

ANNUAL REPORT
31 December 2015
SINO-EXCEL ENERGY LIMITED
A.C.N. 085 162 456

SINO-EXCEL ENERGY LIMITED

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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SINO-EXCEL ENERGY LIMITED

CHAIRMAN'S REPORT

Dear Shareholder,

In FY2015, the group had an operating loss of US\$381,500 (2014 loss: US\$1,771,581). The major contributing items to the loss were a provision for bad debts from Aohua of \$234,255 and other operating costs of \$388,945, offset by a net exchange gain of \$264,484

On 29 December 2015, the Company had entered into a RTO Agreement with Stephen Wong ("SW") and Standard Privilege Wealth Management Limited ("SPWM") to acquire SPWM and/or any other entities which operate the business or hold assets of the business for SW (collectively the "Targets") to acquire a 100% interest in each of the Targets.

In accordance with the terms of the Agreement, the parties were to enter into negotiations in relation to executing an agreement to effect the proposed transaction ("Proposed Transaction")

Under the Proposed Transaction, the Company was to acquire all of the issued shares in the Targets. On satisfaction of the relevant conditions, the Shareholders were to receive fully paid ordinary shares in the Company, representing approximately 70% of the fully diluted share capital of the Company. Conditions to the Proposed Transaction included the completion of the acquisition, by the Targets, of assets valued at no less than an agreed amount, and the satisfaction and receipt of all necessary legal and regulatory approvals.

The Company believes that a change in activities is in the best interest of shareholders

Yours faithfully,



Director
Zhao Yan Shi (acting chairman at 31 December 2015)

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT

The Company is a small company with limited operations. Accordingly the Board considers that certain of the corporate governance guidelines intended to apply to larger operating companies are not practical for the Company in its current circumstances. Where relevant, these instances are noted in the following table.

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Principle 1			
Principle 1 – Lay solid foundations for management and oversight. Companies should establish and disclose the respective roles and responsibilities of board and management.			
Recommendation 1.1: Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Comply	The Company has adopted a Board Charter. The Board is accountable to shareholders for the performance of the Company and has overall responsibility for its operations. The Board's primary objective is to protect and enhance shareholder value within a defined, informed structure which protects the rights and interests of shareholders and other stakeholders by ensuring that the Company and its controlled entities are properly managed. The Board, together with senior management, is responsible to shareholders and other stakeholders for the Company's total business performance. Management of the business of the Company is conducted by the Executive Chair as designated by the Board and by officers and consultants to whom the management function is delegated by the Executive Chair.	Not Applicable
Recommendation 1.2: Companies undertake appropriate checks before appointed of directors and provide all material information of the director to the security holders for election	Comply	The Board conduct appropriate checks and provide material information before the security holders for election of the director in accordance with the principles set out in the Board Charter.	Not Applicable
Recommendation 1.3: Companies have written agreement with each director and senior executive setting out the terms of their appointment	Not Comply	The Company has not signed service agreements setting up all the terms and conditions with all the directors and senior executives appointment	The Company is negotiating a new financial services venture to inject into the Company. Upon a successful RTO, the Company will arranging service agreements for the appointed employees and directors
Recommendation 1.4: The appointed Corporate Secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the board	Comply	The Company has appointment a Corporate Secretary and he is accountable to the Board, through the chair on all matters on board functions	Not Applicable

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
<p>Recommendation 1.5: The Company have a diversity policy which includes requirements for the board to set measurable objectives</p> <p>Disclose the policy</p> <p>Disclose as at the end of each reporting period the measurable objectives</p>	<p>Comply</p> <p>Comply</p> <p>Not Comply</p>	<p>The Company has a diversity policy and has to be amended and updated when the new business is successful being acquired at RTO and makes necessary disclose at the end of each reporting period on the measurable objectives</p>	<p>Not Applicable</p> <p>The Company will start this process when the financial services business is successfully acquired</p>
<p>Recommendation 1.6 : Company have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors on each reporting period</p>	<p>Not Comply</p>	<p>Currently the Company has no evaluating process on all the committees, directors and Board and disclosure during each reporting period as the company has been suspended since 2013.</p>	<p>The Company will start this process when the financial services business is successfully acquired</p>
<p>Recommendation 1.7 : Company have and disclose a process for periodically evaluating the performance of its senior executives at each reporting period</p>	<p>Not Comply</p>	<p>Currently the Company is being suspended and has no operations therefore no evaluating process is in place.</p>	<p>The Company will start this process when the financial services business is being acquired</p>
Principle 2			
<p>Principle 2 – Structure the board to add value Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.</p>			
<p>Recommendation 2.1: The board should establish a nomination committee.</p>	<p>Comply</p>	<p>The Board has established a Remuneration and Nomination Committee.</p> <p>The members of the committee are Mr Peng (Chair), Mr Holstein and Mrs Chong.</p>	<p>Not Applicable</p>
<p>Recommendation 2.2: Companies should disclose a board skills matrix setting out the skills and diversity that each director currently has.</p>	<p>Comply</p>	<p>Details of Directors' qualifications, experience, term of office and special responsibilities are in the Directors Report included in the Annual Report.</p>	<p>Not Applicable</p>
<p>Recommendation 2.3: Companies should disclose the names of independent directors, any interest that does not compromise independence, and the length of service of each director.</p>	<p>Comply</p>	<p>Information is included in the Annual Report.</p>	<p>Not Applicable</p>

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 2.4: A majority of the board should be independent directors.	Comply	The Board is composed of eight Directors the half of which are independent.	Not Applicable
Recommendation 2.5: The chair should be an independent director. The roles of chair and chief executive officer should not be exercised by the same individual.	Does not comply Does not comply	The Executive Chairman will be the significant shareholder once RTO of the financial services business is approved. The Executive Chairman and Chief Executive Officer are the same.	The company is a small Company with limited operations. Accordingly, the Board considers that maintaining an Executive Chairman who is also not independent is appropriate to the Company's current circumstances.
Recommendation 2.6: Companies should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain their skills and knowledge.	Comply	All new board members are subject to induction training.	Not Applicable
Principle 3			
Principle 3 – Promote ethical and responsible decision-making. Companies should actively promote ethical and responsible decision-making.			
Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Comply	The Company has adopted a Code of Conduct.	Not Applicable

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Principle 4			
Principle 4 – Safeguard integrity in financial reporting Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.			
<p>Recommendation 4.1: The board should establish an audit committee. The audit committee should be structured so that it:</p> <ul style="list-style-type: none"> • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members. <p>The audit committee should have a formal charter</p>	Comply	<p>The Company has established an audit committee and has adopted an audit committee charter.</p> <p>The members of the audit committee are Mr Holstein (Chair), Mrs Chong and Mr Peng.</p>	Not Applicable
<p>Recommendation 4.2: The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Comply	The board requests these declarations prior to approving the financial statements.	Not Applicable
<p>Recommendation 4.3: A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Comply	The external auditor attends the AGM	Not Applicable

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Principle 5			
Principle 5 – Make timely and balanced disclosure. Companies should promote timely and balanced disclosure of all material matters concerning the company.			
Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Comply	<p>The Board has adopted a Market Disclosure Policy.</p> <p>Detailed continuous disclosure policy is intended to maintain the market integrity and market efficiency of the Company's shares listed on the ASX. This policy sets out the requirements to report to the Executive Chair, any matter that may require disclosure under the Company's continuous disclosure obligations. The Executive Chair is also required to report at each Board meeting on this issue. The continuous disclosure process is intended to be consistent with the Australian Securities Exchange Listing Rules, and the Corporations Act 2001 (Clth).</p>	Not Applicable
Principle 6			
Principle 6 – Respect the rights of shareholders. Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.			
Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.	Not Comply	<p>The Company has adopted a Communications Policy.</p> <p>The Company aims to convey to its shareholders pertinent information in an appropriate and timely manner.</p>	The Company will establish a website when the financial services business is successfully acquired
Recommendation 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Comply	<p>The annual report includes relevant information about the operations of the Company during the year, and changes in the state of affairs of the Company, in addition to the other disclosures required by the Corporations Act 2001.</p>	

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
<p>Recommendation 6.3: A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p> <p>Recommendation 6.4: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>		<p>Information is communicated to shareholders by the Company through:</p> <ol style="list-style-type: none"> 1. Placement of market announcements on the ASX disclosure platform (with the view of setting up a corporate website shortly) 2. The annual and interim financial reports ; 3. Notices and explanatory of general meetings; and 4. All Shareholders are invited to attend and raise questions at the Annual General Meeting. <p>All shareholders are welcome to communicate directly with the Company.</p>	
Principle 7			
Principle 7 – Recognise and manage risk Companies should establish a sound system of risk oversight and management and internal control.			
Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies. The board should have a risk committee that oversees risk.	Comply	<p>The Board intends to meet regularly to evaluate, control, review and implement the Company's operations and objectives including risk management policies. Regular controls to be established by the Board include:</p> <ul style="list-style-type: none"> • Delegated authority to the Executive Chair to ensure approval of expenditure; and • Procedures allowing Directors to seek independent professional advice by utilising various external technical consultants. <p>The Board recognises the need to identify areas of significant business risk and to develop and implement strategies to investigate these risks.</p>	Not Applicable

