

**CWH RESOURCES LTD
AND CONTROLLED ENTITIES**

ACN 009 230 111

Annual Report for the Year Ended
30 June 2017

CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES

Report for the Year Ended 30 June 2017

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**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
OPERATING AND FINANCIAL REVIEW**

OPERATING AND FINANCIAL REVIEW

Principal Activities

The principal activities of the consolidated group during the financial year were:

- Manufacturing and selling of building products in China (via a subsidiary, Chongqing Hanxing Building Materials Co Ltd (“CHBM”), (formerly Chongqing Yuao Building Materials Co. Ltd); and
- Undertaking mining exploration.

Significant Changes to Activities

There were no major changes in the nature of the consolidated group's principal activities during the financial year. The Company is in the process of a change of nature and scale of its activities.

Subsequent to year-end, progress has been made in relation to GUIZHOU of China gas mining project. The project is in contract negotiation.

Operating Results

The net profit after tax of the consolidated group for the year ended 30 June 2017 was \$308,163 (net loss for 2016: \$473,212). In the opinion of the directors, the operating result of the consolidated group for the year ended 30 June 2017 was not affected by any item, transaction or event of a material or unusual nature.

Review of Operations

(i) Australia

CWH has assembled an international group of directors with a blend of corporate, strategic, industry and financial skills and experience to lead the Group in the next few years where it will seek major growth in revenue and diversify investment activities.

CWH currently holds interests in the following tenements:

Tenement ID	District	Description	Ownership (100%)	Status
Inside Australia				
EPM 18042	Mt Isa		CWH Resources Ltd	Expires 18/9/2018
EPM 18158	Mt Isa		CWH Resources Ltd	Expires 18/9/2018
Outside Australia				
Permit No 001452	Kazakhstan		CWH Resources Ltd (45%)	Granted

CWH is in the final stages of reviewing its mining leases in Australia. The fall in the resources sector has seen the value that can be gained by expenditure on the mining leases dramatically reduced. CWH is considering letting the leases expire or selling their interests in these leases.

The interest in the tenement in Kazakhstan is owned though Discovery Co (45% owned by CWH Group). The permit is located in the Alisher mining area of Jiliangnuofsike Region of the Republic of Kazakhstan, with a size of 11.89 square kilometres. The main resources relating to the permit are copper and nickel ores.

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OPERATING AND FINANCIAL REVIEW**

(ii) China

CWH has and continues to operate, via its wholly owned subsidiary, Chongqing Hanxing Building Materials Co. Ltd (CHBM): a building materials manufacturing business.

Events after the Reporting Period

CWH has an opportunity to invest in two gas field sites in GUANZAI district and DUJIANG district of GUIZHOU province of the Peoples Republic of China. The project is in the stage of contract negotiation.

CWH shares were removed from the ASX official list on 1 October 2017. The Company is considering possible alternative securities exchanges to list its shares.

The subsidiary CWH Global Exploration Pty Ltd was deregistered on 17 March 2017, and its ABN was subsequently cancelled from 21 August 2017.

Environmental Regulation

The CWH Group is not subject to significant environmental regulation, other than the general environmental regulations operational in Australia and China.

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CORPORATE GOVERNANCE STATEMENT**

CORPORATE GOVERNANCE STATEMENT

The Board's role is set out in the Board Charter which establishes the relationship between the Board and management and describes their respective functions and responsibilities.

The Board is responsible for the oversight and performance of the CWH Group, including matters such as:

Overall corporate governance;

- Formulating, approving and monitoring corporate objectives with a view to maximising shareholder value;
- Selecting, appointing and reviewing key consultants and executives;
- Identifying management and business risks;
- Monitoring systems of internal control and compliance;
- Evaluating, approving and monitoring the strategic and financial plans and performance objectives for the CWH Group; and
- Evaluating, approving and monitoring the annual budgets and business plans.

Set out below are the corporate governance policies and procedures adopted by the Board of CWH Resources Ltd ("the Company"). At regular intervals the Board will review the policies and procedures adopted, as it is expected that requirements will change as the CWH Group develops and grows in complexity. The policies in place are described under the headings of eight ASX Principles.

Principle 1 Lay Solid Foundations for Management and Oversight

Role of the Board

The Board has the primary responsibility for guiding and monitoring the business and affairs of the CWH Group, including compliance with the CWH Group's corporate governance objectives.

The Board is responsible for the oversight and performance of the CWH Group, which includes:

- Monitoring and approving all financial reports and all other reporting and external communications by the CWH Group;
- Evaluation of Board and individual director performance;
- Appointing, removing and managing the performance of, and the succession planning for, senior executives of the CWH Group;
- Overseeing and ratifying the terms of appointment and, where appropriate, removal, of senior executives, including their remuneration;
- Reporting to shareholders on the CWH Group's strategic direction and performance;
- Monitoring the CWH Group's performance in relation to best practice principles of corporate governance;
- Approving and monitoring the CWH Group's risk management strategy and internal controls and accountability systems and their effectiveness.

Role of Management

The Board has delegated the day to day management of the CWH Group to company management to undertake and work on the following:

- Developing business plans, budgets and group strategies for consideration by the Board and, to the extent approved by the Board, implementing those plans, budgets and strategies;
- Operating the business of the CWH Group within the parameters determined by the Board and keeping the Board promptly informed of all developments material to the CWH Group and its business;

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CORPORATE GOVERNANCE STATEMENT**

- Identifying and managing operational risks and formulating strategies for managing those risks for consideration by the Board; and
- Managing the CWH Group’s financial and other reporting mechanisms and controls and monitoring systems to ensure that they capture all relevant material information on a timely basis and are functioning effectively.

Letters of Appointment

Not all directors of the CWH Group have been provided with letters of appointment as suggested in the ASX Guidelines. Executives of the CWH Group are employed under contracts which outline their duties, rights and responsibilities, and entitlements on termination.

Principle 2 Structure the Board to Add Value

Board Composition

The Board has six directors at the date of this report, one executive and five non-executive.

The names, date of first appointment and status of the Company’s directors at the date of this report are set out below. More details on the background qualifications and particular skills of these directors are provided in Qualifications, Experience and responsibilities of Directors in the Directors' Report.

Name	Date Appointed	Executive	Non-Executive	Independent
Bao Cheng Luo	15-Aug-03	Yes	No	No
Hock Guan Charles Sher	15-Aug-03	No	Yes	Yes
Wei Guo Wang	9-Feb-09	No	Yes	Yes
Chongxing Jack Luo	4-Aug-15	No	Yes	No
Jun William Sun	28-Nov-17	No	Yes	Yes

Director, Raymond Taylor resigned on 6 November 2017.

Director Independence

Directors are expected to bring independent views and judgment to the Board's deliberations. The Board has reviewed the position and associations of each of the six directors in office and has determined that four of the directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate.

