



ABN 43 089 093 943

Interim Financial Report

For the half-year ended 31 December 2015

CREAT RESOURCES HOLDINGS LIMITED

ABN 43 089 093 943

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For the half-year ended 31 December 2015

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CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Directors' Report

The directors of Creat Resources Holdings Limited submit herewith the financial report of Creat Resources Holdings Limited and its subsidiaries (the 'Consolidated Entity' or the 'Company') for the half year ended 31 December 2015. The report is intended to be read in conjunction with the 2015 Annual Report.

The Registered Office and principal place of business is 262 Main Street, Zeehan, Tasmania 7469 Australia.

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

The names of the directors and company secretary in office during or since the end of the half-year and up to the date of this report are:

Directors and Company Secretary

<u>Name</u>	<u>Role</u>	<u>Appointed</u>	<u>Ceased</u>
Mr. Tad Ballantyne	Deputy Chairman & Non-Executive Director	18/03/08	Current
Mr. Morris Hansen	General Manager, Company Secretary & Executive Director	26/06/12	Current
Mr Phillip Simpson	Non-Executive Director	11/02/09	Current
Mr Tan Yang	Executive Chairman, Managing Director & CEO	4/01/15	Current
Mr Yu Sun	Non-Executive Director	01/08/15	Current

The above named directors and company secretary held office during the period and since start of the half-year unless stated above.

Principal activities

The principal activities of the Consolidated Entity during the financial year were investment in companies involved in mining in both Australia and overseas.

Operating results

The consolidated profit of the Company for the half-year after providing for income tax amounted to \$1,580,085 (2015 loss: \$5,136,701).

Review of operations

Galaxy Resources Ltd Investment

Galaxy Resources Limited ("Galaxy") is a Western Australian ASX listed company which plans to become one of the world's leading producers of lithium compounds – the essential component for powering the world's fast expanding fleet of hybrid and electric cars. Lithium compounds such as lithium carbonate are forecast to be in short supply against high future demand due to advances in long life batteries and sophisticated electronics including mobile phones and computers. Galaxy has positioned itself to meet this lithium future by focusing on its Lithium deposit in South America, Canada and Australia. Galaxy is currently, in conjunction with earn-in joint venture partners, General Mining, upgrading the Mt Cattlin plant to begin production of Lithium ore in early 2016.

The Company's shareholding in Galaxy is 37,584,912 shares. During the reporting period the Company's holding was diluted through various placements to 2.97% as at 31 December 2015.

GREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Future developments

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years 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. However, the company continues to assess potential investment opportunities within the mining industry as an investor and/or direct participant.

Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is included on page 12 of the half-year report.

Signed in accordance with a resolution of directors made pursuant the section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Tan Yang

**Executive Chairman, Managing Director
and Chief Executive Officer**

Dated this 9th day of March 2016

CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	<u>Note</u>	Consolidated Half-year Ended	
		31 Dec 2015	31 Dec 2014
		\$	\$
Continuing Operations			
Revenue		19,383	21,071
Other Gains and Losses	3	561,441	(1,031,077)
Depreciation Expense		(4,922)	(4,977)
Finance Costs		(1,802,890)	(2,874,384)
Impairment Reversal/(Expense)		2,969,208	(1,052,378)
Administration Expenses		(60,047)	(69,935)
Employee Expenses		(98,078)	(117,115)
Other Expenses		(4,010)	(7,906)
Loss before tax		<u>1,580,085</u>	<u>(5,136,701)</u>
Income Tax Benefit		-	-
Total Profit/(Loss) for the period		<u>1,580,085</u>	<u>(5,136,701)</u>
Other Comprehensive Income			
Other Comprehensive Income for the Period (Net of Tax)		-	-
Total Comprehensive Income for the Period		<u>1,580,085</u>	<u>(5,136,701)</u>
Earnings Per Share			
Basic (cents per share)		0.24	(0.77)
Diluted (cents per share)		0.24	(0.77)

The accompanying notes form part of these condensed consolidated financial statements which must also be read in conjunction with the 2015 Annual Report.

CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	<u>Note</u>	Consolidated	
		31 Dec 2015	30 June 2015
		\$	\$
Assets			
Current Assets			
Cash and Cash Equivalents		132,099	278,888
Trade Receivables		9,417	6,967
Other Current Assets		15,814	13,354
Total Current Assets		157,330	299,209
Non-Current Assets			
Property, Plant and Equipment		225,349	229,618
Other Non-Current Assets		4,322,265	1,353,057
Total Non-Current Assets		4,547,614	1,582,675
Total Assets		4,704,944	1,881,884
Liabilities			
Current Liabilities			
Trade and Other Payables		103,370	88,231
Financial Liabilities	4	58,417,219	57,175,543
Provisions		18,554	32,395
Total Current Liabilities		58,539,143	57,296,169
Total Liabilities		58,539,143	57,296,169
Net Liabilities		(53,834,199)	(55,414,285)
Equity			
Issued Capital		69,408,416	69,408,416
Reserves		370,437	370,437
Accumulated Losses		(123,613,052)	(125,193,138)
Total Deficiency		(53,834,199)	(55,414,285)

The accompanying notes form part of these condensed consolidated financial statements which must also be read in conjunction with the 2015 Annual Report.

CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated Half-year Ended	
	31 Dec 2015	31 Dec 2014
	\$	\$
Cash Flows from Operating Activities		
Receipts from Customers	14,881	11,318
Payments to Suppliers and Employees	<u>(163,296)</u>	<u>(242,936)</u>
Net Cash used in Operating Activities	<u>(148,415)</u>	<u>(231,618)</u>
 Cash Flows from Investing Activities		
Proceeds from Sale of Property, Plant & Equipment	227	226
Purchase of Property, Plant & Equipment	(653)	-
Interest Received	<u>2,052</u>	<u>9,062</u>
Net Cash generated by Investment Activities	<u>1,626</u>	<u>9,288</u>
Net (decrease)/increase in Cash and Cash Equivalents	(146,789)	(222,330)
Cash and Cash Equivalents at Beginning of the Half-year	<u>278,888</u>	<u>622,629</u>
Cash and Cash Equivalents at the End of the Half-year	<u>132,099</u>	<u>400,299</u>

The accompanying notes form part of these condensed consolidated financial statements which must also be read in conjunction with the 2015 Annual Report.

CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES

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

	Issued Capital	Accumulated Losses	Other Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2014	69,408,416	(114,681,151)	344,531	(44,928,204)
Loss for the period	<u>-</u>	<u>(5,136,701)</u>	<u>-</u>	<u>(5,136,701)</u>
Total comprehensive income for the period	<u>-</u>	<u>(5,136,701)</u>	<u>-</u>	<u>(5,136,701)</u>
Balance at 31 December 2014	<u><u>69,408,416</u></u>	<u><u>(119,817,852)</u></u>	<u><u>344,531</u></u>	<u><u>(50,064,905)</u></u>

	Issued Capital	Accumulated Losses	Other Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2015	69,408,416	(125,193,138)	370,437	(55,414,285)
Profit for the period	<u>-</u>	<u>1,580,085</u>	<u>-</u>	<u>1,580,085</u>
Total comprehensive income for the period	<u>-</u>	<u>1,580,085</u>	<u>-</u>	<u>1,596,085</u>
Balance at 31 December 2015	<u><u>69,408,416</u></u>	<u><u>(123,613,053)</u></u>	<u><u>370,437</u></u>	<u><u>(53,834,199)</u></u>

The accompanying notes form part of these condensed consolidated financial statements which must also be read in conjunction with the 2015 Annual Report.

CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 1: Significant Accounting Policies

Statement of Compliance

The half-year financial report is general purpose financial report for the half-year ended 31 December 2015 prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year report does not include notes of the type normally included in an annual financial report and it is recommended that it be read in conjunction with the most recent annual financial report, and the public announcements made during the half-year in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

Basis of Preparation

The condensed consolidated 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 the assets. All amounts are 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 2015 annual financial report for the financial year ended 30 June 2015. These accounting policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern

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

During development stages, the Company sustained operating losses. These losses continued during the Company's transition phase into an investment Company. For the half-year ended 31 December 2015 the Company posted a profit of \$1,580,085 as a result of prior period Impairment reversals on the Galaxy Resources Shares and foreign currency gains. The Company will continue to finance its operations primarily through cash and cash equivalents on hand, and future financing from the issuance of debt or equity instruments. The Company has yet to generate any significant revenues and has no assurance of future revenues.