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Comply	<p>The Executive Chair and CFO manage the Company's material business risks and report to the Board.</p> <p>Materiality thresholds</p> <p>The Company regularly reviews procedures, and ensures timely identification of disclosure material and materiality thresholds.</p> <p>Materiality judgments can only be made on a case by case basis, when all the facts are available. The Board would consider an amount which is:</p> <ol style="list-style-type: none"> 1. Equal to or greater than 10 per cent of the appropriate base amount as material, unless there is evidence or convincing argument to the contrary; and 2. Equal to or less than 5 per cent of the appropriate base amount not to be material unless there is evidence, or convincing argument, to the contrary. 	Not Applicable
Recommendation 7.3: The board should disclose whether it has an internal audit function.	Comply	The board does not have an internal audit function.	Not Applicable
Recommendation 7.4: A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Comply	The information is provided in the Annual Report.	Not Applicable
Principle 8			
Principle 8 – Remunerate fairly and responsibly. Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.			
<ul style="list-style-type: none"> • Recommendation 8.1: The board should establish a remuneration committee. The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members. 	Comply	<p>The Board has established a Nomination and Remuneration Committee and has adopted a Nomination and Remuneration Committee Charter.</p> <p>The members of the Committee are Mr Peng (Chair), Mr Holstein and Mrs Chong.</p>	Not Applicable

SINO-EXCEL ENERGY LIMITED

CORPORATE GOVERNANCE STATEMENT (cont'd)

ASX Principles/Recommendations	Compliance	Details	Disclosure Requirement for Non Compliance
Recommendation 8.2: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Comply	<p>Non-executive Directors' fees are determined by the Board within the aggregate amount approved by shareholders.</p> <p>Any structure for equity based executive remuneration must be commercially cost effective, and appropriate to the Company's size and structure.</p> <p>The Board has regard to certain published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share option schemes which the Board considers relevant or appropriate.</p> <p>Fees for non-executive directors reflect the demands on and responsibilities of our Directors.</p> <p>Non-executive Directors are remunerated by way of base fees and statutory superannuation contributions and do not participate in schemes designed for the remuneration of executives. Non-executive directors do not receive any bonus payments nor are they provided with retirement benefits other than statutory superannuation.</p> <p>There are no schemes for retirement benefits, other than statutory superannuation, for non-executive directors.</p>	Not Applicable
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Comply	The entity does not have an equity based remuneration scheme.	Not Applicable

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT

The Directors of Sino-Excel Energy Limited submit herewith the annual financial report for the financial period ended 31 December 2015.

For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars.

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

Directors

The names and particulars of the directors of the company during or since the end of the financial period are:

Name	Particulars
Mr Zhao Yan Shi	Age 62, joined the Board in September 2015 as an executive capacity, changed to non-executive in January 2016
Mr Richard Holstein	Age 53, joined the Board in September 2015 as a non-executive capacity
Mrs Heather J Chong	Age 57, joined the Board in September 2015 as a non-executive capacity
Mr. Leo Peng	Aged 35, joined the Board in 2009 as a non-executive capacity, he was appointed Executive Director on 1 February 2012 and resigned in May 2014. He joined the Board again in September 2014 as executive capacity, on 9 September 2015 changed to a non-executive capacity
Ms Jia Ping Meng	Aged 53, joined the Board in September 2014 as an executive capacity, removed on 9 September 2015
Mr Geng Li	Aged 37, joined the Board in September 2014 as an executive capacity, resigned on 13 January 2015
Mr Michael Bin Guo	Aged 33, joined the Board in September 2014 as a non-executive capacity, resigned on 12 June 2015
Mr Sii Yao Jiang	Aged 32, joined the Board in September 2014 as a non-executive capacity resigned on 22 June 2015
Mr Stephen Wong Ka Yick	Age 40, joined the Board in January 2016 as an Executive Chairman capacity
Ms Yuen Siu Fong Joan Jones	Age 44, joined the Board in January 2016 as an executive capacity
Mr She Ka Kui	Age 30, joined the Board in January 2016 as a non-executive capacity
Mr She Kar Ho	Age 35, joined the Board in January 2016 as a non-executive capacity

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Mr. Zhao YanShi

Appointed 9 September 2015, Executive Director

Mr Zhao was appointed as Executive Director on 9 September 2015. He is the President of Beijing WestComb Investment Ltd that provides capital raising, public listing and corporate financing services. The Company specialises in corporate re-structuring, corporate governance and strategic management for PRC firms that are publicly listed outside China.

Mr Zhao had participated in IPO, corporate restructurings and fund raising for many listed companies, such as Sky China Technical Services, Sapphire China, YingLi Real Estate, BoHai Energy and XinLong.

Mr Zhao started his career as a factory manager of Jilin chemical Factory, he also served as television media executive, distributor of electronic products, property developer, recreation centre operator, oil&gas contractor, chemical plant investor and VP of China's leading pharmaceutical company responsible for manufacturing and capital raising.

After graduated from University, Yanshi became a senior economist which specializing in the corporate strategy, governance and international fund raising.

Mr. L. Peng Msc. Fin.

Appointed 29 September 2009, 1 February 2012 and 4 September 2014, Executive Director, 9 September 2015 Non-Executive Director

Mr. Peng was appointed as a Non-Executive Director on 29 September 2009. He has more than ten years of working experience in capital markets & management. He has served two listed companies as an executive director and has been appointed by several companies as external financial advisor, to provide strategic planning, financial structuring, listing and fund raising services during the past few years. He has been involved in a number of successful listings assisting Chinese companies being listed in Singapore, Hong Kong and Australia and has a very good network and in-depth knowledge of capital markets both on-shore and off-shore. He was with Deutsche Morgan Grenfell Securities Ltd, dealing with the Equity Capital Markets in Singapore.

Mr Peng holds a Masters degree in Finance from the National University of Ireland, Dublin; and a Diploma in Wealth Management from Wealth Management Institute of Singapore.

Mr Richard Holstein B. Bus (Accounting), FCPA, MBA, ACSA

Appointed 9 September 2015, Non-Executive Director

Mr Holstein is the Company Secretary since October 2014. He also serves as Company Secretary for Rawson Resources Limited and CFO cum Company Secretary for Centric Minerals Management since 2010.

Mr Holstein has been in the financial industries since 1990. He has strong background in major skills in financial reporting, budget and forecast, M&A, identifying and implementing process improvement and cost saving opportunities. He has achieved a completion of acquisition and RTO of Pacific International Hotels, sale of Venture Holidays and Explore Holidays, Park Plaza and Park Inn brands in the Asia Pacific Region. He had participant in fund raising and rights issue process. He was with Commonwealth Bank of Australia as Financial Reporting Account in 2009 and UBS Wealth Management as private client equities and derivate advisor in 2007.

Mr Holsten is a certified CPA. He obtained MBA and Master of Management from Macquarie Graduate School of Management and Financial Advisor Accreditation (PS146), Derivatives 1 and 2.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT

(continued)

Mrs Heather J Chong

Appointed 9 September 2015, Non-Executive Director

Mrs Chong is the CEO of Qew Orchards since 1998. She was an Independent Director of GPS Alliance Holdings and Aquaint Capital Holdings since 2013 to 2015. She was director of Tasmanian Institute of Agriculture Advisory Board (TIA) from 2002 to 2012, Tasmanian Irrigation Schemes Pty Ltd (TIS) from 2000 to 2012. Since 2009 she is the Aldermen of Clarence City Council, Councillor, AICD (Tasmania), Chair of Rotary Club of Hobart, Richmond Advisory Committee, Clarence Health & Well-being Advisory Committee, SECOND BITE, Advisory committee. From 2008 to 2013 she was Chair of Royal Hobart Hospital Research Fund. She had previously held the Chair of the Food Industry Council of Tasmania and Summerfruit Australia (national Summerfruit board), and was the Tasmanian Government Representative on the national Food Safety Centre.

Mrs Chong received award in December 2005 "RIRDC TASMANIA RURAL WOMAN OF THE YEAR – the recipient of the Rural Industries Research and Development Corporations Rural Woman award for Tasmania and October 2003 TELSTRA TASMANIA BUSINESS WOMAN OF THE YEAR – the recipient of the Westpac Group Business Owners Award for Tasmania and the Telstra Tasmania Business Woman of the Year.

Mrs Chong is graduated with B. Bus (Hons) in Psychology, MBA, Grad. Dip. in Public Policy, ACA (member of the Institute of Chartered Accountants of England and Wales) and FAICD (Fellow, Australian Institute of Company Directors).

Mr Stephen Wong Ka Yick

Appointed 15 January 2016, Executive Chairman

Mr Wong is the founder and C.E.O. of Standard Privilege Wealth Management Limited since 2012. Mr Wong has over 14 years of experiences in the insurance and wealth management developing business, strategic partners and provide financial advices to his clienteles, a strong team and training leader. He is an agency builder leading a team of over 50 sales professional focus on insurance and investment consultancy business.

