

**MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FOR THE HALF YEAR ENDED 31 DECEMBER 2014
ABN: 94 050 240 330**

This half year financial report is to be read in conjunction with the financial report for the year ended
30 June 2014

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

APPENDIX D

1. Reporting period

Report for the half year ended 31 December 2014

Previous corresponding periods:

Financial year ended 30 June 2014

Half year ended 31 December 2013

Results for announcement to the market

Key Information		Change %	Half-year Ended	Half-year Ended
			31 December 2014	31 December 2013
			\$	\$
Revenue from continuing operations	Down	98%	13,286	781,081
Loss from continuing operations after tax attributable to members	Down	31%	(95,250)	(138,763)
Total comprehensive loss attributable to members	Down	31%	(95,250)	(138,763)

Explanation of Results

For the half year ended 31 December 2014, \$221,006 was incurred in relation to the acquisition and due diligence of Technology Effect Pty Ltd and Breeze Training Pty Ltd. The Company also booked a receivable in this period for a research and development tax refund for the 2013 financial year in the amount of approximately \$270,000 (net of fees).

Dividends paid and proposed

No dividend was paid or proposed during the period.

2. Net tangible assets per share

Net tangible assets per ordinary share

0.3 cents (31 December 2013: Nil)

3. Control gained or lost over entities in the half year

Control gained over entities during the period

Nil

Loss of control of entities during the period

Nil

4. Investments in associates and joint venture entities

Equity accounted associates and joint venture entities

Nil

Aggregate share of profit / (losses) of associates and joint venture entities

Nil

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

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MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The directors of Montech Holdings Limited (**Company**) and its controlled entities (**Group**) submit herewith the consolidated financial statements of the Group for the half year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

Directors

The names and details of the Company's directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
Mr David Shein	Non Executive Chairman
Mr Michael Pollak	Non Executive Director
Mr Joseph Fridman	Non Executive Director
Mr Jonathan Pager	Non Executive Director

Incomplete records – comparative balances

The management and affairs of the Company and all its controlled entities were not under the control of the Directors of the Group from the time it entered into voluntary administration on 30 August 2013 until the date the Deed of Company Arrangement ("DoCA") effectuated, being 16 May 2014.

As a result, the financial information relating to the 31 December 2013 and 30 June 2014 financial reports were not subject to the same accounting and internal control processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Furthermore, it has not been possible for the Directors to obtain all of the books and records of the Company for the period up to 16 May 2014, being the date that the DoCA effectuated and control of the Company passed over to the Directors. Whilst the books and records of the Company have been reconstructed to the maximum extent possible for the half year ended 31 December 2013 and year ended 30 June 2014, the Directors are unable to satisfy themselves as to the completeness of the general ledger and financial records as well as the relevant disclosures for the comparative periods in the financial report, being for the half year ended 31 December 2013 and year ended 30 June 2014.

Review of operations

The Group's principal activities were the provision of group ownership, strategy and oversight over a number of software and service enterprises

The loss after income tax for the six months ended 31 December 2014 was \$95,250 (31 December 2013: loss of \$138,763).

Significant events after balance sheet date

As announced to the market on 3 October 2014, the Company entered into the acquisition of two leading Cloud focused software and service businesses, Technology Effect Pty Ltd (**Tech Effect**) and Breeze Training Pty Ltd (**Breeze**). On 3 February 2015, the Company announced that it had completed due diligence on the businesses operated by Tech Effect and Breeze and resolved, subject to shareholder approval and other conditions precedent, to acquire 100% of the issued capital of both Tech Effect and Breeze. Accordingly, the Company executed share sale agreements with all of the shareholders of Tech Effect and Breeze. The Company will now proceed to finalise and dispatch its Notice of Meeting as soon as practicable after regulatory approval is obtained.

Auditor independence and non-audit services

The auditor's independence declaration is included on page 6 of the financial report.

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Signed in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read 'D Shein', with a stylized, sweeping flourish extending from the bottom.

David Shein
Non Executive Chairman
Sydney
26 February 2015

26 February 2015

Board of Directors
Montech Holdings Limited
c/- Whittens Lawyers
Level 5, 137 Bathurst Street
Sydney, NSW 2000

Dear Sirs

RE: MONTECH HOLDINGS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Montech Holdings Limited.

