

MMG Products Pty Ltd

Financial Statements

For the Period Ended 30 June 2014

MMG Products Pty Ltd

Contents

For the Period Ended 30 June 2014

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Directors' Report

For the Period Ended 30 June 2014

The directors present their report on MMG Products Pty Ltd for the financial period ended 30 June 2014.

1. General information

Information on directors

The names of each person who has been a director during the period and to the date of this report are:

Mr Alistair Lachlan Wardlaw

Mr Richard Levy

Mr Gavin Campion (appointed 2 February 2015)

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Principal activities

The principal activity of MMG Products Pty Ltd during the period was licencing of Intellectual Property.

No significant changes in the nature of the Company's activity occurred during the period.

2. Operating results and review of operations for the period

Operating results

The profit of the Company after providing for income tax amounted to \$175.

Dividends paid or recommended

No dividends were paid or declared since the start of the period. No recommendation for payment of dividends has been made.

Review of operations

A review of the operations of the Company during the period and the results of those operations show that fees were charged for the use of Intellectual Property. An agreement has been made to carry forward amounts yet to be received on loan to be paid at a future date.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the period.

Events after the reporting date

On the 23rd of March 2015, all of the share capital of MMG Products Pty Ltd and MMG Solutions Pty Ltd (together, known as the "MMG Business") was acquired by Knosys Pty Ltd through the issue of share equity, which was a reverse acquisition whereby MMG Solutions Pty Ltd achieved overall control of the legal entities, Knosys Pty Ltd and MMG Products Ltd.

Except for the above, no other matters or circumstances have arisen since the end of the period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Directors' Report

For the Period Ended 30 June 2014

3. Other items continued

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an officer or auditor of MMG Products Pty Ltd.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the period ended 30 June 2014 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:
Mr Alistair Lachlan Wardlaw

Director:
Mr Richard Levy

Director:
Mr Gavin Campion

Dated: 26 May 2015

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF MMG PRODUCTS PTY LTD**

I declare that, to the best of my knowledge and belief during the period ended 30 June 2014 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136

A handwritten signature in black ink, appearing to read 'N. S. Benbow'.

N. S. BENBOW

Director

Dated this 26th day of May, 2015

**CHARTERED ACCOUNTANTS
& ADVISORS**

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Level 20, 181 William Street
Melbourne VIC 3000

Hawthorn Office
Level 1, 465 Auburn Road
Hawthorn East VIC 3123

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MMG Products Pty Ltd

Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 30 June 2014

	Note	25 June 2013 to 30 June 2014 \$
Other income	5	<u>250</u>
Profit before income tax		250
Income tax expense		<u>(75)</u>
Profit for the period attributable to members of the company		<u>175</u>
Total comprehensive income for the period		<u>175</u>

These statements should be read in conjunction with the accompanying notes.

MMG Products Pty Ltd**Statement of Financial Position****As at 30 June 2014**

	Note	2014 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2	24
Trade and other receivables	3	250
TOTAL CURRENT ASSETS		<u>274</u>
TOTAL ASSETS		<u>274</u>
LIABILITIES		
CURRENT LIABILITIES		
Current tax liabilities		75
TOTAL CURRENT LIABILITIES		<u>75</u>
TOTAL LIABILITIES		<u>75</u>
NET ASSETS		<u>199</u>
EQUITY		
Issued capital	4	24
Retained earnings		175
TOTAL EQUITY		<u>199</u>

These statements should be read in conjunction with the accompanying notes.

MMG Products Pty Ltd

Statement of Changes in Equity

For the Period Ended 30 June 2014

25 June 2013 to 30 June 2014	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Opening balance	-	-	-
Shares issued during the period	24	-	24
Profit or loss attributable to members of the entity	-	175	175
Balance at 30 June 2014	24	175	199

These statements should be read in conjunction with the accompanying notes.

MMG Products Pty Ltd

Statement of Cash Flows

For the Period Ended 30 June 2014

	Note	25 June 2013 to 30 June 2014 \$
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issue of shares		24
Net cash used by financing activities		24
Net increase (decrease) in cash and cash equivalents held		24
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	2	24

These statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Period Ended 30 June 2014

The financial report covers MMG Products Pty Ltd as an individual entity. MMG Products Pty Ltd is a for profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of MMG Products Pty Ltd is Australian dollars.

1 Summary of Significant Accounting Policies

(a) 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 Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

In accordance with Section 323D of the Corporations Act 2001, the directors have determined that the first financial period for the company will commence on the date of its incorporation 25 June 2013 and end on 30 June 2014.

Rounding of amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.

(b) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

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 principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets.

Purchases and sales of available-for-sale investments are recognised on settlement date.

