

CAQ Holdings Limited (formerly Cell Aquaculture Ltd) and its Controlled Entities
ABN 86 091 687 740
APPENDIX 4E – PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

Results for announcement to market	Up / Down	% Change	2015 \$
Revenue from ordinary activities	Up	173	138,646
Profit after tax from ordinary activities attributable to members	Up	155	333,090
Profit attributable to members	Up	155	333,090

Dividend Information	Amount per share	Franked Amount per share
Dividend – current reporting period	Nil	Nil
Dividend – previous reporting period	Nil	Nil

Net Tangible Asset Backing per Ordinary Share		cents
Net tangible asset backing per ordinary share – current reporting period	(654,932,730 shares)	9.30
Net tangible asset backing per ordinary share – previous reporting period	(374,115,356 shares)	0.37

Commentary on the Results for the Period

The profit for the year is attributable to the acquisition of the Haikou Project on 17 April 2015 which provided for a gain in investment value of approximately \$2m. The loss for the prior year comprised of working capital costs incurred in the ordinary course of business and expenditure spent on the due diligence process on the acquisition of the Haikou Project. Please refer below for more details.

Audit

This Preliminary Final Report is based on the Consolidated Annual Financial Report which is in the process of being audited.



Paul Price
Chairman

Dated at Perth this 31st day of August 2015

CAQ Holdings Limited (formerly Cell Aquaculture Ltd) and its Controlled Entities
ABN 86 091 687 740
REVIEW OF OPERATIONS AND CHANGES IN STATE OF AFFAIRS
FOR THE YEAR ENDED 30 JUNE 2015

Review of operations and changes in State of Affairs

Acquisition of the Haikou Project

On 10 June 2014, CAQ Holdings Limited (formerly Cell Aquaculture Ltd) (“**the Company**”) executed the formal Share Sale Agreements (“**SSAs**”) with the Vendors, Noble Rate Limited (“**NL**”), Tang Dashun (“**TD**”) and Beijing Properties (Holdings) Limited (“**BPHL**”), to acquire 100% of all the rights and title to the Haikou Free Integrated Trade Zone project (“**Haikou Project**”) and the Roxy Casino in Bavet, Cambodia (“**Roxy**”).

On 7 October 2014, the Directors and Vendors agreed to terminate the agreement with NL to purchase Roxy as the Directors had come to the view that Roxy was not currently ready for public company life. The SSAs were then varied to remove the acquisition of Roxy and to include the revised consideration for the acquisition of the Haikou Project and repayment of approximately USD 3 million vendor loans.

On 10 December 2014, Shareholders approved the following resolutions at the Company’s General Meeting.

1. Approval to change the nature and scale of activities;
2. Issue of consideration shares to Haikou Vendors for the Company acquiring 100% of the ordinary shares in Haikou Peace Base Industry Development Company Limited;
3. Approval of issue of shares to Advisors;
4. Approval of issue of shares to Trident Capital Pty Ltd;
5. Change of company name;
6. Issue of new shares pursuant to the Prospectus capital raising;
7. Capital consolidation; and
8. Approval of a performance rights plan.

On 24 December 2014, the Company’s securities were consolidated on a 1:2 basis.

On 20 November 2014, the Company issued a Prospectus (“**Original Prospectus**”) for the following offers pursuant to the SSAs:

- An offer of up to 250,000,000 shares at \$0.20 each to raise up to \$50,000,000 (“**Public Offer**”);
- An offer of 10,375,000 shares to the Facilitators (“**Facilitation Offer**”); and
- An offer of 207,500,000 shares to the Vendors (“**Vendor Offer**”).

On 22 December 2014, the Company issued a Replacement Prospectus in response to an ASIC interim stop order.

On 16 February 2015, the Company issued a Supplementary Prospectus which extended the offers under the Original Prospectus.

On 17 April 2015, the Company issued 10,375,000 fully paid ordinary shares under the Facilitation Offer and 207,500,000 fully paid ordinary shares under the Vendor Offer.

On 17 April 2015, the Company satisfied all the conditions precedent pursuant to the SSAs and successfully acquired 100% of all the rights and title to the Haikou Project. Following the completion of the acquisition, the Company changed its name from Cell Aquaculture Ltd to CAQ Holdings Limited.

On 7 May 2015, the Company successfully raised funds totally \$50,000,000 under the Public Offer and issued 250,000,000 fully paid ordinary shares.

Reinstatement

On 15 May 2015, the Company was reinstated to official quotation on the ASX and the Company’s shares reinstated to trading.

Board changes

On 20 April 2015, Mr Siu Kin Wai (Michael Siu) and Mr Qian Xu were appointed as Non-Executive Directors of the Company. On 19 May 2015, Mr. Ching Chung was appointed an Executive Director of the Company.