As Audit Director for the review of the financial statements of Montech Holdings Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
HALF YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	\$	\$
Revenue	13,286	781,081
Expenses		
Amortisation expenses	-	(94,922)
Cost of goods sold	-	(50,572)
Depreciation expenses	-	(10,209)
Employment related expenses	(62,606)	(1,370,562)
Insurance	-	(574)
Legal costs		(143,968)
Occupancy expenses	-	(93,421)
Operating lease payments (excluding occupancy)	-	(1,578)
Professional fees	(348,469)	(281,550)
Telecommunication carrier expenses	-	(2,755)
Travel, accommodation and entertainment expenses		(38,748)
Administration expenses	(43,664)	(58,916)
Total expenses	<u>(454,739)</u>	<u>(2,147,775)</u>
(Loss) before finance costs and impairment	(441,453)	(1,366,694)
Finance costs	-	(74,545)
Impairment of other assets	-	(25,536)
Profit on sale of InfoMaster business	<u>-</u>	<u>1,328,012</u>
(Loss) before income tax expense	(441,453)	(138,763)
Income tax – research and development rebate	<u>346,203</u>	<u>-</u>
(Loss) from continuing operations	<u>(95,250)</u>	<u>(138,763)</u>
Other comprehensive income for the half year		
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive (loss)	<u><u>(95,250)</u></u>	<u><u>(138,763)</u></u>
(Loss) is attributable to:		
Montech Holdings Limited	<u>(95,250)</u>	<u>(138,763)</u>
	<u><u>(95,250)</u></u>	<u><u>(138,763)</u></u>
Total comprehensive (loss) is attributable to		
Montech Holdings Limited	<u>(95,250)</u>	<u>(138,763)</u>
	<u><u>(95,250)</u></u>	<u><u>(138,763)</u></u>
(Loss) per share from continuing operations attributable to equity holders of the parent entity		
Basic loss per share (cents per share)	(0.03)	(0.05)
Diluted loss per share (cents per share)	(0.03)	(0.05)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	31 December 2014 \$	30 June 2014 \$
Current Assets			
Cash and cash equivalents	2	966,601	857,995
Trade and other receivables	3	393,830	13,217
		<u>1,360,431</u>	<u>871,212</u>
Non Current Assets			
Property plant and equipment		4,587	4,587
Intangible assets		63,636	63,636
		<u>68,223</u>	<u>68,223</u>
Total assets		<u>1,428,654</u>	<u>939,435</u>
Current Liabilities			
Trade and other payables	4	265,654	206,181
Syndicate loan	5	-	500,000
Funds held in trust for equity to be issued	6	-	851,879
		<u>265,654</u>	<u>1,558,060</u>
Total Liabilities		<u>265,654</u>	<u>1,558,060</u>
Net Assets / (Net Assets Deficiency)		<u>1,163,000</u>	<u>(618,625)</u>
Equity			
Issued capital	7	15,511,115	13,636,115
Reserves		8,665	6,790
Accumulated losses		<u>(14,356,780)</u>	<u>(14,261,530)</u>
		<u>1,163,000</u>	<u>(618,625)</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER
2014**

	Issued Capital	Option Premium Reserve	Share Based Payments Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance as at 1 July 2014	13,636,115	-	6,790	(14,261,530)	(618,625)
Net loss for the half year	-	-	-	(95,250)	(95,250)
Other comprehensive income for the half year	-	-	-	-	-
Total comprehensive loss for the half year	-	-	-	(95,250)	(95,250)
Transactions with owners in their capacity as owners					
Shares issue	1,875,000	-	-	-	1,875,000
Options issue	-	1,875	-	-	1,875
Total transactions with owners in their capacity as owners	1,875,000	1,875	-	-	1,876,875
Balance as at 31 December 2014	<u>15,511,115</u>	<u>1,875</u>	<u>6,790</u>	<u>(14,356,780)</u>	<u>1,163,000</u>
Balance as at 1 July 2013	13,636,115	-	6,790	(17,481,032)	(3,838,127)
Net loss for the half year	-	-	-	(138,763)	(138,763)
Other comprehensive income for the half year	-	-	-	-	-
Total comprehensive loss for the half year	-	-	-	(138,763)	(138,763)
Balance as at 31 December 2013	<u>13,636,115</u>	<u>-</u>	<u>6,790</u>	<u>(17,619,793)</u>	<u>(3,976,890)</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Cash flow from operating activities			
Receipts from customers		-	1,679,865
Payments to suppliers and employees		(422,637)	(2,338,260)
Interest received		6,247	-
Net cash (used in) operating activities		<u>(416,390)</u>	<u>(658,395)</u>
Cash flow from investing activities			
Payment for property plant and equipment		-	(1,043)
Proceeds from sale of property, plant and equipment		-	18,169
Proceeds from sale of subsidiary		-	860,384
Net cash generated by investing activities		<u>-</u>	<u>877,510</u>
Cash flow from financing activities			
Repayment of syndicate loan		(111,929)	-
Proceeds from issue of shares and options		636,925	-
Repayment of unsecured loans		<u>-</u>	<u>(2,417)</u>
Net cash generated by / (used in) financing activities		524,996	(2,417)
Net increase in cash and cash equivalents		108,606	216,698
Cash and cash equivalents at beginning of year		<u>857,995</u>	<u>176,078</u>
Cash and cash equivalents at end of half year	2	<u><u>966,601</u></u>	<u><u>392,776</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This interim financial report of the Company and its controlled entities (the Group) for the half-year ended 31 December 2014 was authorised for issue at the date of the directors report.

