

SOIL SUB TECHNOLOGIES LIMITED
A.C.N. 078 388 155

Interim Report 31 December 2014

Soil Sub Technologies Limited

A.C.N. 078 388 155

Interim Report December 2014

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Corporate Directory

DIRECTORS

Mr Guy Le Page (Chairman)
Mr Azlan Asidin (Non Executive Director)
Mr Keong Chan (Non Executive Director)

COMPANY SECRETARY

Mr Keong Chan

REGISTERED OFFICE

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AUDITORS

Bentleys
Level 1
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West Perth WA 6005
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STOCK EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: SOI

SHARE REGISTRY

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

SOLICITORS

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Level 4, the Read Building
16 Milligan Street
Perth WA 6000
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Directors' Report

Your directors submit the financial report of the Company for the half-year ended 31 December 2014.

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

NAME OF PERSON	POSITION
Guy Le Page	Director
Azlan Asidin	Non-Executive Director (appointed 5 January 2015)
Keong Chan	Non-Executive Director
Derek P Jones	Non-Executive Jones (resigned 18 August 2014)
Thomas Alabakis	Non-Executive Directors (resigned 5 January 2015)
Keong Chan	Company Secretary

Results

The operating loss after income tax for the half year amounted to \$497,602 (31 December 2013: \$434,458).

Review of Operations

The principal activities of the Company during the year has been investigating the Nutrimix IP, reviewing other soil substitute technologies and performing due diligence on the Malaysian property projects as announced to the market.

Soil Sub Technologies Limited is in the midst of performing due diligence on Malaysian based property projects specifically located at Pahang and Terengganu in east coast Malaysia.

During the first six months of the financial year, PJVD has been requested by the National Housing Commission of Malaysia - Syarikat Perumahan Negara ("SPNB") to jointly develop the Penor Project in the State of Pahang. A Development Proposal will be presented by SPNB (Developer) and PJVD (Development Manager) to the Ministry of Finance for final approval in the next few weeks which should clear the pathway for final Construction Contract negotiations.

Terms of the proposed business partnership are currently being negotiated between SPNB and PJVD.

The Penor Project was awarded to PJVD on 22 April 2014 as principal developer by Honourable Prime Minister of Malaysia Yang Mat Berhormat Dato Sri Haji Mohammad Najib bin Tun Haji Abdul Razak.

Both the Terengganu and Penor Projects represent potential gross contract values in the order of A\$800 million over a 4-5 year period with the potential to generate significant earnings to SOI.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors.



Guy Le Page
Director

DATED this 27th day of February 2015

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(WA) Pty Ltd**

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To the Board of Directors

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

As lead audit director for the review of the financial statements of Soil Sub Technologies Ltd for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



BENTLEYS
Chartered Accountants



DOUG BELL CA
Director

Dated at Perth this 27th day of February 2015

Condensed Statement of Profit or Loss and other Comprehensive Income

for the half-year ended 31 December 2014

	Note	31.12.2014	31.12.2013
		\$	\$
Revenue		77,988	764
Research and Development refund		-	-
Depreciation and amortisation expense		(35,605)	(32,191)
Directors fees		(105,215)	(113,000)
Accounting, audit and administration		(16,875)	(11,500)
Consulting and contracting expense		(49,500)	(75,039)
Travel and accommodation		-	(1,820)
Compliance and regulatory		(68,620)	(42,281)
Research expense		(10,000)	(18,000)
Corporate administration fee		(263,590)	(102,300)
Other expenses		(24,773)	(37,318)
Interest expense		(1,412)	(1,773)
Loss before income tax expense		(497,602)	(434,458)
Income tax expense		-	-
Net loss for the year		(497,602)	(434,458)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive income		(497,602)	(434,458)
Basic loss per share (cents per share)		(0.0004)	(0.07)

The accompanying notes form part of these condensed financial accounts

Condensed Statement of Financial Position

as at 31 December 2014

	Note	31.12.2014 \$	30.6.2014 \$
CURRENT ASSETS			
Cash and cash equivalents		1,597	95,968
Trade and other receivables		30,423	42,778
Loan Receivable	5	1,619,651	1,505,067
TOTAL CURRENT ASSETS		1,651,671	1,643,813
NON CURRENT ASSETS			
Plant & equipment		336	545
Intangible assets		458,429	493,824
TOTAL NON-CURRENT ASSETS		458,765	494,369
TOTAL ASSETS		2,110,436	2,138,182
CURRENT LIABILITIES			
Trade and other payables		430,220	260,450
Borrowings		-	95,000
Short-term provisions		61,661	54,279
Financial liability		73,809	72,398
TOTAL CURRENT LIABILITIES		565,690	482,127
TOTAL LIABILITIES		565,690	482,127
NET ASSETS		1,544,746	1,656,055
EQUITY			
Issued capital	6	5,184,430	4,798,137
Option reserve		18,914	18,914
Accumulated losses		(3,658,598)	(3,160,996)
TOTAL EQUITY		1,544,746	1,656,055

