

**PROPERTY CONNECT, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**PROPERTY CONNECT, INC.**

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**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

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**PROPERTY CONNECT, INC.**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013 \$AUD</b>
Revenue	-
Cost of Sales	-
Gross Profit	<u>-</u>
Other income	-
Depreciation and amortisation	1,671
Selling expenses	7,212
Administration expenses	288,830
Finance Costs	1,275
Other expenses	79,160
<b>(LOSS)/PROFIT BEFORE TAX</b>	<b>(378,148)</b>
Income Tax Benefit/(Expense)	<u>-</u>
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b><u>(378,148)</u></b>

**The accompanying notes form part of these financial statements.**

PROPERTY CONNECT, INC.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013

	2013 \$AUD
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	35,659
<b>TOTAL CURRENT ASSETS</b>	<u>35,659</u>
<b>NON CURRENT ASSETS</b>	
Intangibles	145,964
Other	-
<b>TOTAL NON CURRENT ASSETS</b>	<u>145,964</u>
<b>TOTAL ASSETS</b>	<u><u>181,623</u></u>
<b>CURRENT LIABILITIES</b>	
Trade and other payables	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>-</u>
<b>NON CURRENT LIABILITIES</b>	
Loans from related parties	39,744
Convertible Promissory Notes	54,705
<b>TOTAL NON CURRENT LIABILITIES</b>	<u>94,449</u>
<b>TOTAL LIABILITIES</b>	<u><u>94,449</u></u>
<b>NET (LIABILITIES)/ASSETS</b>	<u><u>87,174</u></u>
<b>EQUITY</b>	
Issued capital	511,707
Accumulated losses	(378,148)
Foreign currency reserves	(46,385)
<b>TOTAL EQUITY</b>	<u><u>87,174</u></u>

The accompanying notes form part of these financial statements.

**PROPERTY CONNECT, INC.**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**1. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL INFORMATION**

The Directors of Property Connect, Inc. are responsible for the preparation of the financial statements. The financial statements have been prepared for the purpose of inclusion in pro forma consolidated accounts in the Prospectus of Conquest Agri Ltd.

The financial statements have been prepared and presented in accordance with the recognition and measurement (but not disclosure) principles of Australian Accounting Standards issued by the Australian Accounting Standards Board.

The financial statements are presented in an abbreviated format and do not contain all of the disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Company's key accounting policies are set out in Note 2 below.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The directors of the Company have prepared the Financial Information on the basis that the Company was not a reporting entity during the period to which the financial statements relate and there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of directors.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of directors. Such accounting policies are consistent with each previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes.

*Foreign currency translation*

The financial statements are presented in Australian dollars, which is the Company's presentation currency. The Company's functional currency is United States dollars.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

*Revenue*

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, after taking into account any trade discounts and volume rebates allowed.

Revenue relating to the provision of services, consisting of research, media and platform revenue, is recognised with reference to the stage of completion of the transaction at the end of the reporting period.

Stage of completion is measured by reference to the services performed to date as a percentage of total anticipated services to be performed. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

PROPERTY CONNECT, INC.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

*Intangible Assets*

*Software*

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reductions are capitalised. Costs capitalised include external direct costs of materials and service, employee costs and an appropriate portion of relevant overheads. Software development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Company has an intention and ability to use the asset. Software costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between four and five years.

**3. GOING CONCERN AND SOLVENCY**

The Company incurred a loss of \$378,148 for the financial year ended 30 June 2013. The Company has entered into a conditional Stock Purchase Agreement with Conquest Agri Limited, whereby the Company's issued capital will be acquired by Conquest Agri Limited. Further, the transaction will be subject to a capital raising. It is on this basis that the Directors have prepared the report on a going concern basis.

**PROPERTY CONNECT, INC.**

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**DIRECTOR'S DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2013**

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 basis of preparation and accounting policies outlined in Note 1 and 2 to the financial statements.

The directors of the Company declare that:

- 1 the financial statements and notes, as set out on pages 1-5, present fairly the Company's financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
- 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 to the Board of Directors.

