Finance costs	-	-
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 Profit (loss) before income tax	(97)	(178)
1.6 Income tax expense <i>(see note 4)</i>	-	-
1.7 Profit (loss) from continuing operations	-	-
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) attributable to security holders for the period	(97)	(178)
1.10 Basic earnings per <i>security</i> <i>(item 9.1)</i>	(0.0080) ¢	(0.0149) ¢
1.11 Diluted earnings per <i>security</i> <i>(item 9.1)</i>	(0.0080) ¢	(0.0149) ¢
1.12 Distribution per <i>security</i> <i>(item 9.1)</i>	(0.0080) ¢	(0.0149) ¢

Comparison of half-year profits

(Preliminary final statement only)

	Current period - \$A'000	Previous corresponding period - \$A'000
2.1 Consolidated profit (loss) after tax attributable to security holders reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(92)	(143)
2.2 Consolidated profit (loss) after tax attributable to security holders for the 2nd half year	(4)	(143)

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	35	130
3.2	Trade and other receivables	55	58
3.3	Inventories	-	-
3.4	Other current assets (provide details if material)	-	-
3.5	Total current assets	90	188
Non-current assets			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	-	-
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	-	-
3.16	Other (provide details if material)	-	-
3.17	Total non-current assets	-	-
3.18	Total assets	90	188
Current liabilities			
3.19	Trade and other payables	169	160
3.20	Short term borrowings	-	-
3.21	Current tax payable	-	-
3.22	Short term provisions	-	-
3.23	Current portion of long term borrowings	-	-
3.24	Provision for Annual Leave	-	11
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	Total current liabilities	169	171
Non-current liabilities			

	Current period - \$A'000	Previous corresponding period - \$A'000
3.27 Long-term borrowings	-	-
3.28 Deferred tax liabilities	-	-
3.29 Long term provisions	-	-
3.30 Other (provide details if material)	-	-
3.31 Total non-current liabilities	-	-
3.32 Total liabilities	169	171
3.33 Net assets	(79)	17
Equity		
3.34 Share capital	538	538
3.35 Other reserves	-	-
3.36 Retained earnings	(617)	(521)
3.37 Total equity	(79)	17

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$'000	Previous corresponding period – A\$'000
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit for the period	(96)	(178)
4.3 Total recognised income and expense for the period	(96)	(178)
4.4 Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):	-	-

Consolidated statement of cash flows

(See note 6)

(as per AASB 107: Cash Flow Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
5.1 Interest Received	1	5
5.2 Payments to suppliers and employees	(184)	(261)
5.3 Interest and other costs of finance paid		-
5.4 Income taxes paid		-
5.5 Other (R&D REBATE RECEIVED)	87	70
5.6 Net cash used in operating activities	(96)	(186)
Cash flows related to investing activities		
5.7 Payments for purchases of property, plant and equipment	-	-
5.8 Proceeds from sale of property, plant and equipment	-	-
5.9 Payment for purchases of equity investments	-	-
5.10 Proceeds from sale of equity investments	-	-
5.11 Loans to other entities	-	-
5.12 Loans repaid by other entities	-	-
5.13 Interest and other items of similar nature received	-	-
5.14 Dividends received	-	-
5.15 Other (provide details if material)	-	-
5.16 Net cash used in investing activities	-	-
Cash flows related to financing activities		
5.17 Proceeds from issues of securities (shares, options, etc.)	-	-
5.18 Proceeds from borrowings	-	-
5.19 Repayment of borrowings	-	-
5.20 Distributions paid	-	-
5.21 Other (provide details if material)	-	-
5.22 Net cash used in financing activities	-	-
Net increase (decrease) in cash and cash equivalents		
5.23 Cash at beginning of period (see Reconciliations of cash)	130	316
5.24 Exchange rate adjustments to item 5.23	-	-
5.25 Cash at end of period (see Reconciliation of cash)	34	130

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

	Current period \$A'000	Previous corresponding period \$A'000
6.1 Loss <i>(item 1.9)</i>	(96)	(178)
Adjustments for:		
6.2		
6.3		
6.4		
6.5 (Increase)/decrease in Receivables	2	5
6.6 Increase/(decrease) in Payables	9	(19)
6.7 Increase/(decrease) in Provisions	(11)	6
6.8 Increase/decrease in	-	-
6.9 Increase/decrease in	-	-
6.10 Net cash from operating activities <i>(item 5.6)</i>	(96)	(186)

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenue		
Interest	1	5
R & D Tax Offset	82	70
Refund of Rental Bond	3	-
7.1 Total Revenue	86	75
Expenses		
Administrative expenses	(95)	(145)
Personnel expenses	-	(15)
Directors' remuneration	(87)	(93)
7.2 Total Expenses	(182)	(253)
Profit (loss) before tax	(96)	(178)