Mr Wong is a Director of Agency of AXA China Region Insurance Company Limited since Mar 2012 and from Oct 2008 to Feb 2012 he was Regional Director of ING Insurance Limited. Mr Wong had received GAMA Award – Gold/Platinum from 2008 to 2011. He was one of the Top Recruitment produce nearly 100M AFYP in 2011.

Mr Wong graduated with a Bachelor of Business Administration.

Ms Yuen Siu-fong, Joan Jones

Appointed 15 January 2016, Executive Director

Ms Yuen is the Deputy CEO of Standard Privilege Wealth Management Limited since 2012. Ms Yuen has over 14 years of experiences in insurance and wealth management business. She is responsible for the strategic and business planning and ensure effective internal controls and assess the principal risks of the organisation. She conducts comprehensive Financial Need Analysis based on the requirement of her clients and advise on financial risks to fulfil their financial requirements. Ms Yuen was Senior Executive Financial Manager with AXA China Region Insurance Co. Ltd since Feb 2002 to Nov 2008. She was Wealth Director with International Netherlands Group from Dec 2008 to Oct 2012.

Ms Yuen was recipient of GAMA International Award from 2010 to 2012 and Million Dollar Round Table (MDRT) from 2008 to 2015. She has been Top Producer of the year 2005 to 2007 @AXA Advisors.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT

(continued)

She Ka Kui

Appointed 15 January 2016, Non-Executive Director

Mr She is Director of Standard Privilege Wealth Management Ltd since October 2015. He is responsible the preparation of annual business plan and monitor to ensure the company operates within the approved business plan. He establish and maintain effective formal and informal links with the major customers and business partners. He has over 7 years of experiences in marketing analysis and customer demands analysis. Prior to join Standard Privilege, he was Agency Director of ACE Life Insurance Company Ltd since June 2014 and District Manager of AIA International Limited, Hong Kong in June 2011. He was District Manager of Ageas Insurance Company (Asia) Limited from June 2009 to Jun 2011.

Mr She was graduated Master of Accounting with Curtin University of Technology and Bachelor of Marketing and Economic.

She Kar Ho

Appointed 15 January 2016, Non-Executive Director

Mr She is Business Development Manager of Standard Privilege Wealth Management Ltd since October 2014. He is responsible to provide consultancy services for the clients and business development of the organisation. Prior to join Standard Privilege, he was Business Development Manager with Resanance Wealth Management Company Ltd from September 2011 and Ageas Insurance Company (Asia) Limited as Unit Manager since Feb 2010. Mr She is developing a prototype device for the translation of Braille to text, this device act as a written communication gateway between sighted and vision impaired persons.

Mr She was graduated from Curtin University of Technology, WA, Australia with a Bachelor of Engineering (Computer Systems).

Directors' Shareholdings

The following table sets out each director's relevant interest in shares and options of the Company or a related body corporate as at the date of this report.

<i>Directors</i>	<i>Fully Paid Ordinary Shares</i>	<i>Options Over Fully Paid Ordinary Shares</i>
Mr L. Peng (appointed 29 September 2009, resigned 6 May 2014, appointed 4 September 2014)	11,112	-
Mr Richard Holstein (appointed 9 September 2015)	-	-
Mr Zhao YanShi (appointed 9 September 2015)	47,039,216	-
Mrs Heather J Chong (appointed 9 September 2015)	-	-
Mr Stephen Wong Ka Yick (appointed 18 January 2016)	-	-
Ms Yuen Siu Fong Joan Jones (appointed 18 January 2016)	-	-
Mr She Ka Kui (appointed 18 January 2016)	-	-
Mr She Kar Ho (appointed 18 January 2016)	-	-
	47,050,328	-

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT

(continued)

Directorships of other listed companies

Directorships of other listed companies held by the Directors in the 3 years immediately before the end of the financial year are as follows:

<u>Name</u>	<u>Company</u>	<u>Period of directorship</u>
Mrs Heather J Chong	GPS Alliance Holdings	Since 2013 to 2015
	Aquaint Capital Holdings	Since 2013 to 2015
Mr Richard Holstein	Raffles Capital Limited	Since 2014
Leo Peng	Cedar Strategic Holdings Ltd.	Since 2012 to 2013
	Forise International Ltd	Since 2015

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of directors) held during the financial period and the number of meetings attended by each director (while they were a director or committee member). During the financial period, five Board meetings, no remuneration and nomination committee meeting and no audit committee meeting were held.

<i>Directors</i>	<i>Board of Directors</i>		<i>Remuneration and Nomination Committee</i>		<i>Audit Committee</i>	
	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>
Zhao Yan Shi	5	5	-	-	-	-
L. Peng	5	5	-	-	-	-
Richard Holstein	5	5	-	-	-	-
Heather J Chong	5	5	-	-	-	-
Ms Jia Ping Meng	-	-	-	-	-	-
Mr Geng Li	-	-	-	-	-	-
Mr Michael Bin Guo	-	-	-	-	-	-
Mr Si Yao Jiang	-	-	-	-	-	-
Stephen Wong Ka Yick	-	-	-	-	-	-
Yuen Siu Fong Joan Jones	-	-	-	-	-	-
She Ka Kui	-	-	-	-	-	-
She Kar Ho	-	-	-	-	-	-

Indemnification of Officers and Auditors

Company has not otherwise, during or since the financial period, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Principal Activities

The Company is currently seeking approval from the authorities concerned to lift the suspension of trading, in the meantime the Company is in negotiation with a new target to inject the business.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT

(continued)

Review of Operations

In FY2015, the group had an operating loss of US\$381,500 (2014 loss: US\$1,771,581). The major contributing items to the loss were a provision for bad debts from Aohua of \$234,255 and other operating costs of \$388,945, offset by a net exchange gain of \$264,484.

On 29 December 2015, the Company had entered into a RTO Agreement with Stephen Wong ("SW") and Standard Privilege Wealth Management Limited ("SPWM") to acquire SPWM and/or any other entities which operate the business or hold assets of the business for SW (collectively the "Targets") to acquire a 100% interest in each of the Targets.

In accordance with the terms of the Agreement, the parties were to enter into negotiations in relation to executing an agreement to effect the proposed transaction ("Proposed Transaction")

Under the Proposed Transaction, the Company was to acquire all of the issued shares in the Targets. On satisfaction of the relevant conditions, the Shareholders were to receive fully paid ordinary shares in the Company, representing approximately 70% of the fully diluted share capital of the Company. Conditions to the Proposed Transaction included the completion of the acquisition, by the Targets, of assets valued at no less than an agreed amount, and the satisfaction and receipt of all necessary legal and regulatory approvals.

If the definitive agreements for the implementation of the proposed RTO transaction are not executed by 7 April 2016, the RTO agreement may be terminated and the company may procure the resignations of Directors Stephen Wong Ka Yick, Yuen Siu Fong Joan Jones, She Ka Kui, and She Kar Ho.

The Company believes that a change in activities is in the best interest of shareholders

Subsequent Events

On 29 December 2015, the Company had entered into a RTO Agreement with Stephen Wong ("SW") and Standard Privilege Wealth Management Limited ("SPWM") to acquire SPWM and/or any other entities which operate the business or hold assets of the business for SW (collectively the "Targets") to acquire a 100% interest in each of the Targets. Subsequent to balance date, both parties continue to work towards a sale and purchase agreement.

On the 18th of January 2016, four new Directors were appointed - Stephen Wong, Yuen Siu Fong Joan Jones, Ka Kui She, and Kar Ho She.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Changes in State of Affairs

During the financial period there was no significant change in the state of affairs of the consolidated entity. Refer to Review of Operations within this report for further details.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Future Developments

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Dividends

No dividends were paid or declared since the start of the financial period and the Directors do not recommend the payment of a dividend in respect of its current financial period.

Share Options

Share Options Granted

During and since the end of the financial period no ordinary shares were issued to Directors of the Company as a result of the exercise of options held by Directors. No shares were issued during or since the end of the financial period as a result of the exercise of options.

Details of unissued shares or interests under options as at the date of this report are included in note 12 to the financial statements.

Non-audit services

The Directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

- All non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the non-audit services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Details of the amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in Note 23 to the financial statements.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 27 of the financial report.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Remuneration report (Audited)

The remuneration report, which forms part of the directors' report, sets out information about the remuneration of Sino-Excel Energy Limited's directors and senior management for the financial year ended 31 December 2015. The prescribed details for each person covered by this report are detailed below.

Directors and senior management details

The following persons acted as Directors of the Company during or since the end of the financial period:

Mr Zhao Yan Shi (appointed 9 September 2015)
Mr Richard Holstein (appointed 9 September 2015)
Mrs Heather J Chong (appointed 9 September 2015)
Mr. Leo Peng (appointed 29 September 2009, resigned 6 May 2014, appointed 4 September 2014)
Ms Jia Ping Meng (appointed 4 September 2014, removed on 9 September 2015)
Mr Geng Li (appointed 4 September 2014, resigned on 13 January 2015)
Mr Michael Bin Guo (appointed 4 September 2014, resigned on 12 June 2015)
Mr Jiang Si Yao (appointed 4 September 2014, resigned on 22 June 2015)
Mr Stephen Wong Ka Yick (appointed 15 January 2016)
Ms Yuen Siu Fong Joan Jones (appointed 15 January 2016)
Mr She Ka Kui (appointed 15 January 2016)
Mr She Kar Ho (appointed 15 January 2016)

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial period and since the end of the financial period:

Mr. Richard Holstein (Company Secretary) Ms Alice Chong (Chief Financial Officer).