The directors who do not meet the independence criteria is Mr Bao Cheng Luo who is an executive and employee of the CWH Group and Mr Jack Luo as he is the son of Mr Bao Cheng Luo.

Meetings of the Board

The Board meets formally on a regular basis, as required. On the invitation of the Board, members of senior management attend and make presentations at Board meetings. The number of Board meetings held can be found in the Directors' Report.

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CORPORATE GOVERNANCE STATEMENT**

Retirement and Re-Election

The constitution of the Company requires one third of the directors, other than the Executive Chairman, to retire from office at each annual general meeting. Directors who have been appointed by the Board are required to retire from office at the next annual general meeting and are not taken into account in determining the number of directors to retire at that annual general meeting. Directors cannot hold office for a period in excess of three years (the latter of the third annual general meeting following their appointment) without submitting themselves for re-election. Retiring directors may be eligible for re-election by shareholders.

Board Committees

There are currently no operational Board Committees. CWH Resources Limited's current size and operations do not allow for separate Board Committees. All issues are considered by all the Directors, unless a Director is unable to exercise independence. Although CWH Resources Limited acknowledges ASX recommendations on operational Board Committees, the Board does not see it require such operational Board Committees in the current circumstances. However, should the Company grow in size and complexity in Australia and China in the future, the Board will review and instigate compliance with these recommendations.

Principle 3 Promote Ethical and Responsible Decision-Making

Through its oversight of Group activities, the Board ensures that best practice standards of ethics and integrity in all business dealings and operations are maintained, including the CWH Group's interactions with its shareholders, employees, business partners, customers, suppliers, and the community.

The CWH Group has adopted a policy on Share Trading, for employees and directors or their related entities. Employees, executives and directors of the CWH Group may not trade in the company's shares when in possession of inside information and outside of specified trading windows declared by the chairman and/or with permission of the chairman.

The CWH Group acknowledges that it has no official diversity policy at the moment but it complies with all employee and workplace laws both in Australia and in China. The CWH Group is committed to establishing a diversity policy when the Company grows its operations.

Principle 4 Safeguard Integrity in Financial Reporting

Executive Director Declaration:

Consistent with ASX Principle 4, the CWH Group's financial report preparation and approval process involves the Executive Chairman providing a written statement to the Board that "to the best of my knowledge and belief, the CWH Group's financial report presents a true and fair view, in all material respects, of the CWH Group's financial condition and operating results and is in accordance with applicable accounting standards".

Appointment of Auditors

The CWH Group's current external auditors are HLB Mann Judd. The effectiveness, performance and independence of the external auditors are reviewed by the Board. If it becomes necessary to replace the external auditors for performance or independence reasons, the Board will then formalise a procedure and policy for the selection and appointment of new auditors. It is a requirement, given that the Company is listed, that the audit engagement partners be rotated at least every five years.

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CORPORATE GOVERNANCE STATEMENT**

Principle 5 Make Timely and Balanced Disclosure

The Board has established Group policies on Continuous Disclosure (including requirements for approval for release of information by the CWH Group), and on Shareholder Communications, to promote effective communication with its shareholders.

In addition to its disclosure obligations under the ASX Listing Rules, the CWH Group communicates with its shareholders through a number of means including:

Annual and half-yearly reports, including material presented at the Annual General Meeting;

Quarterly shareholder updates released to the ASX, sent by email to shareholders and others who so request, and Media releases, public announcements and investor briefings.

Principle 6 Respect the Rights of Shareholders

The CWH Group has a positive and formal strategy to communicate with shareholders and actively promote shareholder involvement in the CWH Group. This is outlined above. It aims to continue to increase and improve the information available to shareholders on its website. All Group announcements, presentations to analysts and other significant briefings are posted on the CWH Group's website after release to the Australian Securities Exchange. Consistent with ASX Principle 6 and the Corporations Act 2001, the CWH Group's auditors attend, and are available to answer questions at, the CWH Group's Annual General Meetings. The CWH Group encourages shareholders to register for receipt of announcements and updates electronically. It is exploring means to provide remote access to Group meetings for those unable to attend in person.

Principle 7 Recognise and Manage Risk

The CWH Group is committed to the identification, monitoring and management of risks associated with its business activities and has established, as part of its management and reporting systems, a number of risk management controls.

In particular the Executive Chairman provides the Board with an annual written statement that:

The statement given with respect to the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
The CWH Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The risk profile can be expected to change and procedures will be adapted as the CWH Group's business develops and it grows in size and complexity. Regular review by the Board will ensure that procedures adopted continue to be appropriate.

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CORPORATE GOVERNANCE STATEMENT**

Principle 8 Remunerate Fairly and Responsibly

The CWH Group's remuneration policy and details of director and executive remuneration are outlined in the Directors' Report. The guiding principles of this policy are to balance the need to provide industry-competitive remuneration in order to attract and retain high quality personnel, with the objectives of ensuring effective use of shareholder funds.

Non-executive directors are remunerated by director's fees only. No schemes for retirement benefits (other than statutory contributions to a superannuation scheme where relevant) or termination payments are in place.

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DIRECTORS' REPORT**

An electrical engineer by training, Mr Sher was involved in the areas of electrical and mechanical projects in various organisations where he worked, including Sunyen Engineering Pte Ltd, Mass Rapid Transit Corporation and Asia Cement (Singapore) Pte Ltd in Singapore. In addition, he has been conferred as an Honorary Citizen of Xiamen Municipal Government since 1996. Mr Sher holds a Bachelor of Applied Science in Electrical Engineering from the University of Ottawa, Ontario, Canada. He has attended the Asian International Executive Programme by INSEAD Euro-Asia Centre.

Interest in Shares	-	Nil
Special Responsibilities	-	Nil

Wei Guo Wang - Non-Executive Director

Appointed to the Board on 9 February 2009. Mr Wang has been a securities market consultant since 2005. In 1992 Mr Wang participated in the establishment of China Securities Co. Ltd and has filled various roles up to Vice President and Chairman of the Supervisory Committee. Mr Wang has also held various management roles within the People's Bank of China and ICBC.

Mr Wang is a graduate of the Xiamen University with a Master degree in Economics.

Interest in Shares	-	Nil
Special Responsibilities	-	Nil

Raymond Taylor BEcon MComm MIPA – Non-Executive Director and Company Secretary

Mr Taylor has a bachelor of Economics degree and a Masters of Commerce Degree form Macquarie University; he has completed his CPA qualification and Public practice certificate, and the Graduate Diploma of Company Secretarial Practice from the Institute of Company Secretaries and is a member of the Institute of Public Accountants. He has in excess of 25 years of experience as an accountant at a senior level and has many years of experience and involvement in reporting to boards and owners of businesses. Mr Taylor has experience as a company secretary and a director of listed public companies.

