

Ultima United Limited

Appendix 4D

Half Year Report

For the period ended 31 December 2015

(Previous corresponding period: 31 December 2014)

Results for announcement to the market

| | 31 Dec 2015 Current Period \$ | Percentage Change Up/(Down) | Change Up/(Down) \$ | 31 Dec 2014 Previous Corresponding Period \$ |
|---|--|-----------------------------------|---------------------------|--|
| Revenue from ordinary activities | 5,045 | (88%) | (36,336) | 41,381 |
| Loss from ordinary activities after tax | (242,425) | 3% | 6,820 | (235,605) |
| Net Loss for the period attributable to members | (242,425) | 3% | 6,820 | (235,605) |

Dividends

The Company does not propose to pay any dividends in the current period.

Net tangible assets per security

| | Current Period (31 Dec 2015) | Previous Corresponding Period (31 Dec 2014) |
|--------------------------|---------------------------------|---|
| Cents per ordinary share | 14.5 cents | 16.3 cents |

Details of entities over which control has been gained or lost

Control gained over entities

N/A

Control lost over entities

N/A

Details of Associates / Joint Ventures

Refer to Note 2 of the attached Half Year Report

Accounting Standards

For foreign entities, the set of accounting standards used in compiling the report:-

N/A

Auditor's review report

For all entities, if the accounts are subject to audit dispute or qualification, include a description of the dispute or qualification.

N/A

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Ultima United Limited

ACN 123 920 990

**Half Year Report
31 December 2015**

COMPANY DIRECTORY

Executive Chairman & Managing Director

(Simon) Xing Yan

Executive Director

George Lazarou

Non-Executive Directors

Eric Kong

Company Secretary

Piers Lewis

Principal and Registered Office

Suite 2, 23 Richardson Street

South Perth WA 6151

Telephone: (08) 6436 1888

Facsimile: (08) 9367 3311

Auditors

Moore Stephens

Level 15 Exchange Tower,

2 The Esplanade

PERTH WA 6000

Share Registrar

Advanced Share Registry Services

110 Stirling Highway

NEDLANDS WA 6009

Telephone: (08) 9389 8033

Facsimile: (08) 9262 3723

Securities Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Codes: UUL

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DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1) BOARD OF DIRECTORS

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

| Directors | Position |
|------------------|--|
| (Simon) Xing Yan | Executive Chairman & Managing Director |
| George Lazarou | Executive Director |
| Eric Kong | Non-Executive Director |
| Ding Feng | Non-Executive Director (resigned 6 October 2015) |

2) REVIEW OF OPERATIONS

PROPERTY DEVELOPMENT

295 Canning Highway, Como, Western Australia

The Company has the right to earn up to a 50% interest in the property at 295 Canning Highway, Como, pursuant to a Joint Venture for Profit Sharing Agreement between the Company and S & A Holding (Aust) Pty Ltd.

The development of 3 two storey townhouses was completed during the period, on time and within budget during the half year.

Subsequent to 31 December 2015 the Company confirmed the settlement of 295A and 295B Canning Highway, Como, with net proceeds from the sale of the properties totaling approximately \$1,292,500, of which the Company is entitled to receive 50% of the net proceeds.

3 Oak Street, Cannington, Western Australia

During the half year, the Company re-submitted to the City of Canning, development approval plans for the construction of 12 apartments at 3 Oak Street, Cannington.

Subsequent to 31 December 2015 the Company received development approval (subject to conditions) from the City of Canning for the construction of 12 apartments at 3 Oak Street, Cannington, with each apartment having 2 bedrooms and 2 bathrooms.

The Company will now proceed to obtain full costings for the development, as well as indicative pre-sale pricing, given current market conditions, prior to proceeding with construction.

19-21 Tate Street, Bentley, Western Australia

On 5 August 2015, the Company settled the acquisition of 19 & 21 Tate Street, Bentley.