Remuneration Policy and relationship to company performance

Remuneration is assessed for directors and senior executives with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality executive team. The appropriateness and nature of emoluments is assessed by reference to employment market conditions.. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Sino-Excel Energy Limited, however, during the financial year and up to the date of this report, directors and senior executive annual remuneration have no variable elements that are directly linked to company performance. The remuneration committee has approved the implementation of incentive based remuneration for all staff including senior executives which will require each member of staff to be reviewed with regard to individual and corporate objectives. Any increases in executive compensation will correlate with achievement of individual and corporate objectives. The remuneration committee has not dictated what form the incentives for each member of staff will take. During the financial period and up to the date of this report no payments had been made to executives based on performance criteria, nor were there any entitlements thereto. The fixed bonus payable in both current and prior year was based on previous service agreements. There are currently no service agreements for staff and Directors, however the Company will arrange service agreements for its employees and directors when the new acquisition on the financial services business is materialised.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT (continued)

Remuneration report (Continued)

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the four years to December 2015.

	12 months ended 31 December 2015 US\$	12 months ended 31 December 2014 US\$	12 months ended 31 December 2013 US\$	12 months ended 31 December 2012 US\$	12 months December 2011 US\$
Revenue	-	-	-	4,460,887	7,022,503
Profit/(Loss) before tax	(381,500)	(1,771,581)	(2,055,613)	(11,253,521)	6,286,703
Profit/(Loss) after tax	(381,500)	(1,771,581)	(2,055,613)	(11,698,865)	4,947,375

	12 months ended 31 December 2015	12 months ended 31 December 2014	12 months ended 31 December 2013	12 months ended 31 December 2012	12 months ended 31 December 2011
Share price at start of year	A\$0.028	A\$0.028	A\$0.04	A\$0.12	A\$0.006
Share price at end of year *	A\$0.028	A\$0.028	A\$0.028	A\$0.04	A\$0.12
Interim dividend	-	-	-	-	-
Final dividend	-	-	-	-	-
Basic earnings cents per share	(0.21)	(0.98)	(1.20)	(7.61)	3.90
Diluted earnings cents per share	(0.21)	(0.98)	(1.20)	(7.61)	3.48

* In June 2013, the Board has requested for the suspension of the trading due to the Company requiring to source a new business for the continuation of the operations. This was due to the downturn of the coal industries worldwide. The Company is suspended and in the process to seek approval from authorities concerned to lift the suspension for the shares to be traded. It is in negotiation with potential group for injecting of their business into the Company whereas the current CB holders have breach the contract due to default of unable to pay the Tranche 2 of AUD\$8,000,000 and the acquisition of the winery business in PRC and acquisition of vineyard in Australia will not materialise. The legal counsel has advised the Convertible Bond is not repayable by the Company.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT
(continued)

Remuneration report (Continued)

The following table discloses the compensation of the key management personnel:

12 months ended 31 December 2015	Short term employee benefits			Post Employment Benefits		Termination benefits US\$	Shares Issued US\$	Total US\$
	Cash salary & fees US\$ (2)	Bonus US\$ (1) & (2)	Non-monetary US\$	Super-annuation US\$	Prescribed benefits US\$			
Richard Holstein (appointed 9 September 2015)	3,579	-	-	-	-	-	-	3,579
Heather J Chong (appointed 9 September 2015)	4,871	-	-	-	-	-	-	4,871
Leo Peng (resigned May 2014, reappointed September 2014)	34,394	-	-	-	-	-	-	34,394
Mr Zhao Yan Shi (appointed 9 September 2015)	28,881	14,612	-	-	-	-	-	43,493
Geng Li (appointed September 2014, resigned 13 Jan 2015)	-	-	-	-	-	-	-	-
Richard Holstein (appointed September 2014)	26,366	-	-	-	-	-	-	26,366
Alice Chong	29,523	7,205	-	-	-	-	-	36,728
Total	127,614	21,817	-	-	-	-	-	149,431

(1) The bonuses are fixed at two months salary and are not subject to performance conditions.

(2) Salaries earned since October 2015, and the bonuses, have been accrued at year end and have not yet been paid.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

The following table discloses the compensation of the key management personnel:

12 months ended 31 December 2014	Short term employee benefits			Post Employment Benefits		Termination benefits US\$	Shares Issued US\$	Total US\$
	Cash salary & fees US\$ (3) & (4)	Bonus US\$ (1)	Non-monetary US\$	Super-annuation US\$	Prescribed benefits US\$			
Spencer Chan (resigned May 2014)	-	-	-	-	-	-	-	-
Wong Chin Hong (resigned May 2014)	-	-	-	-	-	-	-	-
Rohan Boman (resigned September 2014)	-	-	-	-	-	-	-	-
Leo Peng (resigned May 2014, reappointed September 2014)	34,467	17,000	-	-	-	-	-	51,467
Dr Charlie In (resigned September 2014)	-	-	-	-	-	-	-	-
Michael Bin Guo (appointed 4 September 2014)	-	-	-	-	-	-	-	-
Jiang Si Yao (appointed 4 September 2014)	-	-	-	-	-	-	-	-
Lucy Zhang (resigned September 2014)	-	-	-	-	-	-	-	-
Ms Jia Ping Meng (appointed 4 September 2014)	41,361	20,399	-	-	-	-	-	61,760
Geng Li (appointed 4 September 2014)	17,468	-	-	-	-	-	-	17,468
Richard Holstein (appointed 4 September 2014)	9,986	-	-	-	-	-	-	9,986
David Semmens (resigned October 2014)	27,641	-	-	-	-	-	-	27,641
Alice Chong	259,219	8,500	-	-	-	-	-	267,719
Total	390,142	45,899	-	-	-	-	-	436,041

- (1) The bonuses are fixed at two months salary and are not subject to performance conditions. The bonus were paid to the Directors in December 2014.
- (2) The Directors who resigned during the financial period have not been paid any remuneration
- (3) The Executive Director and Key management staff salaries and bonuses for 2014 were paid by AoHua
- (4) Includes settlement of staff salaries owing from Mar 2010 to December 2011

Remuneration and Nomination Committee

The Remuneration and Nomination Committee of the Board of Directors will be responsible for determining and reviewing compensation arrangements for the Directors and senior Executives. .

The Remuneration and Nomination Committee will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality executive team.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT **(continued)**

Remuneration Report (continued)

Remuneration Structure

In accordance with best practice corporate governance, the remuneration structure for non-executive directors and senior management are separate and distinct.

Non-executive director remuneration

The Constitution of the Company and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on the 27 November, 2003 when the shareholders approved an aggregate remuneration of AUD \$500,000.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed periodically.

Each non-executive director is entitled to receive a fee for being a director of the company. An additional fee is also paid for each board committee on which a director sits and for each Committee Chairperson the director is appointed. The payment of additional fees for serving on a committee recognises the additional time commitment required by non-executive directors who serve on one or more sub committees.

Executive and senior executive remuneration

The Remuneration and Nomination Committee of the Board of Directors will be responsible for determining and reviewing compensation arrangements for the senior Executives. The Remuneration and Nomination Committee will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as the use of motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

Employment Contracts

It is Remuneration and Nomination Committee policy that employment agreements are entered into with each of the Executives. The Company is negotiating a new financial services venture to inject into the Company, with the success of the negotiation, the Company will arrange service agreements for the appointed employees and directors. It is also policy that contracts for service between the Company and the executives are for undefined lengths. The period of notice required to terminate the contract is six months. Termination benefits are payable including any outstanding Directors fees or bonuses. Salary packages are reviewed on a periodic basis and set with reference to employment market conditions with the overall objective of ensuring maximum stakeholder benefit.