Dated this 17th day of December 2015

  
\_\_\_\_\_  
Tim Manson  
*Director*

  
\_\_\_\_\_  
Sam Lee  
*Director*

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19 Martin Place  
Sydney NSW 2000  
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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE DIRECTORS OF PROPERTY CONNECT, INC.**

We have audited the accompanying financial statements of Property Connect, Inc. (the Company), which comprise the statement of financial position as at 30 June 2013 and the statement of comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

The financial statements have been prepared for the purpose of including the financial results of the Company in a Prospectus to be issued by Conquest Agri Ltd in respect of its proposed acquisition of the Company and capital raising.

#### **Management's Responsibility for the Financial Report**

Management is responsible for the preparation of these financial statements in accordance with the consistent application of the recognition and measurement (but not disclosure) principles in Accounting Standards and other mandatory professional reporting requirements in Australia. Management is responsible for establishing and maintaining internal controls relevant to the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the accompanying financial statements 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 controls 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 controls. An audit also includes evaluating the appropriateness of



accounting policies used and the reasonableness of accounting estimates made by management, 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 Australian professional accounting bodies.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Property Connect, Inc. as at 30 June 2013, and its financial performance for the year then ended in accordance with the consistent application of the recognition and measurement (but not disclosure) principles in Accounting Standards and other mandatory professional reporting requirements in Australia.

### **Emphasis of matter – Going concern**

Without qualifying our opinion, we draw attention to Note 1 to the financial statements, which state that as at 30 June 2013, the Company incurred a loss for the year of \$378,148. These conditions indicate the existence of a material uncertainty about the Company's ability to continue as a going concern, and therefore, whether they will realise their assets and discharge their liabilities in the normal course of business at the amounts stated in the financial report, as well as whether the Company will be able to pay their debts as and when they become due and payable.

### **Basis of Accounting, and Restriction on Distribution and Use**

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared as special purpose financial statements for the purpose of including the financial results of the Company in a Prospectus to be issued by Conquest Agri Ltd in respect of its proposed acquisition of the Company and capital raising.

### **Pitcher Partners Sydney**



**Scott Whiddett**  
Partner

Dated in Sydney, this 17<sup>th</sup> day of December 2015.

**PROPERTY CONNECT, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**PROPERTY CONNECT, INC.**

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**PROPERTY CONNECT, INC.**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$AUD</b>	<b>\$AUD</b>
Revenue	-	-
Cost of Sales	-	-
Gross Profit	<u>-</u>	<u>-</u>
Other income	-	-
Depreciation and amortisation	11,246	1,671
Selling expenses	4,465	7,212
Administration expenses	363,196	288,830
Finance Costs	4,673	1,275
Other expenses	15,298	79,160
<b>(LOSS)/PROFIT BEFORE TAX</b>	<b>(398,878)</b>	<b>(378,148)</b>
Income Tax Benefit/(Expense)	<u>-</u>	<u>-</u>
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b><u>(398,878)</u></b>	<b><u>(378,148)</u></b>

**The accompanying notes form part of these financial statements.**

PROPERTY CONNECT, INC.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014

	2014 \$AUD	2013 \$AUD
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	6,668	35,659
<b>TOTAL CURRENT ASSETS</b>	<b>6,668</b>	<b>35,659</b>
<b>NON CURRENT ASSETS</b>		
Intangibles	268,335	145,964
Other	-	-
<b>TOTAL NON CURRENT ASSETS</b>	<b>268,335</b>	<b>145,964</b>
<b>TOTAL ASSETS</b>	<b>275,003</b>	<b>181,623</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,545	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,545</b>	<b>-</b>
<b>NON CURRENT LIABILITIES</b>		
Loans from related parties	400,947	39,744
Convertible Promissory Notes	175,474	54,705
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>576,421</b>	<b>94,449</b>
<b>TOTAL LIABILITIES</b>	<b>578,966</b>	<b>94,449</b>
<b>NET (LIABILITIES)/ASSETS</b>	<b>(303,963)</b>	<b>87,174</b>
<b>EQUITY</b>		
Issued capital	496,297	511,707
Accumulated losses	(777,026)	(378,148)
Foreign currency reserves	(23,234)	(46,385)
<b>TOTAL EQUITY</b>	<b>(303,963)</b>	<b>87,174</b>

The accompanying notes form part of these financial statements.