Interest in Shares	-	Nil
Special Responsibilities	-	None

Chongxing Jack Luo - Non-Executive Director

Mr Luo, whilst born in China is a resident of Australia and has completed a Bachelor degree in Accounting and Finance at Melbourne University. He is based in Sydney and is currently the Manager of Investor relations at Moshav Financial Pty Ltd a Sydney based private lender and property developer. Mr Luo is the son of the Chairman Mr Bao Cheng Luo. Mr Luo is bilingual and will assist the Australian head office communicate with the Chinese operations. His commercial background and qualifications in accounting and finance will assist him in this role.

Interest in Shares	-	Nil
Special Responsibilities	-	None

Jun William Sui - Non-Executive Director

Mr. Sui, Jun William was appointed on 28 November 2017. He is currently the manager of CWH Resources Ltd; he also worked as a manager of China West International Holding Ltd, the predecessor of CWH Resources Ltd from 2004 to 2009. During 2010 to 2015, Mr. Sui worked as a vice-General manager for New Film (Beijing) Investment Co.Ltd, which is a subsidiary company of China Central Television. Mr. Sui holds a Bachelor of Engineering, graduated certificate of Law and Master of Information system. He was appointed as a Justice of Peace in NSW in 2002.

Interest in Shares	-	Nil
Special Responsibilities	-	None

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DIRECTORS' REPORT**

Company Secretary

The following persons held the position of company secretary during the 2017 financial year:

Raymond Taylor BEcon MComm MIPA was appointed on 9 January 2015.

Mr Taylor's description is under the directors' details as he was appointed a non-executive director on 4 August 2015.

Jun William Sun was appointed on 28 November 2017.

Mr.Sui's description is under the directors' details as he was also appointed a non-executive director 28 November 2017.

Meetings of Directors

During the financial year, one meetings of directors were held. Attendances by each director during the year were as follows:

	Meetings eligible to attend	Meetings attended
Bao Cheng Luo	1	1
Hock Guan Charles Sher	1	1
Wei Guo Wang	1	1
Raymond Taylor	1	1
Chongxing Jack Luo	1	1

Dividends Paid or Recommended

The directors of CWH recommend that no dividend be paid in respect of the year ended 30 June 2017.

Indemnifying Officers or Auditor

The Company has agreed to indemnify all directors and officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has not during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

Insurance of officers

Directors and Officers insurance costing \$1,771 for the 2017 financial year was paid.

Non-audit services

The CWH Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the CWH Group are important. No non-audit services were provided by the auditor during the year.

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DIRECTORS' REPORT**

Environmental Regulations

The Group is subject to significant environmental regulations under the legislation of People's Republic of China. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental obligations of the Group's contracts or licences.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and a copy is on page 15 of the Annual Report.

Options

No options were granted during the year ended 30 June 2017. There were no outstanding options as at 30 June 2017.

Review of Operations

A review of operations is included on pages 2 and 3 of the Annual Report.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

Principles Used to Determine the Nature and Amount of Remuneration
Details of Remuneration
Share-Based Compensation
Additional Information

A. Principles Used to Determine the Nature and Amount of Remuneration

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the directors.

Non-Executive Directors' fees and payments are reviewed annually by the Board and minuted in the relevant board meeting minutes.

Executives including Executive Director

The executive director's pay and reward framework has two components:

- Base pay and benefits (fixed);
- Short-term performance incentives (variable; paid as a cash bonus).

The combination of these comprises the executive's total remuneration.

Base Pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed benefits including superannuation. Base pay for the executive director is determined and reviewed by the Board of Directors. There is no guaranteed base pay increases included in the executive director's contract.

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DIRECTORS' REPORT**

Retirement Allowances for Directors

There are no retirement allowances for directors, other than payment of statutory superannuation for the executive director.

B. Details of Remuneration

Details of remuneration of the directors and the key management personnel of CWH Resources Ltd and the CWH Group for the financial years ended 30 June 2017 and 30 June 2016 are set out in the following tables:

B. Details of Remuneration (continued)

Remuneration of Directors and Key Management Personnel

Year ended 30 June 2017	Short term			Post-Employment		Total
	benefits			benefits		
Name	Cash Salary and Fees	Cash Bonuses	Non-monetary Benefits	Superannuation	Share options	
	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors</i>						
Hock Guan Charles Sher	-	-	-	-	-	-
Wei Guo Wang	-	-	-	-	-	-
Chongxing Jack Luo	-	-	-	-	-	-
Raymond Taylor*	73,000	-	-	-	-	73,000
Total Non-Executive Directors	73,000	-	-	-	-	73,000
<i>Executive Directors</i>						
Bao Cheng Luo	-	-	-	-	-	-
Total Executive Directors	-	-	-	-	-	-
						-
Total	73,000	-	-	-	-	73,000

* Mr Taylor's consulting company received fees in the 2017 financial year for undertaking the role of Director, Company Secretary and for accounting services. He was appointed to the board on 4 August 2015.

Year ended 30 June 2016	Short term			Post-Employment		Total
	benefits			benefits		
Name	Cash Salary and Fees	Cash Bonuses	Non-monetary Benefits	Superannuation	Share options	
	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors</i>						
Hock Guan Charles Sher	-	-	-	-	-	-
Wei Guo Wang	-	-	-	-	-	-
Chongxing Jack Luo	-	-	-	-	-	-
Raymond Taylor*	46,500	-	-	-	-	46,500
Total Non-Executive Directors	46,500	-	-	-	-	46,500
<i>Executive Directors</i>						
Bao Cheng Luo	-	-	-	-	-	-
Total Executive Directors	-	-	-	-	-	-
						-
Total	46,500	-	-	-	-	46,500

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DIRECTORS' REPORT**

** Mr Taylor's consulting company received fees in the 2016 financial year for undertaking the role of Company Secretary. He was appointed to the board on 4 August 2015.*

At present the company does not have a share option plan and no share options have been issued to directors during the year.

C. Share Based Compensation

At present the company does not have a share option plan and no share options have been issued to directors during the year.

D. Additional Information

The overall level of executive reward will take into account the performance of the CWH Group over a number of years, with greater emphasis given to the most recent year.

Loans to Key Management Personnel

There are no loans provided to directors or executives. Loan from directors are disclosed in note 6 and 19 of the financial report.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



Bao Cheng Luo
Director

Dated: 12 / 07 / 2018

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of CWH Resources Limited for the year ended 30 June 2017 declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to CWH Resources Limited and the entities it controlled during the year.