During the half year the Company applied for and received authority to amalgamate 19 & 21 Tate Street, Bentley into one property, and development approval (subject to conditions) from the City of Canning for the construction of 14 apartments at 19 & 21 Tate Street, Bentley, with 10 apartments having 2 bedrooms and 2 bathrooms and 4 apartments having 1 bedroom and 1 bathroom.

The Company will now proceed to obtain full costings for the development, as well as indicative pre-sale pricing, given current market conditions, prior to proceeding with construction.

3) FINANCIAL RESULTS

The financial results of the Group for the half year ended 31 December 2015 are:

| | 31/12/2015 | 30/06/2015 | % Change |
|--------------------------------|------------|------------|----------|
| Cash and cash equivalents (\$) | 963,737 | 1,923,673 | (50%) |
| Net assets (\$) | 3,686,216 | 3,928,641 | (6%) |

| | 31/12/2015 | 31/12/2014 | % Change |
|----------------------------------|------------|------------|----------|
| Revenue (\$) | 5,045 | 41,381 | (88%) |
| Net loss after tax (\$) | (242,425) | (235,605) | 3% |
| Loss per share (cents per share) | (0.95) | (0.72) | 30% |

4) EVENTS SUBSEQUENT TO REPORTING DATE

On 19 January 2016 the Company confirmed the settlement of 295B Canning Highway, Como, with net proceeds from the sale of the property being approximately \$707,500, of which the Company is entitled to receive 50%.

On 19 January 2016 the Company received authority to amalgamate 19 & 21 Tate Street, Bentley into one property, and development approval (subject to conditions) from the City of Canning for the construction of 14 apartments at 19 & 21 Tate Street, Bentley, with 10 apartments having 2 bedrooms and 2 bathrooms and 4 apartments having 1 bedroom and 1 bathroom.

On 22 January 2016 the Company confirmed the settlement of 295A Canning Highway, Como, with net proceeds from the sale of the property being approximately \$585,000, of which the Company is entitled to receive 50%.

On 2 February 2016 the Company received development approval (subject to conditions) from the City of Canning for the construction of 12 apartments at 3 Oak Street, Cannington, with each apartment having 2 bedrooms and 2 bathrooms.

There have not been any significant events, other than those stated above, that have arisen since 31 December 2015 and up to the date of this report that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Moore Stephens, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Mr George Lazarou
Executive Director

Dated this 5th day of February 2016

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2 The Esplanade
Perth WA 6000

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WA 6831

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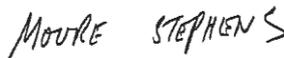
**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ULTIMA UNITED LIMITED**

As lead auditor for the review of Ultima United Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 5th day of February 2016

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**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

| | 31 December 2015 | 31 December 2014 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Interest revenue | 5,045 | 41,381 |
| Employee benefit expenses | (160,067) | (165,216) |
| Occupancy expenses | (29,211) | (27,420) |
| Depreciation expense | (919) | (3,185) |
| Consultancy expenses | (21,000) | (27,000) |
| Legal and compliance | (27,928) | (43,528) |
| Net gain/(loss) on financial assets held at fair value | (3,632) | 519 |
| Impairment provision for capitalised exploration expenditure | - | (2,232) |
| Administration expenses | (4,713) | (8,924) |
| Loss before income tax expense | (242,425) | (235,605) |
| Income tax expense | - | - |
| Net loss for the period | (242,425) | (235,605) |
| Other comprehensive Income | - | - |
| Total comprehensive income for the period | (242,425) | (235,605) |
| Basic and diluted loss per share (cents per share) | (0.95) | (0.72) |