CAQ Holdings Limited (formerly Cell Aquaculture Ltd) and its Controlled Entities
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CONSOLIDATED STATEMENT PROFIT OR LOSS AND OTHER OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 \$	Company 2014 \$
Sales		13,583	-
Cost of sales		(12,998)	-
Gross Profit		585	-
Other revenue		125,063	50,814
Foreign currency loss		(105,487)	-
Legal expenses		(463,022)	(316,690)
Consultancy expenses		(207,281)	(142,000)
Employee benefits expense		-	(4,466)
Insurance expenses		(40,466)	(5,815)
Occupancy costs		(24,000)	(18,000)
Travel costs		(80,708)	(65,997)
Finance costs		(1,035)	-
Other expenses		(432,166)	(75,718)
Administration expenses		(18,020)	(8,234)
Due diligence expense		-	(125,840)
Movement due to evaluation of investment properties	2	2,106,170	-
Profit/loss from continuing operations before Income Tax Benefit		859,633	(711,948)
Income tax benefit		(526,543)	-
Profit/(loss) after income tax for the year		333,090	(711,948)
Net gain on disposal and deconsolidation of subsidiaries		-	110,039
Profit/(loss) income tax for the year		333,090	(601,909)
Other comprehensive gain			
<i>Items that may be reclassified to the profit or loss</i>			
Exchange differences on foreign currency translation		2,127,263	50,313
Total comprehensive profit/(loss) for the year		2,460,353	(551,596)
Profit/loss is attributable to:			
Owners of CAQ Holdings Limited		333,090	(601,909)
Non-controlling interests		-	-
		333,090	(601,909)
Total comprehensive profit/ loss for the year is attributable to:			
Owners of CAQ Holdings Limited		2,460,353	(551,596)
Non-controlling interests		-	-
		2,460,353	(551,596)
Earnings/loss per share attributable to the members of CAQ Holdings Limited		Cents Per Share	Cents Per Share
Basic and diluted earnings/(loss) per share	5	0.09	(0.25)

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

CAQ Holdings Limited (formerly Cell Aquaculture Ltd) and its Controlled Entities
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Consolidated 2015 \$	Company 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		37,947,068	1,127,403
Trade and other receivables		1,789,583	112,413
Prepayments		90,528	-
TOTAL CURRENT ASSETS		39,827,179	1,239,816
NON-CURRENT ASSETS			
Property, plant & equipment		153,233	-
Accumulated depreciation		(43,091)	-
Investment property	2	33,253,240	-
Intangibles		3,788	-
TOTAL NON-CURRENT ASSETS		33,367,170	-
TOTAL ASSETS		73,194,349	1,239,816
CURRENT LIABILITIES			
Trade and other payables		102,826	141,986
Provisions		31,579	-
Loans payable	3	9,728,041	-
TOTAL CURRENT LIABILITIES		9,862,446	141,986
NON-CURRENT LIABILITIES			
Deferred tax liabilities		526,543	-
TOTAL NON-CURRENT LIABILITIES		526,543	-
TOTAL LIABILITIES		10,388,989	141,986
NET ASSETS		62,805,360	1,097,830
EQUITY			
Contributed equity	4	62,102,608	2,855,431
Accumulated losses		(1,424,511)	(1,757,601)
Reserves	6	2,127,263	-
TOTAL EQUITY		62,805,360	1,097,830

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

CAQ Holdings Limited (formerly Cell Aquaculture Ltd) and its Controlled Entities
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

			Contributed equity	Accumulated losses	Foreign Currency Translation Reserve	Total	Non-controlling Interest	Total
Balance at 1.7.2014 (Company)			2,855,431	(1,757,601)	-	1,097,830	-	1,097,830
Profit for the year			-	333,090	-	333,090	-	333,089
Movement of foreign exchange reserve			-	-	2,127,263	2,127,263	-	2,127,263
Total comprehensive income/(loss) for the period			-	333,090	2,127,263	2,460,353	-	2,460,353
Transactions with owners in their capacity as owners:								
Issue of Shares (net of issue costs)			59,247,177	-	-	59,247,177	-	59,247,177
Balance at 30.06.2015 (Consolidated)			62,102,608	(1,424,511)	2,127,263	62,805,360	-	62,805,360

			Contributed equity	Accumulated losses	Foreign Currency Translation Reserve	Total	Non-controlling Interest	Total
Balance at 1.7.2013 (Company)			86,416	(1,155,692)	(50,313)	(1,119,589)	(457,667)	(1,577,256)
Loss for the year			-	(601,909)	-	(601,909)	-	(601,909)
Realisation of Foreign Exchange Reserve					50,313	50,313	-	50,313
Elimination of non-controlling interest on deconsolidation			-	-	-	-	457,667	457,667
Total comprehensive income/(loss) for the period			-	(601,909)	50,313	(551,596)	457,667	(93,929)
Issue of Shares			2,769,015	-	-	2,796,015	-	(2,796,015)
Balance at 30.06.2014 (Company)			2,855,431	(1,757,601)	-	1,097,830	-	1,097,830