(a) Basis of preparation of the interim financial report

Statement of compliance

The interim financial report is a general purpose financial report which was prepared in accordance with the Corporations Act 2001 and Accounting Standards AASB 134, Interim Financial Reporting where possible (refer to basis of preparation below). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The interim financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(b) Incomplete records – comparative balances

The management and affairs of the Company and all its controlled entities were not under the control of the Directors of the Group since it entered into voluntary administration on 30 August 2013 until the date the Deed of Company Arrangement ("DoCA") effectuated, being 16 May 2014.

As a result, the financial information relating to the 31 December 2013 and 30 June 2014 financial reports were not subject to the same accounting and internal control processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Furthermore, it has not been possible for the Directors to obtain all of the books and records of the Company for the period up to 16 May 2014, being the date that the DoCA effectuated and control of the Company passed over to the Directors. Whilst the books and records of the Company have been reconstructed to the maximum extent possible for the half year ended 31 December 2013 and year ended 30 June 2014, the Directors are unable to satisfy themselves as to the completeness of the general ledger and financial records as well as the relevant disclosures for the comparative periods in the financial report, being for the half year ended 31 December 2013 and year ended 30 June 2014.

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

(c) New and Revised Accounting Requirements Applicable to the Current Half-Year Reporting Period

There are no new or revised accounting standard requirements that became mandatory for the first time for the half-year period ended 31 December 2014

(d) Going concern

The consolidated entity incurred a net loss of \$95,250 (2013: \$138,763) and experienced total cash outflows from operating activities of \$416,390 (2013: \$658,395) for the half year ended 31 December 2014 and, as at that date, had a net current assets of \$1,094,777 (2013 net current asset deficiency: \$4,046,983).

Based on the Company's cash flow forecast, the Board of Directors consider the going concern basis of preparation to be appropriate for this financial report.

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

NOTE 2: CASH AND CASH EQUIVALENTS

	31 December 2014	30 June 2014
	\$	\$
Cash at bank and on hand	966,601	857,995

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 3: TRADE AND OTHER RECEIVABLES

	31 December 2014 \$	30 June 2014 \$
Other receivables	<u>393,830</u>	<u>13,217</u>

NOTE 4: TRADE AND OTHER PAYABLES

Trade creditors	83,070	196,181
Other payables	<u>182,584</u>	<u>10,000</u>
	<u>265,654</u>	<u>206,181</u>

NOTE 5: SYNDICATE LOAN

Loan from Syndicate *	<u>-</u>	<u>500,000</u>
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*\$388,081 of the Syndicate Loan was offset against share applications for share issue on the 16 July 2014.

NOTE 6: FUNDS HELD ON TRUST FOR EQUITY TO BE ISSUED

Funds held on Trust for equity to be issued	<u>-</u>	<u>851,879</u>
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NOTE 7: SHARE CAPITAL

Ordinary shares - 315,409,857 (30 June 2014: 15,409,857)	<u>15,511,115</u>	<u>13,636,115</u>
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(a) Ordinary shares - Parent entity

Details	31 December 2014		30 June 2014	
	Number	\$	Number	\$
Opening balance	15,409,857	13,636,115	308,196,565	13,636,115
Share consolidation (1:20) 7/4/2014	-	-	(292,786,708)	-
Share issue 16/7/2014	<u>300,000,000</u>	<u>1,875,000</u>	<u>-</u>	<u>-</u>
Closing balance	<u>315,409,857</u>	<u>15,511,115</u>	<u>15,409,857</u>	<u>13,636,115</u>

(b) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 8: SEGMENT INFORMATION

The consolidated entity operates in one industry segment being the software & service industry.