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

| | Notes | 31 December 2015 | 30 June 2015 |
|--|-------|---------------------|------------------|
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 963,737 | 1,923,673 |
| Trade and other receivables | | 7,158 | 12,721 |
| Property development – Interest in Joint Venture | 2 | 814,626 | 752,022 |
| TOTAL CURRENT ASSETS | | 1,785,521 | 2,688,416 |
| NON CURRENT ASSETS | | | |
| Property development | 3 | 2,925,070 | 1,470,429 |
| Financial assets | 4 | 4,842 | 8,474 |
| Plant and equipment | | 2,816 | 3,735 |
| TOTAL NON CURRENT ASSETS | | 2,932,728 | 1,482,638 |
| TOTAL ASSETS | | 4,718,249 | 4,171,054 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 27,332 | 178,307 |
| Provision | | 59,701 | 64,106 |
| TOTAL CURRENT LIABILITIES | | 87,033 | 242,413 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 5 | 945,000 | - |
| TOTAL NON-CURRENT LIABILITIES | | 945,000 | - |
| TOTAL LIABILITIES | | 1,032,033 | 242,413 |
| NET ASSETS | | 3,686,216 | 3,928,641 |
| EQUITY | | | |
| Issued capital | 6 | 7,714,827 | 7,714,827 |
| Reserves | | 482,267 | 482,267 |
| Accumulated losses | | (4,510,878) | (4,268,453) |
| TOTAL EQUITY | | 3,686,216 | 3,928,641 |

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

| | Issued Capital | Option Reserves | Accumulated Losses | Total |
|--|-------------------|--------------------|-----------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2014 | 6,614,312 | 482,267 | (3,810,553) | 3,286,026 |
| Loss for the period | - | - | (235,605) | (235,605) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | - | - | (235,605) | (235,605) |
| Transactions with owners in their capacity as owners: | | | | |
| Issue of share capital | 1,226,422 | - | - | 1,226,422 |
| Capital raising costs | (125,907) | - | - | (125,907) |
| Balance at 31 December 2014 | 7,714,827 | 482,267 | (4,046,158) | 4,150,936 |
| Balance at 1 July 2015 | 7,714,827 | 482,267 | (4,268,453) | 3,928,641 |
| Loss for the period | - | - | (242,425) | (242,425) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | - | - | (242,425) | (242,425) |
| Balance at 31 December 2015 | 7,714,827 | 482,267 | (4,510,878) | 3,686,216 |

The accompanying notes form part of this financial report

**STATEMENT OF CASH FLOW
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

| Notes | 31 December 2015 | 31 December 2014 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees | (246,455) | (305,919) |
| Payments for exploration and evaluation | - | (2,232) |
| Interest and other income | 8,113 | 45,423 |
| Net cash used in operating activities | (238,342) | (262,728) |
| Cash flows from investing activities | | |
| Joint venture – property development | (211,953) | (417,807) |
| Payment for purchase of property | (1,454,641) | (1,396,179) |
| Net cash used in investing activities | (1,666,594) | (1,813,986) |
| Cash flows from financing activities | | |
| Proceeds from the issue of shares, net of costs | - | 1,100,515 |
| Proceeds from borrowings, net of costs | 945,000 | - |
| Net cash provided by financing activities | 945,000 | 1,100,515 |
| Net decrease in cash and cash equivalents held | (959,936) | (976,199) |
| Cash and cash equivalents at beginning of period | 1,923,673 | 3,345,722 |
| Cash and cash equivalents at end of reporting period | 963,737 | 2,369,523 |

The accompanying notes form part of this financial report

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Statement of Compliance**

The half-year financial report are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Ultima United Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Basis of Preparation

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The same accounting policies and methods of computation have been followed in this half-year report as were applied in the most recent annual financial statements.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

Significant Accounting Judgment and Key Estimates

In the half-year ended 31 December 2015, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to the Company accounting policies.

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

NOTE 2: INTERESTS IN JOINT VENTURE

On 29 November 2013, the Company received shareholder approval to enter into a Joint Venture and Profit Sharing Agreement between S & A Holding (Aust) Pty Ltd ("S & A Holding") and the Company to develop the property at 295 Canning Highway, Como ("Como Property"). Mr Simon Yan, the managing director of the Company, is a director and shareholder of S & A Holding.

Under the terms of the agreement, S & A Holding and the Company formed an unincorporated joint venture for the purpose of sharing profits from the completion of the Como Property development. Council approval for the development was received on 10 July 2014 with the construction commencing thereafter.

At 31 December 2015, the Company had incurred total minimum expenditure to earn the following interest in the JV profits:

- (a) S & A Holding – 50%; and
- (b) the Company – 50%.

