

SAAC INTERNATIONAL PTE LTD

**CONSOLIDATED SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016**

SAAC INTERNATIONAL PTE LTD

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SAAC INTERNATIONAL PTE LTD

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of SAAC International Pte Ltd (the "Company") and its controlled entities (the "Consolidated Entity") for the year ended 30 June 2016.

Information about the directors

The names of the directors of the Company during the period and up to the date of deregistration are:

Michael Alan Arnold (*SAAC International Pte Ltd deregistered on 6 November 2017*)

James Edward Armitage (*SAAC International Pte Ltd deregistered on 6 November 2017*)

Jamie Phillip Boyton (*Appointed 25 May 2015*) (*SAAC International Pte Ltd deregistered on 6 November 2017*)

All were directors from the start of the period to the date of this report unless otherwise stated.


Review of Operations

The profit after tax for the year ended 30 June 2016 is \$28,929 (30 June 2015: profit after tax \$39,299).

Changes in state of affairs

There were no significant changes to the state of affairs of the Consolidated Entity during the year ended 30 June 2016.

On behalf of the Directors



Michael Arnold
Group Managing Director
Perth, 28 June 2018

SAAC INTERNATIONAL PTE LTD

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes present fairly the company's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. SAAC International Pte Ltd was deregistered on 6 November 2017.

This declaration is made in accordance with a resolution of the directors.

Director:



Mr Michael Alan Arnold

Dated this day of

SAAC INTERNATIONAL PTE LTD

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	30 JUNE 2016	30 JUNE 2015
	\$	\$
SALES		
Sales Revenue	13,170,639	6,643,011
Service Revenue	549,901	804,981
LESS: COST OF GOODS SOLD		
Cost of Sales	11,240,388	5,341,464
	<u>11,240,388</u>	<u>5,341,464</u>
GROSS PROFIT FROM TRADING	<u>2,480,152</u>	<u>2,106,528</u>
OTHER INCOME		
Other Income	112,552	111,436
	<u>112,552</u>	<u>111,436</u>
	<u>2,592,704</u>	<u>2,217,964</u>
EXPENSES		
Administration Expenses	273,217	924,933
Depreciation and Amortisation	111,157	83,552
Finance Costs	246	17
Motor Vehicle Expenses	17,853	12,699
Occupancy Costs	182,876	137,221
Personnel Expenses	1,905,494	1,020,243
	<u>2,490,843</u>	<u>2,178,665</u>
Profit / (loss) from ordinary activities before income tax	<u>101,861</u>	<u>39,299</u>
Income Tax Expense	(72,932)	-
Profit / (loss) from ordinary activities after income tax	<u>28,929</u>	<u>39,299</u>
Other Comprehensive Income		
Foreign currency translation differences	22,931	(45,466)
Total Other Comprehensive Income	<u>22,931</u>	<u>(45,466)</u>
Total Comprehensive Income	<u>51,860</u>	<u>(6,167)</u>

The accompanying notes form part of these financial statements.

SAAC INTERNATIONAL PTE LTD

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Note	30 JUNE 2016 \$	30 JUNE 2015 \$
CURRENT ASSETS			
Cash and cash equivalents	2	904,679	483,540
Trade and other receivables	3	2,789,451	1,201,492
Inventories	4	299,254	807,812
Other assets	5	292,166	547,626
TOTAL CURRENT ASSETS		4,285,550	3,040,470
NON-CURRENT ASSETS			
Property, plant and equipment	6	173,319	196,513
Intangible assets	7	7,170	16,652
Goodwill	8	464,190	187,724
Deferred tax assets		85,803	2,080
TOTAL NON-CURRENT ASSETS		730,482	402,969
TOTAL ASSETS		5,016,032	3,443,439
CURRENT LIABILITIES			
Trade and other payables	9	2,975,077	1,332,525
Financial liabilities	10	404,476	493,474
Other liabilities	11	196,104	-
TOTAL CURRENT LIABILITIES		3,575,657	1,825,999
NON-CURRENT LIABILITIES			
Deferred tax liabilities		20,372	-
Financial liabilities	10	702,593	946,051
TOTAL NON-CURRENT LIABILITIES		722,965	946,051
TOTAL LIABILITIES		4,298,622	2,772,050
NET ASSETS		717,410	671,389
EQUITY			
Share Capital	12	969,856	969,856
Non-controlling interest		3,892	-
Reserves	13	21,253	(1,678)
Accumulated losses	14	(277,591)	(296,789)
TOTAL EQUITY		717,410	671,389

The accompanying notes form part of these financial statements.