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CAQ Holdings Limited (formerly Cell Aquaculture Ltd) and its Controlled Entities
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015	Company 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,752	272,661
Payments to suppliers and employees		(1,385,794)	(1,665,616)
Finance costs		(1,037)	(455)
Interest received		123,804	45,530
Net cash outflow from operating activities		(1,249,275)	(1,347,880)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on sale of subsidiary companies		-	1
Cash disposed through liquidation of subsidiary		-	(22,998)
Cash disposed through deconsolidation of subsidiary		-	(28,983)
Payment of construction costs.		(8,040,399)	-
Cash acquired from subsidiaries		490,338	-
Net cash outflow from investing activities		(7,550,061)	(51,980)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues (net of share issue costs)		50,000,000	2,789,745
Payment made under DOCA		-	(570,000)
Capital raising costs		(3,072,342)	(80,301)
Proceeds from borrowings		1,856,659	-
Repayment of borrowings		(4,852,835)	-
Net cash inflow from financing activities		43,931,482	2,139,444
Net increase in cash and cash equivalents		35,132,146	739,584
Cash and cash equivalents at the beginning of the financial year		1,127,403	394,443
Effects of exchange rate changes on cash and cash equivalents		1,687,519	(6,624)
Cash and cash equivalents at end of year		37,947,068	1,127,403

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CAQ Holdings Limited (formerly Cell Aquaculture Ltd) and its Controlled Entities

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NOTES TO THE APPENDIX 4E

Note 1: Investments

The consolidated financial statements include the financial statements of CAQ Holdings Limited:

Name	Country of Incorporation	% Equity Interest	
		2015	2014
CAQ Finance Limited	BVI	100%	0%
CAQ Finance (HK) Limited	Hong Kong	100%	0%
Rayport Limited	BVI	100%	0%
Peace Base Holdings Limited	Hong Kong	100%	0%
Actual Winner Limited	Hong Kong	100%	0%
Express Linker Limited	Hong Kong	100%	0%
Haikou Peace Base Industry Development Co. Ltd.	China	100%	0%

CAQ Holdings Limited is the ultimate Australian parent entity and ultimate parent of the Group.

On 17 April 2015, CAQ Holdings Limited issued 207,500,000 fully paid ordinary shares to Beijing Properties (Holdings) Limited and Tang Dashun as consideration for the acquisition of 100% of all the rights and title to the Haikou Project.

A valuation was performed by Greater China Appraisal Limited on the investment property interests' as at 17 April 2015.

The acquisition is treated as an acquisition of assets and liabilities of the subsidiaries noted above.

	\$
Property, plant and equipment	111,938
Investment properties under development	22,225,515
Intangibles assets	4,191
Deposit and other debtors	609,179
VAT tax	47,210
Cash and bank	490,338
Employee benefits payable	(31,383)
Other liabilities	(3,833,354)
Accruals	(2,162)
Loans ¹	(7,888,597)

Value of the asset acquisition as at 17 April 2015

11,732,875

¹ In November 2014 and January 2015, Haikou Peace Base Industry Development Co. Ltd ("HPB") entered into loan agreements and received funds used for the construction of the Haikou Project, prior to receiving funds from CAQ Holdings Limited. CAQ Holdings Limited completed its prospectus capital raising and advanced funds to HPB in May 2015.

Note 2: Gain on Investments

A valuation was performed by Greater China Appraisal Limited on the Haikou Project as at 30 June 2015.

	\$
Balance as at 1 July 2014	-
Acquisition of the Haikou Project as at 17 April 2015	22,225,515
Construction costs incurred during the period	8,527,804
Fair value adjustment	2,106,170
Foreign exchange adjustment	393,752
Closing balance as at 30 June 2015	33,253,240

Note 3: Loans Payable

	Consolidated 2015 \$	Company 2014 \$
Loan payable - Hainan Baina Investment Limited ¹	4,443,565	
Loan payable - Beijing Yun Zhong Investment Consulting Co Ltd ²	5,284,476	-
Total loans	9,728,041	-

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NOTES TO THE APPENDIX 4E

Note 3: Loans Payable (continued)

¹ In November 2014, January 2015 and May 2015, Haikou Peace Base Industry Development Co Ltd entered into loan agreements with Hainan Baina Investment Limited and was advanced \$4,463,966. Pursuant to the loan agreements, interest is charged at a rate of 6% per annum. As at 30 June 2015, the loans have incurred interest of \$179,599. The loan provided funds used for the construction of the Haikou Project. On 11 August 2015, \$1,072,685 has been repaid to Hainan Baina Investment Limited.