The consolidated entity operates in one geographical segment being Australia. As a result no additional geographical segment information has been provided.

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 8: SEGMENT INFORMATION (Continued)

The previous Board of Directors, who were in office prior to the Group entering administration, had identified four reportable segments:

- Corporate consisted of the compliance aspect of a public company such as the finance, human resources, IT and directors' costs. This segment provided management services to the other three segments being SMS, InfoMaster and Pinnacle.
- The SMS division provided help-desk and operator services to government departments.
- The InfoMaster business was a provider of on-line tools for planning and development assessment and asset management software for governments and corporate clients.
- Pinnacle Software provided specialised systems and support services such as asset management software and mobile web applications to a wide range of organisations in the public, private and corporate sectors.

The previous Board of Directors monitored the performance of all the segments which is why the four segments were reported separately.

The segment information for the reportable segments for the half year ended 31 December 2013 is as follows:

31 December 2013	Corporate	SMS	InfoMaster	Pinnacle	Total
	\$	\$	\$	\$	\$
Revenue from external customers	*	*	*	*	*
Reportable segment profit/(loss)					
before tax	*	*	*	*	*
Total segment assets	*	*	*	*	*
Total segment liabilities	*	*	*	*	*

* On 30 August 2013 the Group was placed into voluntary administration and the Groups operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure for the half year ended 31 December 2013.

NOTE 9: EVENTS AFTER BALANCE DATE

As announced to the market on 3 October 2014, the Company entered into the acquisition of two leading Cloud focused software and service businesses, Technology Effect Pty Ltd (**Tech Effect**) and Breeze Training Pty Ltd (**Breeze**). On 3 February 2015, the Company announced that it had completed due diligence on the businesses operated by Tech Effect and Breeze and resolved, subject to shareholder approval and other conditions precedent, to acquire 100% of the issued capital of both Tech Effect and Breeze. Accordingly, the Company executed share sale agreements with all of the shareholders of Tech Effect and Breeze. The Company will now proceed to finalise and dispatch its Notice of Meeting as soon as practicable after regulatory approval is obtained.

NOTE 10: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Directors' fees

Each of the Directors have agreed to receive 50% of their respective base salary up until the first material acquisition is made by the Company, at which time Directors will be paid the outstanding base salary to ensure that each Director receives 100% of their respective base salary for the period from the date of their appointment to the date of the acquisition. The remaining 50% of base salary has been treated as a contingent liability. The potential additional liability at 31 December 2014 is \$104,280.

Advisory fees

Subject to the successful completion of the Tech Effect and Breeze acquisitions, the Board resolved to pay an advisory fee of \$100,000 to MPC Strategic Solutions Pty Ltd (an entity associated with Monash Private Capital and Joseph Fridman) and \$25,000 each to Jonathan Pager and Michael Pollak (or their nominees)

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER
2014**

NOTE 10: CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Continued)

Research and development rebate

The Company may stand to benefit from an additional research and development rebate in relation to the 2014 financial year, however the quantum and likelihood of receiving this claim is uncertain and therefore has had no value ascribed. This claim is not expected to be more than \$60,000 net of fees.

MONTECH HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Montech Holdings Limited, the directors of the Company declare that:

- (a) the financial statements and notes set out on pages 7 to 14 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2014 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) as set out in Note 1, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



David Shein
Non Executive Chairman
Sydney
26 February 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MONTECH HOLDINGS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Montech Holdings Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Montech Holdings Limited (the consolidated entity). The consolidated entity comprises both Montech Holdings Limited ("the Company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Montech Holdings Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Montech Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, has been provided to the directors of Montech Holdings Limited on 28 February 2014.

Basis for Qualified Auditor's Review Conclusion

The company was placed into administration on 30 August 2013 until the date the Deed of Company Arrangement was effectuated, being 16 May 2014. Consequently, the financial information relating to the half year ended 31 December 2013 and the year ended 30 June 2014 was not subject to the same accounting and internal control processes, which included the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report for the half year ended 31 December 2013 and the year ended 30 June 2014.

Qualified Auditor's Review Conclusion

Based on our review, which is not an audit, and because of the existence of the limitation on the scope of our work for the half year ended 31 December 2013 and the year ended 30 June 2014 as described in the Basis for Qualified Auditor's Review Conclusion paragraph noted above, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitation of scope not existed, the half-year financial report of Montech Holdings Limited is in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
26 February 2014