SAAC INTERNATIONAL PTE LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Share Capital	Reserves	Accumulated Losses	Non- controlling Interests	Total
Balance at 1 July 2014	754,332	43,788	(336,088)	-	462,032
Comprehensive income					
Profit for the period	-	-	39,299	-	39,299
Other comprehensive income for the period	-	(45,466)	-	-	(45,466)
Total comprehensive income for the period	-	(45,466)	39,299	-	(6,167)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period	215,524	-	-	-	215,524
Total transactions with owners and other transfers	215,524	-	-	-	215,524
Balance at 30 June 2015	969,856	(1,678)	(296,789)	-	671,389
Balance at 1 July 2015	969,856	(1,678)	(296,789)	-	671,389
Comprehensive income					
Profit for the period	-	-	19,198	9,731	28,929
Other comprehensive income for the period	-	22,931	-	-	22,931
Total comprehensive income for the period	-	22,931	19,198	9,731	51,860
Transactions with owners, in their capacity as owners, and other transfers					
Acquisition of subsidiaries	-	-	-	(5,839)	(5,839)
Total transactions with owners and other transfers	-	-	-	(5,839)	(5,839)
Balance at 30 June 2016	969,856	21,253	(277,591)	3,892	717,410

The accompanying notes form part of these financial statements.

SAAC INTERNATIONAL PTE LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	30 JUNE 2016	30 JUNE 2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	13,017,065	6,828,077
Payments to suppliers and employees	(12,218,629)	(7,033,701)
Taxes refunded / (paid)	(19,263)	(40,402)
Net cash provided by / (used in) operating activities	779,173	(246,026)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiary	(39,984)	-
Interest Received	2,647	490
Borrowing Costs Paid	(246)	(17)
Payment for property, plant and equipment	(89,899)	(85,865)
Net cash used in investing activities	(127,482)	(85,392)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuance	-	215,524
Proceeds from financial liabilities	-	681,575
Repayment of financial liabilities	(228,567)	(371,071)
Net cash provided by / (used in) financing activities	(228,567)	526,028
Net increase in cash held	423,124	194,610
Effect of exchange rate fluctuation	(1,985)	-
Cash at beginning of the period	483,540	288,930
Cash at end of financial year	904,679	483,540

The accompanying notes form part of these financial statements.

SAAC INTERNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared for use by the directors and members of the company.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors

No other applicable Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchange of goods or services of the same nature without any cash consideration are not recognised as revenue.

Sale of goods

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

Interest income

Interest income is recognised using the effective interest method.

SAAC INTERNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Income Tax

Income tax expense recognised in the statement of profit or loss and other comprehensive income relates to current tax 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

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

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 amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- i. the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- ii. 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.

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 tax 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.

The Company and its subsidiaries have unused tax losses as at the reporting date. Deferred tax balances have been recognised to the extent that it is probable that future taxable profit will be available against which to utilise unused tax losses.

SAAC INTERNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent or director's valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

Intangibles

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at the nominal amount when the Consolidated Entity becomes obliged to make future payments as a result of a purchase of assets or receipt of services.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the profit & loss when the liabilities are derecognised as well as through the amortisation process.

SAAC INTERNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the company's presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Critical judgements in applying accounting policies and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill and other indefinite intangible assets

Determining whether goodwill is impaired required an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill at 30 June 2016 was \$464,190 (30 June 2015: \$187,724).

SAAC INTERNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Critical judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

The Consolidated Entity reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of property, plant and equipment are deemed to be no changed.