² In January 2015, Haikou Peace Base Industry Development Co Ltd entered into a loan agreement with Beijing Yun Zhong Investment Consulting Co Ltd and was advanced \$5,148,889. Pursuant to the loan agreement, interest is charged at a rate of 6% per annum. As at 30 June 2015, the loan has incurred interest of \$135,587. The loan provided funds used for the construction of the Haikou Project.

Note 4: Contributed equity

	Consolidated 2015 \$	Company 2014 \$
(a) Ordinary shares*	62,102,608	2,855,431
Total contributed equity	62,102,608	2,855,431

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

(b) Movements in ordinary share capital

	No.	\$
Balance as at 1 July 2013	24,115,356	86,416
Issue of shares under proponent offer ¹	100,000,000	500,000
Issue of shares under public offer ²	250,000,000	2,500,000
Costs of issue	-	(230,985)
Closing balance as at 30 June 2014	374,115,356	2,855,431
Balance as at 1 July 2014	374,115,356	2,855,431
Capital consolidation ³	(187,057,626)	-
Issue of shares under Vendor Offer ⁴	207,500,000	11,732,875
Issue of shares under Facilitation Offer ⁵	10,375,000	586,644
Issue of shares under Public Offer ⁶	250,000,000	50,000,000
Costs of issue	-	(3,072,342)
Closing balance as at 30 June 2015	654,932,730	62,102,608

¹ On 7 August 2013, pursuant to the resolution approved at the shareholders meeting on 18 June 2013, the Company issued 100,000,000 shares at \$0.005 per share.

² On 28 August 2013, pursuant to the resolution approved at the shareholders meeting on 18 June 2013, the Company issued 200,000,000 shares at \$0.005 per share.

³ On 24 December 2014, the Company's securities were consolidated on a 1:2 basis.

⁴ On 17 April 2014, pursuant to the resolution approved at the shareholders meeting on 10 December 2014, the Company issued 207,500,000 shares to the Vendors of the acquisition. Following a valuation performed on the acquisition, the value of the consideration is deemed to be \$11,732,875 (refer to note 1).

⁵ On 17 April 2014, pursuant to the resolution approved at the shareholders meeting on 10 December 2014, the Company issued 10,375,000 shares to the Facilitators of the acquisition. The value of the services is deemed to be 5% of the asset value.

⁶ On 7 May 2015, pursuant to the resolution approved at the shareholders meeting on 10 December 2014, the Company issued 250,000,000 shares at \$0.20 per share.

(c) Share Options

There are no unissued ordinary shares of CAQ Holdings Limited under option as at 30 June 2015.

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NOTES TO THE APPENDIX 4E

Note 5: Reserves

This is a foreign exchange translation reserve as the Company's subsidiaries trade in a functional currency of Chinese Renminbi and Hong Kong dollars.

Note 6: Earnings/(Loss) per share

Basic earnings/(loss) per share amounts are calculated by dividing net earnings/(loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic loss per share computations:

	Consolidated 2015 \$	Company 2014 \$
Profit/(loss) attributable to ordinary equity holders	333,090	(601,908)
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	363,074,261	324,115,356
	Cents/share	Cents/share
Basic and diluted earnings/(loss) per share	0.09	(0.25)

* The prior year calculation for Basic and diluted earnings/(loss) per share has been recalculated to reflect the impact of the share consolidation in the current period.

Note 7: Operating Segment

The Consolidated Entity operates in the property investment industry. Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

Note 8: Parent Entity Information

The following detailed information is related to the parent entity, CAQ Holdings Limited, as at 30 June 2015.

	2015 \$	2014 \$
Current assets	47,341,538	1,239,816
Non-current assets	12,319,520	-
Total assets	59,661,058	1,239,816
Current liabilities	62,704	141,986
Non-current liabilities	-	-
Total liabilities	62,704	141,986
Contributed equity	62,102,607	2,855,431
Accumulated losses	(2,641,803)	(1,757,601)
Reserves	137,550	-
Total equity	59,598,354	1,097,830
Loss for the year	(884,202)	(601,908)
Other comprehensive income for the year	-	50,313
Total comprehensive loss for the year	(884,202)	(551,595)

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NOTES TO THE APPENDIX 4E

Note 10: Basis of Preparation

The consolidated financial statements and notes presented in this Appendix 4E are general purpose financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations used by the Australian Accounting Standards Board. CAQ Holdings Limited is a for profit entity for the purposes of preparing financial statements.

Compliance with IFRS

These consolidated financial statements also comply with International Financial Reporting Standards (IFRS).