All other available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period income statements resulting from the impairment of debt securities are reversed through the income statement, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(c) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(e) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the period).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the period and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(f) Income Tax continued

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(g) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

(h) Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

(i) Going concern

The financial report has been prepared on the going concern basis. This basis has been adopted as the directors of the Company believe that the Company can continue to apply the going concern basis of accounting for the following reasons:

- Subsequent to the end of the reporting period, all of the share capital of MMG Products Pty Ltd and a related entity, MMG Solutions Pty Ltd was acquired by Knosys Pty Ltd (the newly formed group is known as "the consolidated group") through the issue of share equity to the Company's shareholders.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(i) Going concern continued

As a consequence of the transaction, the ability of the Company to continue as a going concern will be contingent upon the operations of the newly formed consolidated group. In assessing the Company, and ultimately the newly formed Consolidated Group's ability to continue, the following factors have been considered:

- The Company forms an important strategic part of the newly formed consolidated group and the parent company of the newly formed consolidated group, Knosys Pty Ltd have agreed to support the Company with working capital loans for a period at least 12 months from the date of this report. The Company and other members within the newly formed consolidated group have existing contracts in place from which they expect to derive revenues;
- Since the transaction, the newly formed consolidated group has entered into two significant contracts which management anticipate will generate net working capital inflows for the next 12 months and that they will be sufficient to support the overall working capital requirements of the newly formed consolidated group;
- The members of the newly formed consolidated group anticipate that they will continue to receive research and development credits from the ATO from research and development programs. These credits are received in arrears and the entities within the newly formed consolidated group have a strong history of their receipt;
- The directors of the parent company of the newly formed consolidated group, Knosys Pty Ltd are in the process raising capital and are expecting to raise a minimum of \$3,000,000 via an Initial Public Offering (IPO). The IPO is still in its formative stages however the directors of Knosys Pty Ltd are confident of its success;
- The newly formed consolidated group will prudently manage its costs, of which the majority can be flexed, in order to continue to manage its working capital needs.

Based upon these points, the directors believe that the Company will have access to sufficient working capital reserves that it requires in order to meet its forecast plans. Consequently, the financial report does not contain any adjustments relating to the recoverability and classification of recorded assets nor to the amounts or classification of recorded liabilities that might be necessary should the Company not be able to continue as a going concern.

(j) Adoption of new and revised accounting standards

Standard Name	Impact
AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	The adoption of this standard has not changed the reported financial position and performance of the entity; however the presentation of items in other comprehensive income has changed.
AASB 112 Income Taxes	There has been no impact on the reported financial position and performance
AASB 2011-3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments	There has been no impact due the entity not being a government department

Notes to the Financial Statements
For the Period Ended 30 June 2014

2 Cash and cash equivalents

	2014
	\$
Cash at bank and in hand	<u>24</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	<u>24</u>
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3 Trade and other receivables

CURRENT

Related party receivables	<u>250</u>
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4 Issued Capital

Ordinary shares	<u>24</u>
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(a) Ordinary shares

	2014
	No.
At the beginning of the reporting period	-
Shares issued during the period	<u>24</u>
At the end of the reporting period	<u><u>24</u></u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

5 Revenue and Other Income

	2014
	\$
Other Income	
Licence fees	<u>250</u>

Notes to the Financial Statements

For the Period Ended 30 June 2014

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2014
	\$
Current tax expense	
Income tax expense	75
Income tax expense for continuing operations	75
	<u>75</u>
 (b) Reconciliation of income tax to accounting profit:	
Prima facie tax payable on profit from ordinary activities before income tax at 30%	75
Income tax expense	<u>75</u>

7 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is nil.

8 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2014.

9 Related Parties

Related Parties

The Company's main related parties are as follows:

- MMG Solutions Pty Ltd
- MMG Interactive Pty Ltd

Related Parties

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 7: Key Management Personnel Compensation.

Notes to the Financial Statements

For the Period Ended 30 June 2014

(b) Entities subject to significant influence

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

(c) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(d) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

			Balance outstanding	
	Purchases	Sales	Owed to the company	Owed by the company
MMG Products Pty Ltd				
Licence fees	-	250	-	250

10 Events Occurring After the Reporting Date

On the 23rd of March 2015, all of the share capital of MMG Products Pty Ltd and MMG Solutions Pty Ltd (together, known as the "MMG Business") was acquired by Knosys Pty Ltd through the issue of share equity, which was a reverse acquisition whereby MMG Solutions Pty Ltd achieved overall control of the legal entities, Knosys Pty Ltd and MMG Products Ltd.

Except for the above, no other matters or circumstances have arisen since the end of the period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

11 Company Details

The registered office of the company is:

MMG Products Pty Ltd
Level 2, 200 Lygon Street
Carlton
VIC 3053

The principal place of business is:

40 Glasshouse Toad
Collingwood
VIC 3066

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 16, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the period ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

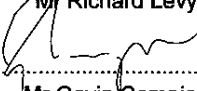
This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Mr Alistair Lachlan Wardlaw

Director 

Mr Richard Levy

Director 

Mr Gavin Campion

Dated: 26 May 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMG PRODUCTS PTY LTD**Report on the Financial Report**

We have audited the accompanying financial report of MMG Products Pty Ltd on pages 4 to 17, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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 about 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 judgement, 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 of the financial report that gives a true and fair view 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 audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**CHARTERED ACCOUNTANTS
& ADVISORS**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMG PRODUCTS PTY LTD
(CONT)**

Auditor's Opinion

In our opinion:

- a) the financial report of MMG Products Pty Ltd on pages 4 to 17 is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the period ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report which indicates the ability of the company to continue as a going concern is contingent upon the operation of the newly formed consolidated group. The matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge liabilities in the normal course of business.

William Buck

William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director

Dated this 26th day of May, 2015