Bonus provisions are included in selected executives' contracts. The bonuses are fixed at two months salary and are not subject to performance conditions.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT
(continued)

Remuneration Report (continued)

Share and option holdings by Key Management Personnel

a) Key Management Personnel Equity Holdings

Ordinary shares

	Balance @ 1 Jan 2015	Granted as remuneration No.	Received on exercise of options No.	Net Other change No.	Balance @ 31 December 2015	Balance held nominally
Directors						
Zhao Yan Shi	47,039,216	-	-	-	47,039,216	-
Heather J Chong	-	-	-	-	-	-
L. Peng	11,112	-	-	-	11,112	-
Richard Holstein	-	-	-	-	-	-
Stephen Wong	-	-	-	-	-	-
Yuen Siu Fong	-	-	-	-	-	-
She Ka Kui	-	-	-	-	-	-
She Kar Ho	-	-	-	-	-	-
Geng Li	-	-	-	-	-	-
Jia Ping Meng	-	-	-	-	-	-
Michael Bin Guo	-	-	-	-	-	-
Jiang Si Yao	-	-	-	-	-	-
Total	47,050,328	-	-	-	47,050,328	-
Executives						
A Chong	-	-	-	-	-	-
R Holstein	-	-	-	-	-	-
	47,050,328	-	-	-	47,050,328	-

Ordinary shares

	Balance @ 1 Jan 2014	Granted as remuneration No.	Received on exercise of options No.	Net Other change No.	Balance @ 31 December 2014	Balance held nominally
Directors						
S. Chan	-	-	-	-	-	-
J. ManHong	-	-	-	-	-	-
L. Peng	11,112	-	-	-	11,112	-
R. Boman	923,516	-	-	(923,516)	-	-
C.H. Wong	-	-	-	-	-	-
Zhang LiYing	20,440,000	-	-	(20,440,000)	-	-
Charlie In	39,250,217	-	-	(39,250,217)	-	-
Geng Li	12,500,000	-	-	(12,500,000)	-	-
Jia Ping Meng	-	-	-	-	-	-
Michael Bin Guo	-	-	-	-	-	-
Jiang Si Yao	-	-	-	-	-	-
Total	73,124,845	-	-	(73,113,733)	11,112	
Executives						
A Chong	-	-	-	-	-	-
D Semmens	-	-	-	-	-	-
	73,124,845	-	-	(73,113,733)	11,112	-

The other change is due to the resignation of Directors.

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT
(continued)

Remuneration Report (continued)

Share Options

	Bal @ 1 Jan 2014	Granted as remuneration	Exercised	Other change	Bal @ 31 December 2014
	No.	No.	No.	No.	No.
Directors					
Zhao Yan Shi	-	-	-	-	-
L. Peng	-	-	-	-	-
Heather J Chong	-	-	-	-	-
Richard Holstein	-	-	-	-	-
Stephen Wong	-	-	-	-	-
Yuen Siu Fong	-	-	-	-	-
She Kar Ho	-	-	-	-	-
She Ka Kui	-	-	-	-	-
	-	-	-	-	-
Executives					
A Chong	-	-	-	-	-
R Holstein	-	-	-	-	-
	-	-	-	-	-

Share Options

	Bal @ 1 January 2014	Granted as remuneration	Exercised	Other change	Bal @ 31 December 2014
	No.	No.	No.	No.	No.
Directors					
S. Chan	-	-	-	-	-
L. Peng	-	-	-	-	-
J. ManHong	-	-	-	-	-
Charlie In	-	-	-	-	-
R. Boman	1,535,750	-	-	-	1,535,750
C.H. Wong	115,385	-	-	-	115,385
Zhang LiYing	2,328,205	-	-	-	2,328,205
	3,979,340	-	-	-	3,979,340
Executives					
A Chong	-	-	-	-	-
D Semmens	-	-	-	-	-
	3,979,340	-	-	-	3,979,340

e) Trading transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. During the year, group entities entered into the following trading transactions with Director related entities of the Group that are not members of the Group:

SINO-EXCEL ENERGY LIMITED

DIRECTORS' REPORT
(continued)

Remuneration Report (continued)

f) Others

	Transactions occurred during the year				Dec 2015 US\$	Dec 2014 US\$
	Expenses paid on behalf of Related Companies				-	-
	Funds loaned by related parties (1)				-	38,670
	Balances outstanding at the end of the year					
	Amounts owed to the company from related parties				-	-
	Amounts owed by the company to related parties (1)				38,670	38,670

(1) Funds were loaned to subsidiary SINOX Energy Limited by Director Charlie In. The loan is unsecured, interest free, and repayable on demand.

End of Audited Remuneration Report

The Directors' report is signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors



.....
Zhao Yan Shi

30 March 2016



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DECLARATION OF INDEPENDENCE BY GREG MITCHELL TO THE DIRECTORS OF SINO-EXCEL ENERGY LIMITED

As lead auditor of Sino-Excel Energy Limited for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sino-Excel Energy Limited and the entities it controlled during the period.

Greg Mitchell

Director

BDO Audit (NTH QLD) Pty Ltd

Cairns, 30 March 2016

INDEPENDENT AUDITOR'S REPORT

To the members of Sino-Excel Energy Limited

Report on the Financial Report

We have audited the accompanying financial report of Sino-Excel Energy Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In our opinion:

- (a) the financial report of Sino-Excel Energy Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 3.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the successful completion of the proposed RTO agreement, and income tax and convertible note liabilities not becoming due and payable before successful completion of a reverse takeover. These conditions, along with other matters as set out in Note 3, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 26 of the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Sino-Excel Energy Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.



BDO Audit (NTH QLD) Pty Ltd



Greg Mitchell
Director

Cairns, 30 March 2016

SINO-EXCEL ENERGY LIMITED

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The remuneration disclosures included in pages 19 to 26 of the directors' report (as part of audited Remuneration Report), for the year ended 31 December 2015, comply with section 300A of the *Corporations Act 2001*.
5. The directors have been given the declaration by Chief Financial Officer required by section 295A. There is currently no one in the Chief Executive Officer role.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



.....
Zhao Yan Shi

30 March 2016

SINO-EXCEL ENERGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated	
		12 months ended Dec 2015 US\$	12 months ended Dec 2014 US\$
Revenue		-	-
Other income	5	282,929	745,082
Write off of Receivables		(234,255)	-
Finance costs	4	(41,229)	(465,317)
Other expenses		(388,945)	(269,613)
Share based expenses		-	(621,187)
Provision for impairment of option deposit		-	(652,496)
Provision for impairment of marketable securities		-	(508,050)
Loss before income tax expense		(381,500)	(1,771,581)
Income tax benefit (expense)	6	-	-
Loss for the year		(381,500)	(1,771,581)
Other comprehensive income		-	-
Total comprehensive income/ (loss) for the year		(381,500)	(1,771,581)
Earnings per share			
Basic (cents per share)	15	(0.21)	(0.98)
Diluted (cents per share)	15	(0.21)	(0.98)

Notes to the financial statements are included on pages 35 to 59.

SINO-EXCEL ENERGY LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2015**

	Note	Consolidated	
		Dec 2015 US\$	Dec 2014 US\$
CURRENT ASSETS			
Cash and cash equivalents	18	382,987	836,660
Trade and other receivables	7	2,101	167,128
Option deposit	8	-	-
TOTAL CURRENT ASSETS		385,088	1,003,788
NON-CURRENT ASSETS			
Available-for-sale financial assets	9	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		385,088	1,003,788
CURRENT LIABILITIES			
Trade and other payables	10	410,816	338,670
Income tax	6	1,665,488	1,750,995
Borrowings	11	2,312,332	2,536,171
TOTAL CURRENT LIABILITIES		4,388,636	4,625,836
TOTAL LIABILITIES		4,388,636	4,625,836
NET ASSETS/(LIABILITIES)		(4,003,548)	(3,622,048)
EQUITY			
Issued capital	12	5,189,306	5,189,306
Other equity (convertible note)	14	494,765	494,765
Retained earnings/(accumulated losses)		(10,966,621)	(10,585,121)
Reserves	13	1,279,002	1,279,002
TOTAL EQUITY/(DEFICIENCY)		(4,003,548)	(3,622,048)

Notes to the financial statements are included on pages 35 to 59.

SINO-EXCEL ENERGY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	CONSOLIDATED 12 months Ended 31 December 2015					CONSOLIDATED 12 months Ended 31 December 2014				
	Issued capital \$	Retained earnings/ (Accumulated losses) \$	Reserves \$	Other equity (convertible notes) \$	Total \$	Issued capital \$	Retained earnings/ (Accumulated losses) \$	Reserves \$	Other equity (convertible notes) \$	Total \$
Opening balance	5,189,306	(10,585,121)	1,279,002	494,765	(3,622,048)	5,189,306	(8,813,540)	657,815	494,765	(2,471,654)
Total comprehensive income										
Profit/(loss) for the period	-	(381,500)	-	-	(381,500)	-	(1,771,581)	-	-	(1,771,581)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	(381,500)	-	-	(381,500)	-	(1,771,581)	-	-	(1,771,581)
Transactions with owners in their capacity as owners										
Capital raising costs	-	-	-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-	-	-	-
Issue of earn out shares										
Share Based Payments	-	-	-	-	-	-	-	621,187	-	621,187
Other Equity (Convertible Notes)	-	-	-	-	-	-	-	-	-	-
Closing balance	5,189,306	(10,966,621)	1,279,002	494,765	(4,003,548)	5,189,306	(10,585,121)	1,279,002	494,765	(3,622,048)

Notes to the financial statements are included on pages 35 to 59.