The accompanying notes form part of these condensed financial accounts

Condensed Statement of Changes in Equity

for the half-year ended 31 December 2014

	Issued Capital \$	Option Reserves \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2013	2,681,580	-	(2,164,376)	517,204
Loss for the year	-	-	(434,456)	(434,456)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(434,456)	(434,456)
<i>Transactions with owners directly in equity</i>				
Share based payments	40,000	18,914	-	58,914
Issue of Share Capital	648,000	-	-	648,000
Capital raising costs	(23,201)	-	-	(23,201)
BALANCE AT 31 December 2013	3,346,379	18,914	(2,598,832)	766,461
BALANCE AT 1 JULY 2014	4,798,137	18,914	(3,160,996)	1,656,055
Loss for the year	-	-	(497,602)	(497,602)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(497,602)	(497,602)
<i>Transactions with owners directly in equity</i>				
Issue of Share Capital	428,980	-	-	428,980
Capital raising costs	(42,687)	-	-	(42,687)
BALANCE AT 31 December 2014	5,184,430	18,914	(3,658,598)	1,544,746

The accompanying notes form part of these condensed financial accounts

Condensed Statement of Cash Flows

for the half-year ended 31 December 2014

	31.12.2014 \$	31.12.2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(82,975)	(271,667)
Interest received	-	463
Net Cash Used In Operating Activities	(82,975)	(271,204)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance made to Platinum JV Development Sdn Bhd	(15,000)	(300,000)
Net Cash Used In Investing Activities	(15,000)	(300,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	208,000
Proceeds from the issue of convertible notes	11,912	510,000
Payment of share issue costs	(8,308)	(23,199)
Net Cash Provided By Financing Activities	3,604	694,801
Net increase in cash held	(94,371)	123,597
Cash and Cash Equivalents at beginning of the period	95,968	2,027
Cash and Cash Equivalents at end of the period	1,597	125,624

The accompanying notes form part of these financial accounts

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2014

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements have 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 Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2014 annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company 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 half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Company include:

AASB 1031 'Materiality' (2013)

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non Financial Assets'

AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'

AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'

AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'

AASB 2014-1 'Amendments to Australian Accounting Standards'

Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'

Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'

Part C: 'Materiality'

Interpretation 21 'Levies'

The above standards have extensive disclosure requirements, however these do not effect this half year financial report, other than as disclosed in note 10 financial instruments.

The adoption of the above standards has not had a material impact on this half year financial report.

Going Concern

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the half year of \$497,602 (2013: \$434,458) and net cash outflows from operating activities of \$82,975 (2013: \$271,204) for the half year ended 31 December 2014. As at 31 December 2014, the Company had a cash balance of \$1,597 and trade and other payables of \$430,220. Included in this trade and other payables balance is \$289,805 which are owed to Directors and their related parties. The Directors have resolved to settle these outstanding balances as well as fees in the immediate future via equity or alternatively deferred until the company has raised sufficient working capital.

Subsequent to period end, the company has raised \$50,000 from the issue of convertible notes.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2014 (continued)

The ability of the Company to continue as a going concern is principally dependent upon successfully raising sufficient working capital and the continued financial support as discussed below. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. Included in this forecast are uncommitted capital raisings of \$100,000 in March 2015, and a further \$4,000,000 in June 2015. The success of the capital raising is dependent on the progress made by Platinum JV Developments Sdn Bhd in the Malaysian Housing Project. RM Corporate Finance Pty Ltd (a company associated with Mr Guy Le Page) has signed a letter of financial support, confirming that it will continue to provide financial support and underwrite reasonable operating expenses for the Company over the next twelve months to enable it to pay its debts as and when they fall due. In addition RM Corporate Finance Pty Ltd intends to complete the current tranche of \$300,000 via the issue of converting loans to retire existing creditors in addition to providing ongoing working capital.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital from existing shareholders and RM Corporate Finance Pty Ltd's history of support.

Should the Company be unsuccessful in the above endeavours and are unable to continue as a going concern it may be required to realise its assets and extinguish 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 to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

a) Comparatives

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

NOTE 2. EVENTS AFTER THE BALANCE SHEET DATE

The following securities were issued subsequent to year end:

- Thomas Alabakis resigned from the board and was replaced by Azlan Asidin on 5 January 2015.
- PJVD has been recommended to proceed to joint venture negotiations with the National Housing Commission of Malaysia ("Syarikat Perumahan Negara Berhad" or "SPNB") by office of the Deputy Minister of Finance (Annexure A, B), in respect to RM1.8 billion (\$622 million) housing project at the Penor site in Pahang State, Malaysia.
- In January 2015, the Company raised \$50,000 via the issue of convertible notes with a 4% coupon rate to be converted at 80% 5 day VWAP or \$0.001 whichever is lower.

NOTE 3. OPERATING SEGMENTS

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is reviewed by the directors'.

The Company is currently operative in one geographic region being Australia. The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2014 (continued)

NOTE 4. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and liabilities.