**Sydney, NSW
12 July 2018**

**A G Smith
Partner**

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group	
		2017	2016
		\$	\$
Revenue from continuing operations			
Sale of goods	3	6,812,916	7,584,644
Other revenue	3	25,882	123,264
		6,838,798	7,707,908
Expenses			
Net operating costs	4(a)	(6,523,943)	(7,975,641)
		(6,523,943)	(7,975,641)
Result from operating activities		314,855	(267,733)
Finance costs	4(b)	(6,692)	(205,479)
Profit/(loss) before Income tax		308,163	(473,212)
Income tax expense	5	-	-
Net profit/(loss) for the year		308,163	(473,212)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit/(loss):</i>			
Foreign currency translation difference for foreign operations (no income tax applicable)		679,074	570,173
Total other comprehensive income for the year		679,074	570,173
Total comprehensive income for the year		987,238	96,961
		Cents	Cents
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company	8	0.33	(0.50)

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

		Consolidated Group	
		2017	2016
ASSETS	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	9	65,474	39,104
Trade and other receivables	10	1,623,131	1,156,278
Inventories	11	342,716	466,882
Other financial assets	13	7,083	13,414
Other assets	17	7,159	21,803
TOTAL CURRENT ASSETS		2,045,563	1,697,481
NON-CURRENT ASSETS			
Trade and other receivables	10	46,993	53,793
Investments accounted for using the equity method	12	2,149	2,149
Property, plant and equipment	15	1,714,613	2,062,088
Land use and mining rights	16	1,184,910	1,459,831
TOTAL NON-CURRENT ASSETS		2,948,665	3,577,861
TOTAL ASSETS		4,994,228	5,275,342
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	4,978,566	5,098,487
Borrowings	19	44,189	44,189
Current tax liabilities	20	4,554,021	4,494,614
TOTAL CURRENT LIABILITIES		9,576,776	9,637,290
NON-CURRENT LIABILITIES			
Borrowings	19	2,789,820	3,997,657
TOTAL NON-CURRENT LIABILITIES		2,789,820	3,997,657
TOTAL LIABILITIES		12,366,596	13,634,947
NET ASSETS		(7,372,368)	(8,359,605)
EQUITY			
Issued capital	21	18,698,814	18,698,814
Reserves		(2,490,280)	(3,169,354)
Accumulated losses		(23,580,902)	(23,889,065)
TOTAL EQUITY (DEFICIENCY)		(7,372,368)	(8,359,605)

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Share Capital	Accumulated Losses	Reserves		Total
	Ordinary \$	\$	Foreign Currency Translation Reserve \$	General Reserve \$	\$
Balance as 1 July 2015	18,698,814	(23,415,853)	(4,385,594)	646,067	(8,456,566)
Loss for the year	-	(473,212)	-	-	(473,212)
Other comprehensive income for the year	-	-	570,173	-	570,173
Total comprehensive income for the year	-	(473,212)	570,173	-	96,961
Balance as at 30 June 2016	18,698,814	(23,889,065)	(3,815,421)	646,067	(8,359,605)
Balance as at 1 July 2016	18,698,814	(23,889,065)	(3,815,421)	646,067	(8,359,605)
Profit for the year	-	308,163	-	-	308,163
Other comprehensive income for the year	-	-	679,074	-	679,074
Total comprehensive income for the year	-	308,163	679,074	-	987,238
Balance as at 30 June 2017	18,698,814	(23,580,902)	(3,136,347)	646,067	(7,372,368)

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated Group	
	Note	2017	2016
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,980,141	8,689,496
Interest received		-	461
Payments to suppliers and employees		(5,744,244)	(8,381,058)
Net cash provided by (used in) operating activities	24	1,235,897	308,899
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(68,155)
Additional loans made		-	807
Net cash used in investing activities		-	(67,348)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,207,837)	(909,941)
Proceeds from borrowings		-	-
Net cash (used in) provided by financing activities		(1,207,837)	(909,941)
Net increase/ (decrease) in cash held		28,060	(668,390)
Cash and cash equivalents at beginning of financial year		39,104	688,925
Effect of exchange rates on cash holdings in foreign currencies		(1,689)	18,569
Cash and cash equivalents at end of financial year	9	65,474	39,104

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

CWH Resources Ltd (“the parent” or “the Company”) is a company limited by shares, incorporated in Australia.

These consolidated financial statements and notes represent those of CWH Resources Ltd and its controlled entities (“the Group” or “CWH Group”).

The financial statements were authorised for issue on 12 July 2018 in accordance with a resolution of the Directors.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Boards and with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, except for financial assets that have been classified as at fair value through profit and loss, which are measured at fair value.

Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the CWH Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1(t).

Going Concern

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

As at 30 June 2017 the statement of financial position of the group shows a net asset deficit of \$7,372,368 (2016 a deficiency of \$8,359,605). There is also a shortfall of current assets (\$2,045,563) to current liabilities (\$9,576,776) of \$7,531,213.

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The Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017 shows a profit after income tax from continuing operations of \$308,163 (2016 loss of \$473,212).

Despite the shortfall in Current Assets to Current Liabilities, the directors believe that the Company and the Group will be able to fund future operations through the cash generated by CHBM, continuation of the personal loan from the Chairman, Mr Bao Cheng Luo, and the provision of additional funding by Mr Luo. The Board will also consider additional fundraising activities in the near future if required. Without this fund raising and achievement of positive cash flow from CHBM operations, there is material uncertainty as to whether the Group will be able to continue as a going concern.

If the Group is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities, and may be unable to realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

Note 1 Summary of Significant Account Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the company and all of its subsidiaries. Subsidiaries are entities that the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 14.

The assets, liabilities and results of all subsidiaries are consolidated into the financial statements of the group from the date on which control is obtained by the group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between group entities are eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure conformity with the accounting policies adopted by the group.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

(b) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

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(b) Income Tax (continued)

Deferred Tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Inventories

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual inventory items on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Makers ("CODM") i.e the Board. The Board is responsible for the allocation of resources to operating segments and assessing their performance.

(e) Fair value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

(f) Property, Plant and Equipment, and Intangibles

These assets are stated at cost and are depreciated over their useful lives using the straight line method.

The expected useful life for asset classes is as follows:

- Plant and office equipment – between 5 and 10 years.
- Motor vehicles – between 5 and 10 years.
- Buildings – 25 years.
- Mining rights – 17 years.
- Land use rights – 50 years.

An asset's residual values and useful life is reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(i)).

Gains and losses on disposal are determined by comparing proceeds with the asset's carrying amount, and are included in profit or loss.

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(g) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the consolidated group are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(h) Financial Instruments

(i) Financial assets at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition.

Financial assets at fair value through profit or loss are carried at their fair value. Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the CWH Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position. Subsequent to initial recognition at fair value plus any directly attributable transaction costs, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

(i) Impairment of Assets

Intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

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(j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the CWH Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(k) Foreign Currency transactions and balances

(i) Functional and Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is CWH Resources Ltd's functional currency.

(ii) Translations and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Assets and liabilities are translated at the year-end exchange rate.

(iii) Foreign Operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates at the dates of the transactions); and
- Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(l) Employee Benefits

(i) Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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(l) Employee Benefits (continued)

(ii) Long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

(iii) Retirement benefit obligations

The Group contributes the required statutory superannuation or pension rate on behalf of employees to licensed superannuation or pension funds. The Group's legal or constructive obligation is limited to these contributions.

Contributions to a defined contribution fund are recognised as an expense as they become payable.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(n) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue from the sale of goods is recognised upon the delivery of goods to customers as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised as it accrues, using the effective interest method. All revenue is stated net of the amount of goods and services tax.