SINO-EXCEL ENERGY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated	
		12 months ended Dec 2015 US\$	12 months ended Dec 2014 US\$
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(383,313)	(763,838)
Interest received		12,351	-
Interest paid		-	(38,718)
		-	-
Net cash used in operating activities	18(b)	(370,962)	(802,556)
Cash flows from investing activities			
Payment for plant and equipment		-	-
Refunds from Norwood Immunology		-	721,204
Payment for acquisition other investments		-	-
Option deposits paid		-	(746,526)
		-	-
Net cash used in investing activities		-	(25,322)
Cash flows from financing activities			
Proceeds from borrowings		-	1,866,320
Repayment of borrowings		-	(529,522)
Issue of share capital		-	-
		-	-
Net cash provided by financing activities		-	1,336,798
Net increase (decrease) in cash and cash equivalents		(370,962)	508,920
Effects of exchange rates on cash and cash equivalents		(82,711)	(212,467)
Cash and cash equivalents at the beginning of the financial year		836,660	540,207
Cash and cash equivalents at the end of the financial year	18(a)	382,987	836,660

Notes to the financial statements are included on pages 35 to 59.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

Sino-Excel Energy Limited, (the Company) is a listed public company, incorporated in Australia and operating in Australia, Singapore, and Hong Kong. The Company is listed on the Australian Securities Exchange (ASX code: SLE).

Sino-Excel Energy Limited's registered office and its principal place of business are as follows:

Registered office

c/- Minter Ellison
Rialto Towers, Level 23
525 Collins Street
MELBOURNE VIC 3000

Principal place of business

c/- Minter Ellison
Rialto Towers, Level 23
525 Collins Street
MELBOURNE VIC 3000

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries) referred to as 'the Group' in these financial statements. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Board on 30 March 2016.

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

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

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company's business and, therefore, no change is necessary to Company accounting policies.

Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations most relevant to the Company, are set out below:

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (cont'd)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<i>AASB 9 Financial Instruments</i> (December 2010) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2018	31 December 2018
AASB 2015-1 Annual Improvements Australian Accounting Standards 2012-2014 cycles (January 2015) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2016	31 December 2016
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements (December 2014) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2016	31 December 2016
AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (January 2015) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2016	31 December 2016
<i>AASB 15 Revenue From Contracts With Customers</i> (December 2015) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2018	31 December 2018
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (August 2014) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2016	31 December 2016
AASB 16 Leases (February 2016) The impact of adoption of this standard has not yet been assessed by the consolidated entity.	1 January 2019	31 December 2019

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (cont'd)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Tax Losses (February 2016)	1 January 2017	31 December 2017
The impact of adoption of this standard has not yet been assessed by the consolidated entity.		
IFRS Disclosure initiative – Amendments to IAS 7 (January 2016)	1 January 2017	31 December 2017
The impact of adoption of this standard has not yet been assessed by the consolidated entity.		

3. SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board. For the purposes of preparing the financial report the Group is a for-profit entity.

The financial report comprises the consolidated financial statements of the Group.

Compliance with the Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars unless otherwise stated.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Provision for impairment of financial assets:

In the prior year the Directors determined that the investment in Primary Food Company was impaired. The provision for impairment assessment requires a degree of estimation and judgement. The company is in the very early stage of development and is trying to obtain finance. The Directors considered that it was appropriate to make provision for the impairment of the investment. The assessment has not changed in the current year.

In the prior year the Directors determined that the option deposit held in escrow for a proposed RTO was impaired. The provision for impairment of the option deposit assessment requires a degree of estimation and judgement. The Directors believe the former proposed RTO partner has illegally withheld the option deposit and has lodged a fraud complaint with the police. The Directors considered that it was appropriate to make provision for the impairment of the investment. The assessment has not changed in the current year.

Non- recognition of deferred tax assets on tax losses and temporary differences.

The recognition of deferred tax assets requires a degree of estimation and judgement. As the group is not currently trading deferred tax assets have not been recognised due to uncertainty regarding their realisation.

Provision for tax.

A provision for income tax of \$1,665,488 is recorded in relation to the Hong Kong based subsidiary, Sinox Energy Limited. Income tax returns have been lodged which indicate that tax is not payable. The Hong Kong Inland Revenue Department has yet to finalise the tax returns lodged. The Directors have determined it is appropriate to retain the liability in the financial statements until the dispute is resolved.

Going concern basis

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Statement of Financial Position of the Group shows a net liability position of \$4,003,548. The Statement of Profit or Loss and Other Comprehensive Income shows that the Group has incurred a loss before tax for the year ended 31 December 2015 of \$381,500.

The ability of the entity to continue as a going concern is dependent on the successful completion of the proposed RTO agreement. If the definitive agreements for the implementation of the proposed transaction are not executed by 7 April 2016, The RTO Agreement may be terminated. If the proposed transaction is not completed by the 31 May 2016 including satisfying conditions precedent by no later than 31 May 2016 (extendable by either party to 15 July 2016) the RTO agreement may be terminated.

In addition, the ability of the entity to continue as a going concern is dependent on the tax liability and convertible notes not becoming due and payable before the successful completion of the RTO.

These conditions represent a material uncertainty that may cast significant doubt over the ability of the company to continue operating as a going concern.

The directors are confident that:

- RTO agreement will reach a successful conclusion. A sale and purchase agreement formalising the transaction will be signed in the near future.
- The tax liability will not become due and payable. The Directors have previously lodged income tax returns with the relevant tax authorities which have been assessed as having nil tax payable. The tax authorities still have the right to review the status of income tax payable, however there has been no indication from the tax authorities that the tax will become payable.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Going concern basis (cont'd)

- Convertible loans will not result in cash outflows. The convertible notes issued to Immense Grow Investments Limited expired in December 2015. After year end the Group has received advice from Immense Grow Investments Limited that it will convert the outstanding convertible note plus accrued interest of \$854,832 to ordinary shares when the company completes a reverse takeover and successfully relists on the ASX. The CB Holder of the other convertible notes (Precious Area Investment Limited and Silver Mind Investment Limited) is unable to subscribe the Tranche 2 of AUD\$8,000,000 of the Convertible Bond and has defaulted on the Convertible Bond Deed with a material breach of the agreement. The Company is seeking legal advices on actions for their breach of the contract and the Heads of Agreement will not materialise. Due to the default, the Convertible Bonds of \$1,457,000 are not payable by the Company as advised by the legal counsel.

Should the Group be unable to continue operating as a going concern it may be required to realize its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and settle its liabilities as and when they fall due.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Sino-Excel Energy Limited and its subsidiaries at 31 December each year ("the Group"). Subsidiaries are entities (including structured entities) over which the group has control. The group has control over an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred on the group and are deconsolidated from the date that control ceases. The results of subsidiaries acquired or disposed of during the financial year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income.

b) Borrowings Cost

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

d) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity investments', 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

f) Financial instruments issued

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Compound instruments

The component parts of compound instruments are classified separately as liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible debt. The equity component initially brought to account is determined by deducting the amount of the liability component from the amount of the compound instrument as a whole.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments. Interest is accrued at the effective interest rate on the carrying value of the debt.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

g) Foreign currency

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars, which is the functional currency of Sino-Excel Energy Limited and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

i) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Impairment of assets (cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

j) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying value of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

k) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

l) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

m) Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts. An allowance for a doubtful debt is made when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified.

n) Available for sale financial assets

All available for sale financial assets are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, available for sale assets are measured at fair value, unless fair value cannot be reliably measured in which case they are recorded at cost. Gains or losses on investments held for trading are recognised in profit or loss.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

3. SUMMARY OF ACCOUNTING POLICIES (cont'd)

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business at the end of the reporting period.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, being the date that the Group commits to purchase the asset.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

4. FINANCE COSTS

	<u>CONSOLIDATED</u>	
	Dec 2015	Dec 2014
	US\$	US\$
Interest on convertible notes	(37,849)	(68,839)
Unwinding of interest on convertible note	-	(387,391)
Other finance costs	(3,380)	(9,087)
	<u>(41,229)</u>	<u>(465,317)</u>

5. OTHER INCOME

Other Income		
Income from Norwood Immunology	-	721,204
Interest Income	12,351	5,631
Unrealised foreign exchange gains	264,484	18,247
Others	6,094	-
	<u>282,929</u>	<u>745,082</u>

6. INCOME TAX

(a) Components

Current tax on profit/(losses) for the financial year	-	-
Deferred tax	-	-
Over-provision in prior years	-	-
Income tax expense	<u>-</u>	<u>-</u>

(b) The prima facie expense/(benefit) on pre tax accounting profit/(loss) from operations is reconciled to the income tax expense in the financial statements as follows:

Prima facie tax expense/(benefit) on profit/(loss) at 30% (31 December 2014: 30%)	(114,450)	(531,474)
Add tax effect of:		
- Temporary difference and losses not recognised	114,450	531,474
- Non-deductible expenses	-	-
- Effects of different tax rates of subsidiaries operating in other jurisdiction	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6. INCOME TAX (cont'd)

(c) Recognised deferred taxes net of recognised losses:

Tax losses recognised as an offset

-	-
-	-

(d) Income tax payable

Opening balance

1,750,995 1,768,075

Foreign exchange movements

(85,507) (17,080)

Closing balance

1,665,488 1,750,995

Deferred income tax assets are recognised to the extent that the realisation or the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of \$1,529,456 (2014 \$1,335,660) in respect of losses of \$5,098,185 (2014 \$4,452,201). It also did not recognise deferred income tax assets of \$5,015,037 (2014 \$4,935,692) in respect of other temporary differences of \$16,716,792 (2014 \$16,452,308). At the tax rate of 30% the total deferred tax asset not recognised is \$6,544,493 (2014 \$6,271,352).