Ratios

	Current period	Previous corresponding period
Profit before tax / revenue		
8.1 Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	(112) %	(237) %
Profit after tax / equity interests		
8.2 Consolidated profit (loss) after tax attributable to security holders (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	(122) %	(1,047) %

Earnings per Security

9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

	Current Period	Previous Corresponding Period
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating earnings per share	\$ (96,000)	\$ (178,000)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	12,010,000	12,010,000
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (if different from basic)	-	-

Income distributions

10.1 Date the income distribution is payable

N/A

10.2 Record date to determine entitlements to the income distribution (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHES transfer)

N/A

10.3 The *distribution plans* shown below are in operation.

N/A

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

N/A

10.4 Any other disclosures in relation to *distributions*

N/A

Distributions paid or provided for on all securities

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
Distributions paid or provided for during the reporting period	-	-	-
10.5 Current year interim	-	-	-
10.6 Previous year final	-	-	-

Distributions per security

(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

	Current year	Previous year	Franking rate applicable
Distributions paid or provided for during the reporting period	-	-	-
10.7 Current year interim	-	-	-
10.8 Previous year final	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A'000	Previous corresponding period \$A'000
11.1 Opening balance	-	-
11.2 Expenditure incurred during current period	-	-
11.3 Expenditure written off during current period	-	-
11.4 Acquisitions, disposals, revaluation increments, etc.	-	-
11.5 Expenditure transferred to Development Properties	-	-
11.6 Closing balance as shown in the consolidated balance sheet (item 3.10)	-	-

Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Opening balance	-	-
12.2 Expenditure incurred during current period	-	-
12.3 Expenditure transferred from exploration and evaluation	-	-
12.4 Expenditure written off during current period	-	-
12.5 Acquisitions, disposals, revaluation increments, etc.	-	-
12.6 Expenditure transferred to mine properties	-	-
12.7 Closing balance as shown in the consolidated balance sheet (item 3.11)	-	-

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$'000	Previous corresponding period – A\$'000
13.1 Revenue	-	-
13.2 Expense	-	-
13.3 Profit (loss) from discontinued operations before income tax	-	-
13.4 Income tax expense (as per para 81 (h) of AASB 112)	-	-
13.5 Gain (loss) on sale/disposal of discontinued operations	-	-
13.6 Income tax expense (as per paragraph 81(h) of AASB 112)	-	-

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.1	Preference securities <i>(description)</i>	-	-	-	-	-
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5	Balance at end of period	-	-	-	-	-
14.6	Ordinary securities <i>(description)</i>	12,010,000	12,010,000	4 ¢	538	538
14.7	Balance at start of period	-	-	-	-	-
14.8	a) Increases through issues	-	-	-	-	-
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10	Balance at end of period	-	-	-	-	-
14.11	Convertible Debt Securities <i>(description & conversion factor)</i>	-	-	-	-	-
14.12	Balance at start of period	-	-	-	-	-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	-	-
14.15	Balance at end of period	-	-	-	-	-

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.16	Options <i>(description & conversion factor)</i>	-	-	-	-	-
14.17	Balance at start of period	-	-	-	-	-
14.18	Issued during period	-	-	-	-	-
14.19	Exercised during period	-	-	-	-	-
14.20	Expired during period	-	-	-	-	-
14.21	Balance at end of period	-	-	-	-	-
14.22	Debentures <i>(description)</i>	-	-	-	-	-
14.23	Balance at start of period	-	-	-	-	-
14.24	a) Increases through issues	-	-	-	-	-
14.25	b) Decreases through maturity, converted	-	-	-	-	-
14.26	Balance at end of period	-	-	-	-	-
14.27	Unsecured Notes <i>(description)</i>	-	-	-	-	-
14.28	Balance at start of period	-	-	-	-	-
14.29	a) Increases through issues	-	-	-	-	-
14.30	b) Decreases through maturity, converted	-	-	-	-	-
14.31	Balance at end of period	-	-	-	-	-
14.32	Total Securities	12,010,000	12,010,000	4 ¢	538	538

	Current period – A\$'000	Previous corresponding period – A\$'000
Reserves	-	-
14.33 Balance at start of period	-	-
14.34 Transfers to/from reserves	-	-
14.35 Total for the period	-	-
14.36 Balance at end of period	-	-
14.37 Total reserves	-	-
Retained earnings		
14.38 Balance at start of period	(521)	(343)
14.39 Changes in accounting policy	-	-
14.40 Restated balance	-	-
14.41 Profit for the balance	(96)	(178)
14.42 Total for the period	-	-
14.43 Dividends	-	-
14.44 Balance at end of period	(617)	(521)

Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(under AASB 128: Investments in Associates paragraph Aus 37.1 and AASB 131: Interests in Joint Ventures paragraph Aus 57.3)