Each party must now contribute to expenditure made or incurred in respect of the Como Property development in proportion to their interest in the profits or the Joint Venture (i.e. 50/50).

Under the JV Agreement, the liability of the parties in each case is several in proportion to their respective interests in the profits of the Joint Venture and shall not be either joint or joint and several.

In accordance with AASB11, this interest is Equity Accounted and information about this Joint Venture is presented below:

| Name | Place of Business / Incorporation | Classification | Proportion of Interests | | Measurement Method | Carrying Amount | |
|---|-----------------------------------|----------------|-------------------------|--------------|--------------------|------------------|--------------|
| | | | 31 December 2015 | 30 June 2015 | | 31 December 2015 | 30 June 2015 |
| Interest in Como Joint Venture Property Development | Perth, Australia | Joint Venture | 50 | 50 | Equity Method | 814,626 | 752,022 |

Set out below is the summarised financial information for the Joint Venture. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian Accounting Standards financial statements of the Joint Venture. The following summarised financial information, however, reflects the adjustments made by the Company when applying the equity method. This Joint Venture has the same financial year end as the Company.

| | Como Property Development Joint Venture | |
|---|---|------------------|
| | 31 December 2015 | 30 June 2015 |
| | \$ | \$ |
| Summarised Financial Position | | |
| Current assets | 1,630,082 | 1,508,903 |
| Non-current assets | - | - |
| Current liabilities | (830) | (4,859) |
| Non-current liabilities | - | - |
| NET ASSETS | 1,629,252 | 1,504,044 |
| Company's Share | 50% | 50% |
| Company's Share of joint venture's net assets | 814,626 | 752,022 |

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

NOTE 2: INTERESTS IN JOINT VENTURE (Continued)

| | Como Property Development Joint Venture | |
|--|--|-------------------------|
| | 31 December 2015 | 30 June 2015 |
| | \$ | \$ |
| Summarised Financial Performance | | |
| Income | - | - |
| Expenses | - | - |
| Income tax expense | - | - |
| Net profit / (loss) after tax | - | - |
| Company's Share | 50% | 50% |
| Company's Share of joint venture's net profit/(loss) after tax | - | - |
| Reconciliation to Carrying Amounts | | |
| Company's share of joint venture's opening net assets | 752,022 | 2,600 |
| Investments during the year | 62,604 | 749,422 |
| Company's share of joint venture's net profit/(loss) after tax | - | - |
| Closing carrying amount of investment in joint venture | 814,626 | 752,022 |

NOTE 3: PROPERTY DEVELOPMENT

| | 31 December 2015 | 30 June 2015 |
|---|-----------------------------|-------------------------|
| | \$ | \$ |
| Costs carried forward in respect of properties of interest in: | | |
| At the beginning of the reporting period | 2,222,451 | 2,600 |
| Movement during the period | 1,517,245 | 2,219,851 |
| Sub-total | 3,739,696 | 2,222,451 |
| Less: | | |
| Property development (Interest in Joint Venture) expected to be completed / realized within 12 months – classified as current | (814,626) | (752,022) |
| Non-current balance at reporting date | 2,925,070 | 1,470,429 |

NOTE 4: FINANCIAL ASSETS

| | 31 December 2015 | 30 June 2015 |
|--|-----------------------------|-------------------------|
| | \$ | \$ |
| Non-Current | | |
| Listed Shares at fair value | 4,842 | 8,474 |
| Total Financial assets at fair value through profit or loss | 4,842 | 8,474 |

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

NOTE 5: BORROWINGS

| | 31 December 2015 | 30 June 2015 |
|-------------------------------------|---------------------|-----------------|
| | \$ | \$ |
| Non-Current | | |
| Loan from financial institution (i) | 945,000 | - |
| Total Borrowings | 945,000 | - |

(i) Terms and conditions:

- Loan Type: Variable Rate Interest Only,
- Loan Term: 30 Years,
- Interest Rate: 4.70% per annum,
- Security: Registered Mortgage over property situated at 19 and 21 Tate Street Bentley WA 6102.
- Covenants: There is no covenants to be complied with.