7. CURRENT TRADE AND OTHER RECEIVABLES

Goods and services tax (GST) recoverable

2,101 5,636

Receivable from related party

- 161,493

2,101 167,129

8. OPTION DEPOSIT

Option deposit

652,496 652,496

Less: Provision for impairment

(652,496) (652,496)

- -

On 5 September 2014, the Company entered into a Memorandum of Understanding to acquire 51% of Orchid Wine Estate Pty Ltd and 100% of Wright Bay Vineyard and had paid an Option Deposit of AUD\$800,000. On 9 October 2014 The Option Deposit was transferred from the Escrow Account to Ironbridge Wine Pty Ltd a company associated with former Directors of the Group but which the group does not have control over. The Company has lodged a police report on the recovery of the Option deposit and in the process of seeking legal advices to recover the Option Deposit from Ironbridge Wine Pty Ltd. So far no further development the company do not expect to recover the amount.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	CONSOLIDATED	
	Dec 2015 US\$	Dec 2014 US\$
9. <u>AVAILABLE-FOR-SALE FINANCIAL ASSETS</u>		
Equity securities – Unlisted companies	508,050	508,050
Less Provision for Impairment	(508,050)	(508,050)
	-	-

A provision for impairment was posted in the prior year as the company invested in is currently not generating any income and has no contracts in place to generate income in the future. The Board have considered it prudent to fully impair its investment as at this stage there is no indication their investment will be returned.

	CONSOLIDATED	
	Dec 2015 US\$	Dec 2014 US\$
10. <u>CURRENT TRADE AND OTHER PAYABLES</u>		
Trade payables	72,146	-
Related party loans	38,670	38,670
Accrued payables	300,000	300,000
	410,816	338,670

	CONSOLIDATED	
	Dec 2015 US\$	Dec 2014 US\$
11. <u>BORROWINGS</u>		
Convertible notes – liability component – Immense Grow Investment Limited	854,832	904,971
Convertible notes – liability component – Precious Area Investment Limited and Silver Mind Investment Limited	1,457,500	1,631,200
	2,312,332	2,536,171

Immense Grow Investment Limited

The convertible notes issued to Immense Grow Investments Limited expired in December 2014. After year end the Group has received advice from Immense Grow Investments Limited that it will convert the outstanding convertible note plus accrued interest of \$112,775 to ordinary shares when the company completes a reverse takeover and successfully relists on the ASX.

Precious Area Investment Limited and Silver Mind Investment Limited

The vendor has subscribed to Convertible Notes of AUD\$2 million in September 2014. The Vendor has default the subscription of the Tranche 2 of AUD\$8 million on due date and has material breach on the agreement. Due to this default the Heads of Agreement will not materialise for the acquisition of the winery business and vineyard in PRC and Australia. The Convertible Bond is not repayable by the Company as per the advice from the legal counsel.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

12. ISSUED CAPITAL

Fully paid ordinary shares

179,503,062 fully paid ordinary shares
(2014: 179,503,062)

CONSOLIDATED	
Dec 2015 US\$	Dec 2014 US\$
5,189,306	5,189,306

	CONSOLIDATED		CONSOLIDATED	
	12 months ended Dec 2015		12 months ended Dec 2014	
	No.	US\$	No.	US\$
<u>Fully Paid Ordinary Shares</u>				
Balance at beginning of financial year	179,503,062	5,189,306	167,003,062	4,744,401
Issuance of earn out shares (note 28)				
Shares issued				
- Cash	-	-	12,500,000	444,905
-				
-				
Balance at end of financial year	179,503,062	5,189,306	179,503,062	5,189,306

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Dividends

No dividends were declared or paid in respect of the year ended 31 December 2015 (31 December 2014: nil). The group does not have any franking credits available for subsequent financial years at 31 December 2015 (31 December 2014: Nil).

The reconciliation of movements in options outstanding at the end of each year including weighted average exercise price (WAEP) is described in the table below.

	CONSOLIDATED		CONSOLIDATED	
	12 months ended Dec 2015		12 months ended Dec 2014	
	No.	WAEP (cents)	No.	WAEP (cents)
<u>Options Outstanding</u>				
Balance at beginning of financial year	10,393,443	32.2	10,393,443	32.2
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options expiring during the year	(10,393,443)	32.2	-	-
Balance at end of financial year	-	-	10,393,443	32.2

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

13. RESERVES

Share based payments reserve
Opening balance
Share-based payments
Closing balance

<u>CONSOLIDATED</u>	
Dec 2015	Dec 2014
US\$	US\$
1,279,002	657,815
-	621,187
<u>1,279,002</u>	<u>1,279,002</u>

14. OTHER EQUITY CONVERTIBLE NOTES

Opening balance
Notes converted to equity

<u>CONSOLIDATED</u>	
12 months ended 2015 US\$	12 months ended Dec 2014 US\$
494,765	494,765
-	-
<u>494,765</u>	<u>494,765</u>

15. EARNINGS PER SHARE

Basic earnings per share
Diluted earnings per share

12 months ended Dec 2015 Cents per share	12 months ended Dec 2014 Cents per share
(0.21)	(0.98)
<u>(0.21)</u>	<u>(0.98)</u>

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

15. EARNINGS PER SHARE (cont'd)

	12 months ended Dec 2015 No.	12 months ended Dec 2014 No.
The weighted average number of ordinary shares on issue during the financial year used in the calculation of basic earnings per share.	179,503,062	179,503,062

The weighted average number of ordinary shares on issue during the financial year used in the calculation of diluted earnings per share	179,503,062	179,503,062
	179,503,062	179,503,062

All options on issue during the year are considered potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share.

All options on issue during the year are considered potential ordinary shares for the purposes of calculating diluted earnings per share. Potential ordinary shares that are not dilutive are excluded from the calculation of weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share.

	12 months ended Dec 2015 US\$	12 months ended Dec 2014 US\$
Earnings used in the calculation of basic earnings per share and diluted earnings per share reconciles to the net profit/(loss) as follows:		
Net profit /(loss)	(381,500)	(1,771,581)
Net profit /(loss) used in the calculation of basic earnings per share and diluted earnings per share	(381,500)	(1,771,581)

	12 months ended Dec 2015 No	12 months ended Dec 2014 No
The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share:		
Options – Ordinary shares	-	-

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

16. SUBSEQUENT EVENTS

On 29 December 2015, the Company had entered into a RTO Agreement with Stephen Wong ("SW") and Standard Privilege Wealth Management Limited ("SPWM") to acquire SPWM and/or any other entities which operate the business or hold assets of the business for SW (collectively the "Targets") to acquire a 100% interest in each of the Targets. Subsequent to balance date, both parties continue to work towards a sale and purchase agreement.

The Company has appointed four new directors in January 2016 to manage the RTO process of the new business to be acquired.

17. SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker of Sino-Excel Energy Limited is its Board of Directors. The entity is suspended from trading and is currently negotiating a successful RTO and relisting. Until that time it currently has only one operating segment, being the management of compliance and reporting requirements of the company while negotiations continue.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

18. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand and in banks

CONSOLIDATED	
12 months ended Dec 2015 US\$	12 months ended Dec 2014 US\$
382,987	836,660

(b) Reconciliation of profit/(loss) from ordinary activities after related income tax to net cash flows from operating activities

Profit /(loss) from ordinary activities after related income tax

Write off of receivables

Refund of Norwood Immunology Investment

Unwinding of interest on convertible note

Provision for Impairment of Investment

Provision for Impairment of Option Deposit

Unrealised foreign exchange (gain)/loss

Share based payments

Changes in operating assets and liabilities, net of the effects of purchase of subsidiaries:

(Increase)/decrease in trade and other receivables

Increase/(decrease) in accrued interest

Increase/(decrease) in current payables

Net cash generated from/(used in) operating activities

(381,500)	(1,771,581)
234,255	-
-	(721,204)
-	387,393
-	508,050
-	652,496
(264,484)	(18,247)
-	621,187
(69,228)	(74,177)
37,849	30,120
72,146	(416,593)
(370,962)	(802,556)

19. SUBSIDIARIES

Name of Entity	Country Of Incorporation	Ownership Interest	
		Dec 2015 %	Dec 2014 %
Legal Parent Entity Sino-Excel Energy Limited	Australia		
Legal Subsidiaries (Active) Sino-Excel Energy Pte. Ltd. SINOX Energy Limited	Singapore Hong Kong	100 100	100 100

During the 2015 year the company commenced arranging the Singapore and Hong Kong subsidiaries for liquidation and strike off.