Controlled Entities

The consolidated financial statements and notes represent the following entities:

SAAC International Pte Ltd
Stealth Global Industries (Australia) Pty Ltd
Australian Workplace Services Pty Ltd
Stealth Global Industries Singapore Pte Ltd
Stealth Industries Sdn Bhd

SAAC INTERNATIONAL PTE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	30 JUNE 2016	30 JUNE 2015
	\$	\$
2 Cash and Cash Equivalents		
Current		
Cash on Hand - Petty Cash	4,595	1,540
Cash at Bank - MYR Bank Account	3,257	6,371
Cash at Bank - SGD Bank Account	888	739
Cash at Bank - USD Bank Account	14,469	298,974
Cash at Bank - EUR Bank Account	290,908	112,611
Cash at Bank - AUD Bank Account	313,057	56,949
Cash at Bank - ZAR Bank Account	277,505	6,356
	904,679	483,540
3 Trade and Other Receivables		
Current		
Trade Debtors	2,669,089	1,109,088
Less: Provision for Doubtful Debts	(31,918)	-
	2,637,171	1,109,088
Other Debtors	152,280	92,404
	2,789,451	1,201,492
4 Inventories		
Current		
Stock on Hand	299,254	807,812
	299,254	807,812

SAAC INTERNATIONAL PTE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	30 JUNE 2016	30 JUNE 2015
	\$	\$
5 Other Assets		
Current		
Owing by SDS South Africa	175,096	293,746
Owing by SDS Zambia	5,109	4,939
Owing by Jamie Armitage	-	44,153
Prepayments	46,322	47,718
Deposits Paid	65,639	53,181
Deposits in SDS Afria	-	103,889
	<u>292,166</u>	<u>547,626</u>
6 Property, Plant and Equipment		
Plant and Equipment		
Branding - at Cost	6,470	-
Less: Accumulated Depreciation	(2,418)	-
Computer Equipment - at Cost	194,082	144,909
Less: Accumulated Depreciation	(120,916)	(52,984)
Motor Vehicles - at Cost	106,411	92,621
Less: Accumulated Depreciation	(83,106)	(66,377)
Building - at Cost	6,480	6,700
Less: Accumulated Depreciation	(2,568)	(1,984)
Plant and Equipment - at Cost	144,947	124,911
Less: Accumulated Depreciation	(76,063)	(51,283)
	<u>173,319</u>	<u>196,513</u>
7 Intangible Assets		
Formation Expenses	8,988	16,652
Less: Accumulated Amortisation	(1,818)	-
	<u>7,170</u>	<u>16,652</u>

SAAC INTERNATIONAL PTE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

		30 JUNE 2016	30 JUNE 2015
		\$	\$
8	Goodwill		
	Goodwill	464,190	187,724
		464,190	187,724
9	Trade and Other Payables		
	Current		
	Trade Creditors	2,619,936	1,237,178
	Other Creditors	123,648	32,257
	Accrued Expenses	91,971	44,767
	Provision for Annual Leave	27,289	18,323
	Provision for Income Tax	86,789	-
	GST Payable	25,444	-
		2,975,077	1,332,525
10	Financial Liabilities		
	Current		
	Prepayment - Capital Drilling	404,476	389,585
	Owing to SDS	-	103,889
		404,476	493,474
	Non-Current		
	Prepayment - Capital Drilling	702,593	946,051
		702,593	946,051
11	Other Liabilities		
	Deferred Settlement	196,104	-
		196,104	-
12	Share Capital		
	Issued Capital		
	100 (30 June 2015: 100) fully paid ordinary shares	130	130
	900,000 (30 June 2015: 900,000) preference shares	969,726	969,726
		969,856	969,856

SAAC INTERNATIONAL PTE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

	30 JUNE 2016	30 JUNE 2015
	\$	\$
13 Reserves		
Foreign Currency Translation Reserve		
Opening Balance for the year	(1,678)	43,788
Movement during the year	22,931	(45,466)
	21,253	(1,678)
14 Accumulated Losses		
Accumulated losses at the beginning of the financial year	(296,789)	(336,088)
Net profit / (loss) attributable to members of the company	19,198	39,299
Accumulated losses at the end of the financial year	(277,591)	(296,789)
15 Commitments		
Lease Commitments		
Not later than one year	115,060	65,421
Later than one year but not later than five years	336,620	39,596
Later than five years	-	-
	451,680	105,017