NOTE 6: ISSUED CAPITAL

| | 31 December 2015 | 30 June 2015 |
|--|---------------------|-----------------|
| | \$ | \$ |
| 25,500,652 (30 June 2015: 25,500,652) fully paid ordinary shares of no par value | 7,714,827 | 7,714,827 |

(a) Movements in fully paid ordinary shares on issue:

| | 31 December 2015 | | 30 June 2015 | |
|---|------------------|-------------------|------------------|-------------------|
| | \$ | Number | \$ | Number |
| At the beginning of the reporting period | 7,714,827 | 25,500,652 | 6,614,312 | 43,041,108 |
| Share consolidation | - | - | - | (23,672,565) |
| Shares issued under the Prospectus | - | - | 1,226,422 | 6,132,109 |
| Capital raising costs | - | - | (125,907) | - |
| At reporting date | 7,714,827 | 25,500,652 | 7,714,827 | 25,500,652 |

NOTE 7: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of property development and corporate activities.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

(i) *Property Development*

Segment assets, including acquisition cost of property development and all expenses related to the property are reported on in this segment.

(ii) *Corporate*

Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents, and investments in financial assets are reported in this segment.

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

NOTE 7: OPERATING SEGMENTS (Continued)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables.

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- net gains on disposal of available-for-sale investments;
- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- intangible assets; and
- discontinuing operations.

Comparative information

Comparative information has been stated to conform to the requirements of the Standard.

(i) Segment performance

| | Corporate | Property Development | Exploration | Total |
|--|--------------|-------------------------|-------------|------------------|
| | \$ | \$ | \$ | \$ |
| Six months ended 31.12.2015 | | | | |
| Revenue | | | | |
| Interest revenue | 5,045 | - | - | 5,045 |
| Total segment revenue | 5,045 | - | - | 5,045 |
| <i>Reconciliation of segment result to company net (loss) before tax</i> | | | | |
| Amounts not included in segment result but reviewed by the Board: | | | | |
| • Depreciation | (919) | - | - | (919) |
| • Net Gain/(Loss) on financial assets held at fair value | (3,632) | - | - | (3,632) |
| Unallocated items: | | | | |
| • Other | (242,919) | - | - | (242,919) |
| Net loss before tax from continuing operations | | | | (242,425) |

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

NOTE 7: OPERATING SEGMENTS (Continued)

| | Corporate | Property Development | Exploration | Total |
|--|---------------|-------------------------|-------------|------------------|
| | \$ | \$ | \$ | \$ |
| Six months ended 31.12.2014 | | | | |
| Revenue | | | | |
| Interest revenue | 41,381 | - | - | 41,381 |
| Total segment revenue | 41,381 | - | - | 41,381 |
| <i>Reconciliation of segment result to company net (loss) before tax</i> | | | | |
| Amounts not included in segment result but reviewed by the Board: | | | | |
| • Depreciation | (3,185) | - | - | (3,185) |
| • Net Gain/(Loss) on financial assets held at fair value | 519 | - | - | 519 |
| Unallocated items: | | | | |
| • Other | (272,088) | - | (2,232) | (274,320) |
| Net loss before tax from continuing operations | | | | (235,605) |
| (ii) Segment assets | | | | |
| As at 31.12.2015 | | | | |
| Segment assets | 968,579 | 3,739,696 | - | 4,708,275 |
| Segment asset increases for the period: | | | | |
| • Capital expenditure | - | - | - | - |
| <i>Reconciliation of segment assets to total assets</i> | | | | |
| Inter-segment eliminations | | | | |
| Unallocated assets: | | | | |
| • Other assets | 9,974 | | | 9,974 |
| Total assets from continuing operations | | | | 4,718,249 |
| As at 30.06.2015 | | | | |
| Segment assets | 1,932,147 | 2,222,451 | - | 4,154,598 |
| Segment asset increases for the period: | | | | |
| • Capital expenditure | - | - | - | - |
| <i>Reconciliation of segment assets to total assets</i> | | | | |
| Inter-segment eliminations | | | | |
| Unallocated assets: | | | | |
| • Other assets | 16,456 | - | - | 16,456 |
| Total assets from continuing operations | | | | 4,171,054 |