NOTE 5. LOAN RECEIVABLES

	31.12.14	30.6.14
	\$	\$
Advance made to Platinum JV Development Sdn Bhd	1,619,652	1,505,066

The Company has advanced a total of \$1,484,958 to Platinum JV Development Sdn Bhd bearing an interest of 10% per annum amounting to \$134,694. The loan is repayable at the earlier of 365 days from the date of the agreement or 5 business days after the date on which Platinum JV Development Sdn Bhd received a notice to repay the debt by the Company.

NOTE 6. ISSUED CAPITAL

	31.12.14	30.6.14
	\$	\$
1,983,579,696 (June 2014: 1,769,194,425) Fully paid ordinary shares with no par value	5,745,080	5,316,100
Less: Capital Raising Fees	(560,650)	(517,963)
Net Issued Capital	5,184,430	4,798,137

(a) Movement in Ordinary shares on issue:

	31.12.14	30.6.14
	#	#
At the beginning of the reporting period	1,769,194,425	543,412,887
Shares issued during the period		
– 22 August 2013	-	97,906,538
– 25 November 2013	-	305,000,000
– 9 January 2014	-	161,250,000
– 18 February 2014	-	365,125,000
– 19 February 2014	-	50,000,000
– 24 February 2014	-	22,500,000
– 26 February 2014	-	20,000,000
– 6 March 2014	-	90,000,000
– 10 March 2014	-	12,250,000
– 14 March 2014	-	6,250,000
– 19 March 2014	-	11,500,000
– 18 June 2014	-	84,000,000
– 18 September 2014	117,047,222	-
– 28 October 2014	18,726,938	-
– 28 November 2014	61,111,111	-
– 5 December 2014	17,500,000	-
At reporting date	1,983,579,696	1,769,194,425

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2014 (continued)

Shares were issued to settle debts in accordance with their agreements as follows:

	Number of Instruments
Shares issued to RM Corporate Finance in lieu of advisory fee	90,000,000
Shares issued to PME Biofuels Limited	31,250,000
Shares issued to Tadea Pty Ltd in lieu of consulting services	15,500,000
Shares issued to Bobarino Pty Ltd in lieu of consulting services	2,000,000
Shares issued to Derek & Helen Jones ATF the Leto Trust	11,333,333
Shares issued to RM Corporate Finance in lieu of capital raising fee	14,325,000
Shares issued to Guy LePage to settle loan	16,666,676
Shares issued to Thomas Alabakis to settle loan	14,583,333
Shares issued to Platinum JV Development	18,726,929

(b) Share options:

As at the end of the period, the following options over unissued ordinary shares were outstanding:

- 67,500,000 options expiring 31 December 2015 at an exercise price of \$0.015
- 211,453,269 options expiring 30 November 2015 at an exercise price of \$0.005
- 205,000,000 options expiring 30 November 2015 at an exercise price of \$0.05
- 187,625,000 options expiring 30 November 2015 at an exercise price of \$0.5

No options have been exercised between the end of the year and the date of this report.

NOTE 7. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of trade and other receivables, trade and other payables, loan receivables and convertible notes. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amounts of the financial assets and liabilities approximate their fair value.

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 11, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2014 and of the performance for the half-year ended on that date.
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 made in accordance with a resolution of the Board of Directors.



Guy Le Page
Director

DATED at PERTH this 27th day of February 2015

Independent Auditor's Review Report

To the Members of Soil Sub Technologies Limited

We have reviewed the accompanying half-year financial report of Soil Sub Technologies Limited ("the Company") which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

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Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such 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 financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2014 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 the Company 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.

Basis for Qualified Auditor's Conclusion

Qualification Regarding the Carrying Value of Intangible Assets

As disclosed in the financial statements, the Company has recorded intangible assets related to Licences, Patents and Capitalised Development Costs with a carrying value of \$458,429, which relates to the Company's Nutrimix products. The reasonableness of the carrying value of intangibles is dependent on the economic benefits associated with these assets being realised. Should the Company be able to successfully commercialise this product and derive a sufficient level of income, then the carrying value of the asset may be supported. However, at the date of this report the eventual outcome of these events remains uncertain. As such, we have not been able to obtain sufficient evidence to support the Company's assessment of the carrying value of these assets.

Qualification Regarding Loan Receivable

As disclosed in Note 5 to the financial statements, the Company has recorded a loan receivable with a carrying value of \$1,619,651 which relates to funds lent to Platinum JV Development Sdn Bhd. We were unable to obtain sufficient appropriate evidence on the financial position as at 31 December 2014 and financial performance for the period then ended of Platinum JV Development Sdn Bhd to assess the recoverability of the loan receivable as at 31 December 2014. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Conclusion

Except for the effects of the matters described in the Basis for Qualified Auditor's Conclusion paragraphs above, 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 Soil Sub Technologies Limited is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter

Without further qualifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of \$497,602 during the half-year ended 31 December 2014. This condition, along with other matters as set forth in note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.



BENTLEYS
Chartered Accountants



DOUG BELL CA
Director

Dated at Perth this 27th day of February 2015