(o) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement between 30 and 90 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (Provision for impairment of trade receivables) is established when there is objective evidence that the CWH Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in profit or loss with other expenses.

(p) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the CWH Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

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(q) Goods and Services tax

Revenues, expenses and assets are recognised net of the amount of GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the relevant Taxation Office. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST or VAT as appropriate.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST or VAT component of investing and financing activities, which are disclosed as operating cash flows.

(r) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Earnings per Share

The CWH Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options. There are no outstanding convertible notes or share options as at 30 June 2017 and therefore diluted EPS is the same as Basic EPS.

(t) Critical Accounting Estimates and Judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Provision for Impairment of Receivables

The CWH Group undertakes a detailed analysis of trade receivables on a monthly basis and writes off those debtors which it considers not recoverable and makes an impairment provision for those where recovery is considered doubtful. Income Tax deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

For the year ended 30 June 2017 the CWH Group did not recognise deferred tax assets on temporary differences or on tax losses.

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(u) New Accounting Standards for Application in Future Periods

A number of new accounting standards, amendments to standards and interpretations have been issued prior to 30 June 2017 that are effective for future financial periods.

(i) AASB 15 Revenue from Contracts with Customers (effective 1 January 2018)

AASB 15 will be the new standard for recognition of revenue and will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

(ii) AASB 16 Leases (effective 1 January 2019)

AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice.

The group has yet to make an assessment of the impact of these standards.

Note 2 Parent Information

	2017	2016
	\$	\$
Statement of financial position		
ASSETS		
Current assets	86,762	48,526
Non-current assets	7,615	7,615
TOTAL ASSETS	94,377	56,141
LIABILITIES		
Current liabilities	423,512	381,454
Non-current liabilities	1,689,854	1,714,723
TOTAL LIABILITIES	2,113,366	2,096,177
Statement of profit or loss and other comprehensive income		
Total profit / loss	21,046	(127,923)

Contractual commitments

The parent entity does not have any capital commitments or contingences as at 30 June 2017 (2016: \$Nil).

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Note 3 Revenue

	Consolidated Group	
	2017	2016
Revenue from continuing operations	\$	\$
Sales revenue		
Sales of goods	6,812,916	7,584,644
Total revenue	<u>6,812,916</u>	<u>7,584,644</u>
Other revenue		
Other revenue	25,882	123,264
Total other revenue	<u>25,882</u>	<u>123,264</u>

Note 4 Operating Costs

	Consolidated Group	
	2017	2016
Profit before income tax from continuing operations includes the following specific expenses:	\$	\$
Cost of Sales	5,868,595	7,158,669
Selling and operating expenses	73,824	88,464
Administrative Expenses	581,524	728,508
	<u>6,523,943</u>	<u>7,975,641</u>
Finance Expenses	6,692	205,479
	<u>6,692</u>	<u>205,479</u>

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Note 5 Income Tax Expense

	Consolidated Group	
	2017	2016
	\$	\$
(a) Income tax expense		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Net Profit for the year	308,163	(473,212)
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2016: 30%)	92,449	(131,164)
adjustments for:		
Offset against Tax losses	(92,449)	-
non-deductible items		
tax losses not recognised - foreign jurisdiction	-	3,241
tax losses not recognised - Australia	-	127,923
Income tax expense	-	-

(b) Unrecognised deferred tax assets related to tax losses

The CWH Group has unrecognised tax losses in Australia of approximately \$16.41million (2016: \$16.48million). The benefit at 30% of approximately \$4.92million (2016: \$ 4.94million) associated with the tax losses will only be obtained if:

- The CWH Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised in Australia;
- The CWH Group continues to comply with the conditions for deductibility imposed by the Australian and Chinese income tax law; and
- No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

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Note 6 Key Management Personnel

(a) Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel ("KMP") for the year ended 30 June 2017.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated Group	
	2017	2016
	\$	\$
Short term employee benefits	73,000	46,500
Total key management personnel compensation	73,000	46,500

(b) Shareholdings

The numbers of shares in the Company held during the financial year by each director of CWH Resources Ltd and other key management personnel of the CWH Group, including their personally related parties, are set out below.

Name	Bao Cheng Luo
Balance as at 1 July 2015	748,607
Additions	-
Disposals	-
Other changes during the year	-
Balance at 30 June 2016	748,607
Additions	-
Disposals	-
Other changes during the year	-
Balance as at 30 June 2017	748,607

(c) Loans to Key Management Personnel

There were no loans made to directors of CWH Resources Ltd or other key management personnel of the CWH Group, including their personally related parties, during the years ended 30 June 2017 and 30 June 2016. There are amounts owing by related parties at year end (note 10).

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(d) Loans from Directors

	Note	Consolidated Group	
		2017	2016
		\$	\$
Loans from director (Chongxing Jack Luo)	19		
Opening Balance		44,189	-
Additions		-	44,189
Repayments		-	-
Closing balance		44,189	44,189

	Note	Consolidated Group	
		2017	2016
		\$	\$
Loans from director (Bao Cheng Luo)	19		
Opening balance		3,997,657	4,907,598
Additions		-	-
Repayments		(1,207,837)	(909,941)
Closing balance		2,789,820	3,997,657

The terms of the loans are outlined in Note 19.

Note 7 Auditors' Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related firms:

	Consolidated Group	
	2017	2016
	\$	\$
(a) HLB Mann Judd		
Auditing or reviewing the financial statements	46,667	65,333
(b) Non-HLB Mann Judd Firms		
Auditing or reviewing the financial statements	19,206	19,959
Total auditors' remuneration	65,873	85,292

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Note 8 Earnings/ (loss) per share

	Consolidated Group	
	2017	2016
	\$	\$
(a) Earnings used in calculating earnings per share		
Profits attributable to the ordinary equity holders of the Company used in calculating earnings per share	308,163	(473,212)
	Number of Shares 2017	Number of Shares 2016
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and diluted earnings per share	94,748,968	94,748,968
(c) Basic and diluted earnings per share (cents)	0.33	(0.50)

Note 9 Cash and Cash Equivalents

	Consolidated Group	
	2017	2016
	\$	\$
Cash at bank and on hand	65,474	39,104

The CWH Group's exposure to interest rate risk and foreign currency risk is discussed in Note 27.

Note 10 Trade and Other receivables

	Consolidated Group	
	2017	2016
	\$	\$
Current receivables		
Trade receivables	1,224,222	1,074,191
Provision for impairment	(1,018,013)	(1,072,190)
	206,209	2,001
Other receivables	1,416,922	1,154,277
Total other receivables	1,416,922	1,154,277
Total current trade and other receivables	1,623,131	1,156,278

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Note 10 Trade and Other receivables (Continued)

Yongchuan Xuyang Transportation Co. Ltd is a related party of the company. Mr.Keqin Xie is the general manager of CHBM and the second largest shareholder (21%) of Yongchuan Xuyang Transportation Co. Ltd.