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

NOTE 7: OPERATING SEGMENTS (Continued)

| | Property | | | Total |
|---|-----------|-------------|-------------|------------------|
| | Corporate | Development | Exploration | |
| | \$ | \$ | \$ | \$ |
| (iii) Segment liabilities | | | | |
| As at 31.12.2015 | | | | |
| Segment liabilities | 27,332 | 945,000 | - | 972,332 |
| <i>Reconciliation of segment liabilities to liabilities</i> | | | | |
| Inter-segment eliminations | | | | |
| Unallocated liabilities: | | | | |
| • Other liabilities | 59,701 | - | - | 59,701 |
| Total liabilities from continuing operations | | | | 1,032,033 |
| As at 30.6.2015 | | | | |
| Segment liabilities | 178,307 | - | - | 178,307 |
| <i>Reconciliation of segment liabilities to liabilities</i> | | | | |
| Inter-segment eliminations | | | | |
| Unallocated liabilities: | | | | |
| • Other liabilities | 64,106 | - | - | 64,106 |
| Total liabilities from continuing operations | | | | 242,413 |

(iv) Revenue by geographical region

There is no revenue attributable to external customers for the half year periods ended 31 December 2014 and 2015.

(v) Assets by geographical region

All reportable segment assets are located in one location, Australia.

NOTE 8: FINANCIAL INSTRUMENTS

This note provides information about how the Company determines fair values of various financial assets and liabilities.

Except as determined in the following table, the Directors consider that the carrying value of the financial assets and financial liabilities are recognised in the financial statements approximate their fair values.

| | 31 December 2015 | | 30 June 2015 | |
|----------------------------------|------------------|----------------|------------------|------------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| | \$ | \$ | \$ | \$ |
| Financial Assets | | | | |
| Cash and cash equivalents | 963,737 | 963,737 | 1,923,673 | 1,923,673 |
| Trade and other receivables | 7,158 | 7,158 | 12,721 | 12,721 |
| Financial assets (listed shares) | 4,842 | 4,842 | 8,474 | 8,474 |
| | 975,737 | 975,737 | 1,944,868 | 1,944,868 |
| Financial Liabilities | | | | |
| Trade and other creditors | 27,332 | 27,332 | 178,307 | 178,307 |
| Borrowings | 945,000 | 945,000 | - | - |
| | 972,332 | 972,332 | 178,307 | 178,307 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015****NOTE 9: CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

On 19 January 2016 the Company confirmed the settlement of 295B Canning Highway, Como, with net proceeds from the sale of the property being approximately \$707,500, of which the Company is entitled to receive 50%.

On 19 January 2016 the Company received authority to amalgamate 19 & 21 Tate Street, Bentley into one property, and development approval (subject to conditions) from the City of Canning for the construction of 14 apartments at 19 & 21 Tate Street, Bentley, with 10 apartments having 2 bedrooms and 2 bathrooms and 4 apartments having 1 bedroom and 1 bathroom..

On 22 January 2016 the Company confirmed the settlement of 295A Canning Highway, Como, with net proceeds from the sale of the property being approximately \$585,000, of which the Company is entitled to receive 50%.

On 2 February 2016 the Company received development approval (subject to conditions) from the City of Canning or the construction of 12 apartments at 3 Oak Street, Cannington, with each apartment having 2 bedrooms and 2 bathrooms.

There have not been any significant events, other than those stated above, that have arisen since 31 December 2015 and up to the date of this report that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes thereto, as set out on 5 to 16:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.



Mr George Lazarou
Executive Director

Dated this 5th day of February 2016

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ULTIMA UNITED LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Ultima United Limited which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Ultima United Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Ultima United Limited's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ultima United Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

Independence

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

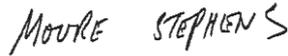
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ultima United Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 5th day of February 2016

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