SINO-EXCEL ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

20. FINANCIAL INSTRUMENTS

a) Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

b) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The Group has adopted the policy of only dealing with creditworthy counterparties. New counterparties are required to remit cleared funds to the Company in advance of committing to transactions as a means of mitigating the risk of financial loss from default.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

The following banking institutions are used by the Group: Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia Limited, National Bank of Australia Limited, and Hong Kong and Shanghai Banking Corporation Limited.

c) Capital risk management

The Group maintains its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes borrowings disclosed in note 12, cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital and reserves and accumulated losses as disclosed in the Statement of Changes in Equity. The group is not subject to any capital restrictions.

Operating cash flows are used to maintain and expand the Group's assets as well as to make routine outflows. The Group's policy is to borrow centrally, using a variety of capital market issues and borrowing facilities to meet anticipated funding requirements.

d) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 20(e)). The Group holds certain foreign currency denominated monetary assets to mitigate the effects of foreign currency fluctuations.

There has been no change to the Group's exposure to market risks or the manner in which it manages the risk from the previous period.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

20. FINANCIAL INSTRUMENTS (cont'd)

e) Foreign currency

The following table details the Group's sensitivity to a 10% increase and decrease in the US dollar against the foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit or loss where the US dollar strengthens against the respective currency. For a weakening of the US dollar against the respective currency, there would be an equal and opposite impact on the loss and the balances below would be negative.

Total Cash Balances in US Dollars

		12 months ended 31 Dec 2015 US\$	12 months ended 31 Dec 2014 US\$
Australia Dollars		337,175	790,848
Hong Kong Dollars		45,812	45,812
Total		382,987	836,660

Movement in exchange rate

Net Impact

	<u>Consolidated Profit and Loss</u>	
	12 months ended Dec 2015 US\$	12 months ended Dec 2014 US\$
Hong Kong dollars	(5,398)	(5,668)
AUD dollars	(33,460)	(78,700)

f) Interest rate risk management

The Group is not exposed to interest rate risk as funds borrowed are either on an interest free basis or at fixed rates. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

20. FINANCIAL INSTRUMENTS (cont'd)

g) Categories of financial instruments

	31 Dec 2015	31 Dec 2014
	US\$	US\$
<i>Financial Assets</i>		
Cash and bank balances	382,987	836,660
Marketable Securities	-	-
<i>Financial Liabilities</i>		
Derivative instruments at fair value	-	-
through profit or loss		
Amortised cost	2,312,332	2,536,171

h) Financial risk management objectives

The Group's treasury function co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, and by monitoring forecast and actual cash flows.

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

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

20. FINANCIAL INSTRUMENTS (cont'd)

	Weighted average effective interest rate	Less than 1 month US\$	1-3 month s US\$	3 months to 1 year US\$	1-5 years US\$	5+ years US\$	Total US\$
31 Dec 2015							
Non-interest bearing	-	410,816	-	1,457,500	-	-	1,868,316
Fixed interest rate instruments	5.0%	854,832	-	-	-	-	854,832
		<u>1,265,648</u>	<u>-</u>	<u>1,457,500</u>	<u>-</u>	<u>-</u>	<u>2,723,148</u>
31 Dec 2014							
Non-interest bearing	-	338,670	-	1,631,200	-	-	1,969,870
Fixed interest rate instruments	5.0%	904,971	-	-	-	-	904,971
		<u>1,243,641</u>	<u>-</u>	<u>1,631,200</u>	<u>-</u>	<u>-</u>	<u>2,874,841</u>

j) Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Specifically, significant assumptions used in determining the fair value of the following financial assets and liabilities are set out below.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation of the key management personnel of the consolidated entity is set out below:

	<u>CONSOLIDATED</u>	
	12 months ended Dec 2015 \$	12 months ended Dec 2014 \$
Short-term employee benefits	149,431	194,056
Post-employment benefits	-	-
Other long term employee benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Other benefits	-	241,985
Total	149,431	436,041

22. RELATED PARTY DISCLOSURES

a) Equity Interests in Subsidiaries

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 19 to the financial statements.

b) Key Management Personnel Remuneration

Details of key management personnel remuneration are disclosed in the remuneration report contained within the Directors' report accompanying the financial statements. A summary of amounts paid to Key Management Personnel is noted in Note 21 to the financial statements:

c) Other related party transactions

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

Transactions with related parties:

- Under the terms of the proposed RTO for the acquisition of the winery business in PRC and acquisition of vineyard in Australia the wages of the company totalling \$234,255 were to be reimbursed by AoHua, a company associated with Ms Jia Meng. The receivable balance of \$234,255 was written off during the year as it was not going to be collected.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

	<u>CONSOLIDATED</u>	
	12 months ended Dec 2015 \$	12 months ended Dec 2014 \$
23. <u>REMUNERATION OF AUDITORS</u>		
Audit of the parent entity		
Audit or review of the financial report – BDO Audit (NTH QLD) Pty Ltd	57,000	65,000
	57,000	65,000

The auditor of Sino-Excel Energy Limited is BDO Audit (NTH QLD) Pty Ltd.
No non- audit services have been provided by the auditor.

SINO-EXCEL ENERGY LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2015**

24. PARENT ENTITY DISCLOSURES

Financial position

	<u>COMPANY</u>	
	Dec 2015 US\$	Dec 2014 US\$
Assets		
Current assets	337,721	956,419
Non-current assets	-	-
Total assets	337,721	956,419
Liabilities		
Current liabilities	2,684,478	2,836,171
Non-current liabilities	-	-
Total liabilities	2,684,478	2,836,171
Equity		
Issued capital	184,312,208	184,312,208
Equity (Convertible Note)	494,765	494,765
Accumulated losses	(192,340,859)	(191,873,853)
Share Based Reserves	4,839,906	4,839,906
Capital Contribution	347,222	347,222
Total assets/(deficiency)	(2,346,758)	(1,879,752)

Financial performance

Profit/(Loss) for the year	(467,006)	(1,492,257)
Other comprehensive income	-	-
Total comprehensive income	(467,006)	(1,492,257)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has not entered into guarantees in relation to the debts of its subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2015 and 31 December 2014.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2015 and 31 December 2014.

SINO-EXCEL ENERGY LIMITED

ADDITIONAL SECURITIES EXCHANGE INFORMATION

(AS AT 16 MARCH 2016)

Fully Paid Ordinary Shares

- 179,503,062 fully paid ordinary shares are held by 3,403 individual shareholders.

All issued ordinary shares carry one vote per share.

Options

Options do not carry a right to vote.

Distribution Of Holders Of Equity Securities

			Fully Paid Ordinary Shares	Options
1	-	10,000	3,227	-
10,001	-	20,000	65	-
20,001	-	50,000	47	-
50,001	-	9,999,999,999	64	-
			3,403	-

Substantial Shareholders

Ordinary Shareholders	Fully Paid	
	Number	Percentage
MAJESTIC FAITH LIMITED	60,000,000	33.43%
ENDLESS ADVENTURE LIMITED	47,039,216	26.21%
SWIFT CHINA LIMITED	30,055,167	16.74%

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

SINO-EXCEL ENERGY LIMITED

ADDITIONAL SECURITIES EXCHANGE INFORMATION

(AS AT 16 MARCH 2016)

Twenty Largest Holders Of Quoted Equity Securities

Ordinary Shareholders	Fully Paid	
	Number	Percentage
MAJESTIC FAITH LIMITED	60,000,000	33.43%
ENDLESS ADVENTURE LIMITED	47,039,216	26.21%
SWIFT CHINA LIMITED	30,055,167	16.74%
MR LI GENG	12,500,000	6.96%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,305,977	1.84%
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	2,000,005	1.11%
BLAMNCO TRADING PTY LTD	1,686,587	0.94%
TISSUE ENGINEERING REFRACTION INC	1,519,964	0.85%
MR ZHENG SHI WU	1,480,364	0.82%
BNP PARIBAS NOMS PTY LTD <,UOB KAY HIAN PRIVATE LIMITED DRP>	1,386,833	0.77%
MR ZHOU WEI JIAN	1,313,230	0.73%
MS XIN LI XIANG	1,258,297	0.70%
BOMAN ASSET PTY LTD	923,516	0.51%
MR XIN ZHI RUI	839,137	0.47%
RHB SECURITIES SINGAPORE PTE LTD <CLIENTS A/C>	673,508	0.38%
BARLOMA NOMINEES PTY LTD	606,667	0.34%
MS LI YING ZHANG	440,000	0.25%
MR JOHN RICHARD HABIB + DR JANE FRANCIS HABIB <MUNGO SUPER FUND A/C>	340,000	0.19%
PETER HANSEN	333,333	0.19%
ROKEBA NOMINEES PROPRIETARY LIMITED<SILMAN PROPERTY A/C>	300,000	0.17%
	168,001,801	93.59%

Company Secretaries

Mr. Richard Holstein

Principal Registered Office

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MELBOURNE VIC 3000
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Principal Administration Office

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MELBOURNE VIC 3000
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Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
ABBOTSFORD VIC 3067
Tel: (03) 9415 5000

Stock Exchange Listings

Sino-Excel Energy Limited's ordinary shares are quoted by the Australian Securities Exchange Limited.