The following plan is in place by Management to support the going concern basis of the Company and the consolidated entity.

On 13 October 2015 the Company received an undertaking from Creat Group in that, for the purposes of assisting the company in achieving its working capital forecast to 31 December 2016:

- Creat Group will continue to provide further funding to CRHL as required with interest rates to be charged based on market interest rates; and
- Creat Group will not call for or cause repayment of any loans or convertible notes, including the payment of accrued interest on such loans or convertible notes, held by Creat Group at 31 December 2015 or entered into/acquired by Creat Group subsequent to that date, and interest that will be due and payable on such loans or convertible notes through to 31 December 2016.

At the date of this report and having considered the above factors, the directors are confident that the Company and the consolidated entity will be able to continue as going concerns.

CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 2: Segment Information

AASB 8 required operating segments to be identified on the basis of internal reports about components of the Company 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 decision maker of the Company is its Board of Directors, and the system of internal reporting is such that there is only one reportable segment under AASB 8, being investment in companies involved in mining in both Australia and overseas.

Note 3: Disclosure of additional information

Other Gains and Losses

	31 Dec 2015	31 Dec 2014
	\$	\$
Foreign exchange gain/(loss) arising on translation of financial liabilities	561,214	(1,016,680)
Gain/(loss) on sale of Assets	277	(14,397)
	<u>561,441</u>	<u>(1,031,077)</u>

Available-for-sale investments carried at fair value

The fair value measurement of the investment in Galaxy Resources Limited at 31 December 2015 is \$4,322,265 (30 June 2015: \$1,353,057).

The fair value measurement of the available for sale investments have been classified as a level 1 in the fair value hierarchy, as they are derived from quoted prices (unadjusted) in active markets for identical assets.

Note 4: Financial Liabilities

	31 Dec 2015	30 June 2015
	\$	\$
Current		
Loans from related party: secured and unsecured (i)	58,417,448	57,175,772
Withholding tax payable	(229)	(229)
	<u>58,417,219</u>	<u>57,175,543</u>

- (i) Amount repayable to related party of the Company. Repayment of these loans has been deferred through the continuing financial support of Creat Group Company Limited ("Creat Group").

The above unsecured loans are covered by a letter of financial support from Creat Group.

CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 5: Contingencies and commitments

There are no known contingent liabilities or contingent assets since the end of the last annual reporting period.

Note 6: subsequent events

Fair Value of Investment in Galaxy

Since the end of the financial year, there has been an increase in the fair value of the company's available for sale investment. With reference to the ASX quoted share price for Galaxy, the fair value of the company's investment has increased by approximately \$2,067,000 since 31 December 2015. In accordance with the requirements of AASB 110 Events after the Reporting Period, this increase in fair value has not been recognised within this financial report.

CREAT RESOURCES HOLDINGS LIMITED AND CONTROLLED ENTITIES

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

DIRECTORS' DECLARATION

The directors declare that:

- (a) 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;
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Tan Yang

**Executive Chairman, Managing Director
and Chief Executive Officer**

Dated this 9th day of March 2016

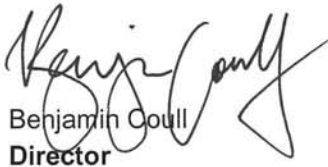
Independence Declaration

To the Directors of Creat Resources Holdings Ltd

As auditor for the review of Creat Resources Holdings Ltd for the half year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

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


Synectic Audit & Assurance Pty Ltd


Benjamin Coull
Director

Date: 9 March 2016

Independent Auditor's Review Report

To the members of Creat Resources Holdings Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Creat Resources Holdings Ltd, which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 the consolidated entity'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 Creat Resources Holdings Ltd, 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*.

Synectic Audit & Assurance Pty Ltd

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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 Creat Resources Holdings Ltd is not in accordance with the *Corporations Act 2001* including:

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



Synectic
Synectic Audit & Assurance Pty Ltd



Benjamin Coull
Director

Date: 9 March 2016