SAAC INTERNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

16 Subsequent Events

The following events have occurred since the end of the reporting period to the date of this report:

- On 1 October 2016 the Company completed a share buy-back of 20 ordinary shares and 300,000 preference shares held by James Armitage for a total consideration of USD \$500,000.
- On 1 September 2016, Stealth Global Industries (UK) Limited, a wholly owned subsidiary of the Company, was incorporated in the United Kingdom.
- In October 2016 there was a corporate reorganisation of the Company resulting in a new holding entity being established in Australia, Stealth Global Holdings Ltd. As this was a reorganisation of entities under common control, there was no change to the consolidated net assets of the group as a result of the change.
- On 14 December 2016, Stealth Global Industries (UK) Limited entered into a joint venture with the Principals of Lynam Pharma, which subsequently ceased on 31 May 2018.
- On 21 April 2017, Brendan Rossiter was appointed as Company Secretary.
- On 13 June 2017, Christopher Wharton was appointed as Group Chairman.
- On 6 November 2017, the former holding company, SAAC International Pte Ltd, was deregistered.
- In August 2017 an Information Memorandum was prepared for a proposed capital raising of \$11,000,000. This has since progressed to a proposed capital raising of \$12,500,000, which the Company is in the process of undertaking as an Initial Public Offering in conjunction with applying to be listed on the Australian Stock Exchange.
- The Share Purchase Agreement for the acquisition of Heatleys Group Holdings Pty Ltd was finalised in December 2017 and extended in May 2018.
- Jamie Boyton has resigned as Director effective from 30 June 2018, to be replaced by Giovanni Groppoli.

17 Contingent Liabilities

There are no contingent liabilities as at 30 June 2016 (30 June 2015: Nil).

SAAC INTERNATIONAL PTE LTD

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Members of SAAC International Pte Ltd

We have audited the accompanying financial report, being a special purpose financial report of SAAC International Pte Ltd, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Bentleys Audit & Corporate
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Directors Responsibility for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report

To the Members of SAAC International Pte Ltd (Continued)



Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Basis for Qualified Opinion – Inventory

We were not appointed auditors of SAAC International Pte Ltd until after 30 June 2015 and thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held as at 30 June 2015 which are stated in the statement of financial position at page 4 of the financial report.

Qualified Opinion

In our opinion except for the effects of the matter described in the Basis for Qualified Opinion paragraph:

- a. The financial report of SAAC International Pte Ltd presents fairly, in all material respects the consolidated entity's financial position as at 30 June 2015 and its financial performance for the year then ended in accordance with Australian Accounting Standards; and
- b. complying with Australian Accounting Standards to the extent described in Note 1

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities in order to lodge a prospectus with the Australian Securities and Investment Commission. As a result, the financial report may not be suitable for another purpose.

BENTLEYS
Chartered Accountants

CHRIS NICOLOFF CA
Director

Dated at Perth this 28th day of June 2018

Independent Auditor's Report

To the Members of SAAC International Pte Ltd

We have audited the accompanying financial report, being a special purpose financial report of SAAC International Pte Ltd, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors Responsibility for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Basis for Qualified Opinion – Inventory

We were not appointed auditors of SAAC International Pte Ltd until after 30 June 2016 and thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held as at 30 June 2016 which are stated in the statement of financial position at page 4 of the financial report.

Qualified Opinion

In our opinion except for the effects of the matter described in the Basis for Qualified Opinion paragraph:

- a. The financial report of SAAC International Pte Ltd presents fairly, in all material respects the consolidated entity's financial position as at 30 June 2016 and its financial performance for the year then ended in accordance with Australian Accounting Standards; and
- b. complying with Australian Accounting Standards to the extent described in Note 1

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities in order to lodge a prospectus with the Australian Securities and Investment Commission. As a result, the financial report may not be suitable for another purpose.



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Director

Dated at Perth this 28th day of June 2018