	Consolidated Group	
	2017	2016
	\$	\$
Non-current		
Rental deposit/ bonds	7,615	7,615
<i>Amounts receivable from related parties</i>		
Yongchuan Xuyang Transportation Co. Ltd	39,378	46,178
Total non-current trade and other receivables	46,993	53,793

	Consolidated Group	
	2017	2016
	\$	\$
Receivables from Yongchan Xuyong Transportation Co. Ltd		
Opening balance	46,178	43,012
Additions	-	3,166
Payments	(6,800)	-
Closing balance	39,378	46,178

	Consolidated Group	
	2017	2016
	\$	\$
Trade and other receivables		
- Total current	1,623,131	1,156,278
- Total non-current	46,993	53,793
Financial assets classified as loans and receivables	1,670,124	1,210,071

Note 11 Inventories

	Consolidated Group	
	2017	2016
	\$	\$
Current		
At cost:		
Raw materials	31,668	161,072
Work in progress	113,898	142,144
Finished goods	197,150	163,666
	342,716	466,882

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Note 12 Associates and Joint Arrangements

(a) Investment Accounted for Using Equity Method

The investment comprises a 45% (2016: 45%) interest in Discovery Company Limited, a company registered in Kazakhstan. The Company was not operating as at 30 June 2017.

	Consolidated Group	
	2017	2016
	\$	\$
Investment in unlisted entity – at cost	206,834	206,834
Provision for impairment	(206,834)	(206,834)
Net assets	-	-

(b) Other investments

	Consolidated Group	
	2017	2016
	\$	\$
At cost	2,149	2,149
Total investments	2,149	2,149

Note 13 Other Financial Assets

	Consolidated Group	
	2017	2016
	\$	\$
Current		
Financial assets at fair value through profit or loss	7,083	13,414
Total	7,083	13,414

Note 14 Subsidiaries

The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place	Ownership interest held by the Group	
		2017	2016
		%	%
Chongqing Hanxing Building Materials Co. Ltd (formerly Chongqing Yuao Building Materials Co. Ltd,)	China	100	100
CWH Global Exploration Pty Ltd	Australia	100	100

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Note 15 Property, plant and equipment

	Consolidated Group	
	2017	2016
	\$	\$
Buildings at cost	5,220,001	5,508,062
Less accumulated depreciation	(2,876,483)	(2,970,063)
Accumulated impairment losses	(1,663,242)	(1,754,915)
	680,276	783,084
Plant and equipment at cost	8,608,524	9,083,570
Accumulated depreciation	(5,681,948)	(5,857,670)
Accumulated impairment losses	(1,919,450)	(2,025,472)
	1,007,126	1,200,428
Motor vehicles at cost	674,708	711,941
Accumulated depreciation	(650,111)	(633,365)
	24,597	78,576
Total Property, Plant and Equipment	1,714,613	2,062,088

Movements in carrying amounts

Movements in carrying amounts for each class of property plant and equipment between the beginning and the end of the current financial year.

	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 1 July 2015	877,867	1,386,905	135,751	2,400,523
Depreciation expense	(68,114)	(140,910)	(58,823)	(267,847)
Foreign currency translation	(26,669)	(45,567)	1,648	(70,588)
Balance at 30 June 2016	783,084	1,200,428	78,576	2,062,088
Balance at 1 July 2016	783,084	1,200,428	78,576	2,062,088
Depreciation expense	(62,283)	(128,772)	(53,755)	(242,195)
Foreign currency translation	(40,525)	(64,530)	(225)	(105,280)
Balance at 30 June 2017	680,276	1,007,126	24,597	1,714,613

**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

Note 16 Land use and Mining rights

	Consolidated Group		
	2017		2016
	\$		\$
Mining rights	621,626		844,048
Land use rights	563,284		615,783
Total	1,184,910		1,459,831

	Mining Rights	Land Use Rights	Total
	\$	\$	\$
Balance at 1 July 2015	1,066,470	668,282	1,734,752
Amortisation charge	(222,422)	(52,499)	(274,921)
Closing value at 30 June 2016	844,048	615,783	1,459,831
Balance at 1 July 2016	844,048	615,783	1,459,831
Amortisation charge	(222,422)	(52,499)	(274,921)
Closing value at 30 June 2017	621,626	563,284	1,184,910

The directors consider there are no impairment indicators in relation to land use and mining rights.

Note 17 Other Assets

	Consolidated Group	
	2017	2016
	\$	\$
Current repayments	7,159	21,803
	7,159	21,803

Note 18 Trade and Other Payables

	Consolidated Group	
	2017	2016
	\$	\$
Current		
Unsecured liabilities		
Trade payables	705,785	985,366
Sundry payables and accrued expenses	3,039,755	2,887,035
<i>Payable to related parties:</i>		
Sichuan Jiacheng Gas energy Co Ltd	1,122,208	1,109,152
Yongchuan Xuyang Transportation Co Ltd	110,818	116,934
	4,978,566	5,098,487

**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

Note 18 Trade and Other Payables (continued)

	Consolidated Group	
	2017	2016
	\$	\$
Payable to Sichuan Jiachang Gas Energy Ltd		
Opening balance	1,109,150	-
Additions	13,052	1,109,152
Repayment	-	-
Closing balance	<u>1,122,208</u>	<u>1,109,152</u>

	Consolidated Group	
	2017	2016
	\$	\$
Payable to Yongchan Xuyang Transportation Co Ltd		
Opening balance	116,934	-
Additions	-	116,934
Repayment	(6,116)	-
Closing balance	<u>110,818</u>	<u>116,934</u>

Note 19 Borrowings

	Note	Consolidated Group	
		2017	2016
		\$	\$
Current			
Unsecured liabilities			
Loan from director	6	44,189	44,189
Total current borrowings		<u>44,189</u>	<u>44,189</u>
Non-current			
Unsecured liabilities			
Loan from director	6	2,789,820	3,997,657
Total non-current borrowings		<u>2,789,820</u>	<u>3,997,657</u>
Total borrowings	27	<u>2,834,009</u>	<u>4,041,846</u>

The Loan from director is unsecured, and no interest has been charged during the year. CWH has the right to defer repayment of this loan until July 2019.

Note 20 Taxes Payable

	Consolidated Group	
	2017	2016
	\$	\$
Current		
Taxes payable	4,554,021	4,494,614

This balance relates mainly to the Chinese subsidiary Chongqing Hanxing Building Materials Co., Ltd and comprises VAT payable, withholding tax accrued upon declaration of dividends and resource tax.

**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

Note 21 Issued Capital

	Consolidated Group	
	2017	2016
	\$	\$
94,748,968 (2016: 94,748,968) fully paid ordinary shares	18,698,814	18,698,814
	18,698,814	18,698,814
(a) Ordinary shares		
At the beginning of the reporting period	18,698,814	18,698,814
Shares Issued during the year	-	-
At the end of the reporting period	18,698,814	18,698,814

(b) Options

There were no options on issue at 30 June 2016. The Company did not issue any options during 2017 and no options were on issue at 30 June 2017.