Name of associate or joint venture entity N/A

Reporting entities percentage holding N/A

	Current period - \$A'000	Previous corresponding period - \$A'000
15.1 Profit (loss) before income tax	-	-
15.2 Income tax	-	-
15.3 Profit (loss) after tax	-	-
15.4 Impairment losses	-	-
15.5 Reversals of impairment losses	-	-
15.6 Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7 Share of net profit (loss) of associates and joint venture entities	-	-

Control gained over entities having material effect

(See note 8)

16.1 Name of *issuer* (or *group*) N/A

	\$A'000
16.2 Consolidated profit (loss) after tax of the <i>issuer</i> (or <i>group</i>) since the date in the current period on which control was acquired	-
16.3 Date from which profit (loss) in <i>item 16.2</i> has been calculated	-
16.4 Profit (loss) after tax of the <i>issuer</i> (or <i>group</i>) for the whole of the previous corresponding period	-

Loss of control of entities having material effect

(See note 8)

17.1	Name of <i>issuer</i> (or <i>group</i>)	N/A
		\$A'000
17.2	Consolidated profit (loss) after tax of the entity (or <i>group</i>) for the current period to the date of loss of control	-
17.3	Date from which the profit (loss) in <i>item 17.2</i> has been calculated	-
17.4	Consolidated profit (loss) after tax of the entity (or <i>group</i>) while controlled during the whole of the previous corresponding period	-
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	-

Material interests in entities which are not controlled entities

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

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
		Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
18.1	Equity accounted associated entities	N/A	N/A	<i>Equity accounted</i>	
				N/A	N/A
18.2	Total	N/A	N/A	N/A	N/A
18.3	Other material interests	N/A	N/A	<i>Non equity accounted (i.e. part of item 1.9)</i>	
18.4	Total	N/A	N/A	N/A	N/A

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

	Current period - \$A'000	Previous corresponding period - \$A'000
Segments	-	-
Revenue:	-	-
19.1 External sales	-	-
19.2 Inter-segment sales	-	-
19.3 Total (consolidated total equal to <i>item 1.1</i>)	-	-
19.4 Segment result	-	-
19.5 Unallocated expenses	-	-
19.6 Operating profit (equal to <i>item 1.5</i>)	-	-
19.7 Interest expense	-	-
19.8 Interest income	-	-
19.9 Share of profits of associates	-	-
19.10 Income tax expense	-	-
19.11 Net profit (consolidated total equal to <i>item 1.9</i>)	-	-
Other information	-	-
19.12 Segment assets	-	-
19.13 Investments in equity method associates	-	-
19.14 Unallocated assets	-	-
19.15 Total assets (equal to <i>item 3.18</i>)	-	-
19.16 Segment liabilities	-	-
19.17 Unallocated liabilities	-	-
19.18 Total liabilities (equal to <i>item 3.32</i>)	-	-
19.19 Capital expenditure	-	-
19.20 Depreciation	-	-
19.21 Other non-cash expenses	-	-

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(0.0066)	0.0014

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.

21.1

N/A

International Financial Reporting Standards

Under paragraph 39 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1

N/A

Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2

N/A

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

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). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

The directors of the company are in the process of organising a capital raising event which is due to take place in November 2015. There are no other matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

N/A

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

N/A

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

N/A

An *issuer* shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. *(as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)*

N/A

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year *(as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

N/A

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

N/A

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

N/A

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and

discontinued operations (as per paragraph 16(i) of AASB 134: Interim Financial Reporting)

N/A

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place	20 Aristoc Road, GLEN WAVERLEY VIC 3150
Date	To be advised
Time	To be advised
Approximate date the annual report will be available	30 September 2015

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

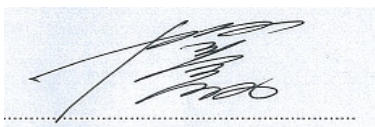
~~The financial statements have been audited.~~

~~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.~~

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, full details of any qualifications ~~are attached~~/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*). The Auditors observed that there is a significant uncertainty as to the Company's ability to continue as a going concern and expect this to be reflected in their annual report when issued.
6. The *issuer* has/~~does not have~~* (*delete one*) a formally constituted audit committee.

Sign here: 

Date: 11th September, 2015

Print name: MICHAEL YANG

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **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 *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*
 - Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5*. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **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 issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution

for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under ASIC Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with AASB 101: *Presentation of Financial Statements* or AASB 134: *Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* 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. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the Exchange. For example, a *directors'* report and declaration, if lodged with the ASIC, must be given to the Exchange.
13. **Accounting Standards** the Exchange will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** AASB 101: *Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the Exchange. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

Relevant items AASB 101: *Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in AASB 101, in explaining the financial performance of the *issuer*. There is an equivalent requirement in AASB 134: *Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the Exchange.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

17. **Discontinuing operations**

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3