Note 22 Capital and Leasing Commitments

(a) Future tenement expenditure

It is a condition of the Exploration Permits that the company shall carry out a program of works and comply with expenditure. The Company has not complied with its commitment in the 2017 financial year.

The future expenditure commitments for the Queensland permits owned by CWH are as follows:

Tenement ID	District	Description	Ownership (100%)	Status
Inside Australia				
EPM 18042	Mt Isa		CWH Resources Ltd	Expires 18/9/2018
EPM 18158	Mt Isa		CWH Resources Ltd	Expires 18/9/2018

(b) Operating lease commitment

	Consolidated Group	
	2017	2016
	\$	\$
- not later than 12 months	16,874	16,874
- between 12 months and five years	-	16,874
- later than five years	-	-
	16,874	33,748

Note 23 Operating Segments

The CWH Group has two separate segments described below which are the CWH Group's strategic business units. The China business comprises a cement production plant while the Australia business is primarily a corporate office, also undertaking strategic investments.

**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

Note 23 Operating Segments (continued)

30-Jun-17	China \$	Australia \$	Elimination \$	Consolidated \$
REVENUE				
Sales of goods	6,812,916	360,000	(360,000)	6,812,916
Other revenue	25,882	-	-	25,882
Total segment revenue	6,838,798	360,000	(360,000)	6,838,798
RESULTS				
Segment result before tax	647,117	21,046	(360,000)	308,163
Income tax expense	-	-	-	-
Profit for the year	647,117	21,046	(360,000)	308,163
ASSETS				
Segment assets	4,929,122	94,377	(29,271)	4,994,228
LIABILITIES				
Segment liabilities	10,282,500	2,113,367	(29,271)	12,366,596
OTHER SEGMENT INFORMATION				
Investment (Note 12)	-	2,149	-	2,149
Depreciation and amortisation expense	517,116	-	-	517,116
30 June 2016	China \$	Australia \$	Elimination \$	Consolidated \$
REVENUE				
Sales of goods	7,584,644	300,000	(300,000)	7,584,644
Other revenue	122,694	570	-	123,264
Total segment revenue	7,707,338	300,570	(300,000)	7,707,908
RESULTS				
Segment result before tax	(45,289)	(127,923)	(300,000)	(473,212)
Profit for the year	(45,289)	(127,923)	(300,000)	(473,212)
ASSETS				
Segment assets	5,239,808	56,141	(20,607)	5,275,342
LIABILITIES				
Segment liabilities	11,559,377	2,096,177	(20,607)	13,634,947
OTHER SEGMENT INFORMATION				
Investment (Note 12)	-	2,149	-	2,149
Depreciation and amortisation expense	541,042	1,706	-	542,748

**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

Note 24 Cash Flow Information

	Consolidated Group	
	2017	2016
Reconciliation of Cash Flow from Operating Activities with Profit after Income Tax	\$	\$
Profit / (loss) after income tax	308,163	(473,212)
Amortisation of intangible assets	274,921	274,921
Depreciation	242,195	267,847
Financial expenses	-	205,479
Bad debt expense	-	42,067
Writedown of investments	6,331	3,358
(Increase)/decrease in receivables	(363,942)	(240,072)
Decrease/(increase) in inventories	101,087	(126,650)
Decrease/(increase) in prepayments	7,120	(7,543)
Increase/(decrease) in payables and accruals	658,100	362,704
Increase/(decrease) in provisions	1,922	-
Cash flow from (used in) operating activities	1,235,897	308,899

Note 25 Events After the Reporting Period

CWH shares were removed from the ASX official list on 1 October 2017.

CWH has an opportunity to invest in two gas field sites in GUANZAI district and JIANGNAN district of GUIZHOU province of the Peoples Republic of China. The project is in the stage of contract negotiation.

The subsidiary CWH Global Exploration Pty Ltd was deregistered on 17 March 2017, and its ABN was subsequently cancelled from 21 August 2017.

Note 26 Related Party Transactions

Related Parties

The group's main related parties are as follows:

Parent Entities

CWH Resources Ltd is the parent entity of the CWH group and is an Australian registered public company, listed on the Australian Securities Exchange until 1 October 2017.

The ultimate parent Company is believed to be Beltrading International Corp, registered in the British Virgin Islands.

Key Management Personnel

For details of key management personnel, refer to Note 6.

Related party balances at year-end and transactions during the year

Refer to Note 10 and 18.

**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

Note 27 Financial Risk Management

	Note	Consolidated Group	
		2017	2016
		\$	\$
Financial Assets			
Cash and cash equivalents	9	65,474	39,104
Financial assets at fair value through profit or loss			
- held for trading	13	7,083	13,414
Loans and other receivables	10	1,670,124	1,210,071
Total Financial Assets		1,742,681	1,262,589
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	18	4,978,566	5,098,487
- Borrowings	19	2,834,009	4,041,846
		7,812,575	9,140,333

Financial Risk Management Policies

The CWH Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The CWH Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the CWH Group. The CWH Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for credit risk.

(a) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

The CWH Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The CWH Group has policies that limit the amount of credit exposure to any one entity. The compliance with credit limits by customers is regularly monitored by line management.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

The average credit period on sale of goods and rendering services is 60 days. No interest is charged on overdue debtors. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods determined by reference to past default experience.

(b) Liquidity risk

**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The CWH Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial asset and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

Financing arrangements

The CWH Group does not have access to any undrawn borrowing facilities at the reporting date.

(c) Market Risk

1. Interest rate risk

The Group is exposed to interest rate risk in relation to its cash holdings.

2. Foreign exchange risk

The Group is exposed to foreign currency risks in relation to the assets, liabilities and net assets of its subsidiary in China and its investment in Kazakhstan.

A sensitivity of 10% per cent (2016: 10%) has been selected to account for the current level of exchange rate volatility observed in the market. As at reporting date, the Australian dollar to RMB (AUD/RMB) exchange rate was 5.2067 (2016: 4.9344), and had the Australian dollar (strengthened)/weaken by 10% against the RMB with all other variables held constant, the net assets attributable to shareholders would have been (\$476,886) lower/\$582,861 higher [2016: (\$574,506) lower/\$702,174 higher].

For the financial year ending 30 June 2017, the average Australian dollar to RMB (AUD/RMB) exchange rate was 5.1383 (2016: 4.6913), and had the Australian dollar (strengthened)/weaken by 10% against the RMB with all other variables held constant, the net profit would have been (\$68,614) lower/\$83,861 higher [2016: (\$4,117) lower/\$5,032 higher].

3. Other price risk

The Group is exposed to price risk in relation to its investments in shares in listed entities.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the CWH Group is the current bid price.

(d) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

Note 28 Reserves

	Consolidated Group	
	2017	2016
	\$	\$
Foreign currency translation reserve	(3,136,347)	(3,815,421)
General reserve	646,067	646,067
	(2,490,280)	(3,169,354)

(a) Foreign Currency Translation Reserve

**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS**

The foreign currency translation reserve records exchange differences arising on translation of the financial statements of a foreign subsidiary. The reserve is recognised in profit or loss when the net investment is disposed of.

(b) General Reserve

The general reserve records statutory funds set aside from an overseas controlled entity of the parent entity under the company law requirements and relevant financial regulations in the country of domicile, for future expansion of the controlled entity and for providing employee facilities and other collective benefits. The reserve amount cannot be distributed as a dividend by the controlled entity.

Note 29 Company Addresses

The registered office of the company is: CWH Resources Ltd
Unit 803 31 Market Street
Sydney NSW 2000 Australia

The principal place of business is:
Unit 803 31 Market Street
Sydney NSW 2000 Australia



CWH Resources Ltd
A.C.N. 009 230 111

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of CWH Resources Ltd, the directors of the company declare that, in the Directors' opinion:

1. The financial statements and notes, as set out on pages 16 to 43, are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (b) giving a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated group;
2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.
3. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declaration required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2017.

The declaration is made in accordance with a resolution of directors.

Bao Cheng LUO
Director

Dated: 12 / 07 / 2018

CWH Resources Limited

Website: www.cwh-resources.com.au

Australia Headquarters:

803/31 Market Street Sydney NSW 2000

Tel: +61 2 9261 4988

Email: office@cwh-resources.com.au

China Company:

Suangshi town, Yongchuan District, Chongqing

Tel: +86 23 49303608

**CWH RESOURCES LIMITED
ACN 009 230 111
INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial report of CWH Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to pages 20 and 21 to the financial statements, which indicates that at 30 June 2017 the consolidated entity had a net asset deficiency of \$7,372,368, and a shortfall of current assets in relation to current liabilities of \$7,531,213. As stated in on pages 20 and 21, these events or conditions, along with other matters as set forth in on pages 20 and 21 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**CWH RESOURCES LIMITED
ACN 009 230 111
INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Property, plant and equipment / Land use and mining rights Notes 15 and 16 of the financial statements</p>	<p>We reviewed management's assessment whether there were any impairment indicators in relation to the assets, which included a review of the current year financial performance of the subsidiary based in China.</p> <p>We also reviewed the work of the component auditor who audited the trial balance of the subsidiary based in China.</p> <p>As management do not prepare detailed forecasts, we obtained draft results for the year ended 30 June 2018 to assess if the financial performance of the subsidiary based in China for the year ended 30 June 2018 indicates that there are any impairment indicators.</p> <p>We also reviewed the disclosures to assess if they are in accordance with Australian Accounting Standards.</p>

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**CWH RESOURCES LIMITED
ACN 009 230 111
INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

**CWH RESOURCES LIMITED
ACN 009 230 111
INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report(continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

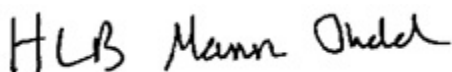
REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 14 of the directors' report for the year ended 30 June 2017.

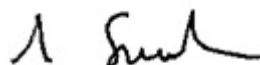
In our opinion, the Remuneration Report of CWH Resources Ltd for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**HLB Mann Judd
Chartered Accountants**

**Sydney, NSW
12 July 2018**



**A G Smith
Partner**

**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED COMPANIES
FOR THE YEAR ENDED 30 JUNE 2017**

ADDITIONAL INFORMATION FOR LISTED COMPANIES

The following information is current as at 12 July 2018:

1. Shareholding

(a) Distribution of Equity Securities

Category (size of holding)	Number of Holders	Number of ordinary Shares
1 – 1,000	71	25,249
1,001 – 5,000	44	139,975
5,001 – 10,000	394	3,651,860
10,001 – 100,000	191	6,182,485
100,001 – and over	31	84,789,483
	<hr/> 731 <hr/>	<hr/> 94,789,052 <hr/>

(b) Substantial shareholders

Substantial shareholders (owning more than 5% of the share capital) in CWH Resources Ltd on 31 March 2017 are set out below.

	Ordinary Shares Held	Percentage of Shares Held
BELTRADING INTERNATIONAL CORP	40,476,059	42.70%
MR CHANGXING XU	9,429,670	9.95%
HONG KONG BENLING INTERNATIONAL INDUSTRIAL LTD	5,882,353	6.21%
LONGMAX CORPORATION LIMITED	5,000,000	5.28%
RING & KING INVESTMENT CO LIMITED	5,000,000	5.28%
ORCHID & HOPE INVESTMENT LTD	4,900,000	5.17%

(c) Voting Rights

All ordinary shares carry one vote per share without restriction.

**CWH RESOURCES LTD ACN 009 230 111
AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED COMPANIES
FOR THE YEAR ENDED 30 JUNE 2017**

(d) 20 Largest Shareholders — Ordinary Shares

Shareholder	Ordinary Shares Held	Percentage of Shares Held
1 BELTRADING INTERNATIONAL CORP	40,476,059	42.70%
2 MR CHANGXING XU	9,429,670	9.95%
3 HONG KONG BENLING	5,882,353	6.21%
4 RING & KING INVESTMENT CO	5,000,000	5.28%
5 LONGMAX CORPORATION LIMITED	5,000,000	5.28%
6 ORCHID & HOPE INVESTMENT LTD	4,900,000	5.17%
7 GREATLINK DEVELOPMENT LIMITED	3,333,333	3.52%
8 MR YUEXI YU	2,539,000	2.68%
9 HSBC CUSTODY NOMINEES	1,346,834	1.42%
10 JESSIE LIM SIEW LING	842,818	0.89%
11 YOKE NGOH FONG	661,200	0.70%
12 BAO CHENG LUO	598,886	0.63%
13 CITICORP NOMINEES PTY LIMITED	446,727	0.47%
14 MS FENGXIAN WANG	310,000	0.33%
15 MRS JIAQIN MOU	309,700	0.33%
16 MR SHUPING HUANG &	303,500	0.32%
17 MR PHIROSE MAINE	300,000	0.32%
18 STORMINION PASTORAL COMPANY	300,000	0.32%
19 MRS JIAQIN MOU	290,000	0.31%
20 MS JIAQIN MOU	275,641	0.29%
Totals	<u>82,545,721</u>	<u>87.12%</u>
Total Remaining Holders Balance	<u>12,243,331</u>	<u>12.88%</u>
Total Shares	<u><u>94,789,052</u></u>	<u><u>100.00%</u></u>

(e) Directors' Interests in Securities

Director	Direct Interests
BAO CHENG LUO	748,607

2. Stock Exchange Listing

The Company's securities are not quoted on any securities exchange other than the Australian Securities Exchange.