**PROPERTY CONNECT, INC.**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**1. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL INFORMATION**

The Directors of Property Connect, Inc. are responsible for the preparation of the financial statements. The financial statements have been prepared for the purpose of inclusion in pro forma consolidated accounts in the Prospectus of Conquest Agri Ltd.

The financial statements have been prepared and presented in accordance with the recognition and measurement (but not disclosure) principles of Australian Accounting Standards issued by the Australian Accounting Standards Board.

The financial statements are presented in an abbreviated format and do not contain all of the disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Company's key accounting policies are set out in Note 2 below.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The directors of the Company have prepared the Financial Information on the basis that the Company was not a reporting entity during the period to which the financial statements relate and there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of directors.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of directors. Such accounting policies are consistent with each previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes.

*Foreign currency translation*

The financial statements are presented in Australian dollars, which is the Company's presentation currency. The Company's functional currency is United States dollars.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

*Revenue*

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, after taking into account any trade discounts and volume rebates allowed.

Revenue relating to the provision of services, consisting of research, media and platform revenue, is recognised with reference to the stage of completion of the transaction at the end of the reporting period.

Stage of completion is measured by reference to the services performed to date as a percentage of total anticipated services to be performed. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

PROPERTY CONNECT, INC.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

*Intangible Assets*

*Software*

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reductions are capitalised. Costs capitalised include external direct costs of materials and service, employee costs and an appropriate portion of relevant overheads. Software development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Company has an intention and ability to use the asset. Software costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between four and five years.

**3. GOING CONCERN AND SOLVENCY**

The Company incurred a loss of \$398,878 for the financial year ended 30 June 2014. As at 30 June 2014, the Company was also in a net asset deficiency position of \$303,963.

The Company has entered into a conditional Stock Purchase Agreement with Conquest Agri Limited, whereby the Company's issued capital will be acquired by Conquest Agri Limited. Further, the transaction will be subject to a capital raising. It is on this basis that the Directors have prepared the report on a going concern basis.

**PROPERTY CONNECT, INC.**

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**DIRECTOR'S DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2014**

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 basis of preparation and accounting policies outlined in Note 1 and 2 to the financial statements.

The directors of the Company declare that:

- 1 the financial statements and notes, as set out on pages 1-5, present fairly the Company's financial position as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
- 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 to the Board of Directors.

Dated this 17th day of December 2015

  
\_\_\_\_\_  
Tim Manson  
*Director*

  
\_\_\_\_\_  
Sam Lee  
*Director*



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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE DIRECTORS OF PROPERTY CONNECT, INC.**

We have audited the accompanying financial statements of Property Connect, Inc. (the Company), which comprise the statement of financial position as at 30 June 2014 and the statement of comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

The financial statements have been prepared for the purpose of including the financial results of the Company in a Prospectus to be issued by Conquest Agri Ltd in respect of its proposed acquisition of the Company and capital raising.

#### **Management's Responsibility for the Financial Report**

Management is responsible for the preparation of these financial statements in accordance with the consistent application of the recognition and measurement (but not disclosure) principles in Accounting Standards and other mandatory professional reporting requirements in Australia. Management is responsible for establishing and maintaining internal controls relevant to the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the accompanying financial statements 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 controls 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 controls. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of accounting estimates made by management, 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 Australian professional accounting bodies.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Property Connect, Inc. as at 30 June 2014, and its financial performance for the year then ended in accordance with the consistent application of the recognition and measurement (but not disclosure) principles in Accounting Standards and other mandatory professional reporting requirements in Australia.

### **Emphasis of matter – Going concern**

Without qualifying our opinion, we draw attention to Note 1 to the financial statements, which state that as at 30 June 2014, the Company had a net asset deficiency of \$303,963 and incurred a loss for the year of \$398,878. These conditions indicate the existence of a material uncertainty about the Company's ability to continue as a going concern, and therefore, whether they will realise their assets and discharge their liabilities in the normal course of business at the amounts stated in the financial report, as well as whether the Company will be able to pay their debts as and when they become due and payable.

### **Basis of Accounting, and Restriction on Distribution and Use**

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared as special purpose financial statements for the purpose of including the financial results of the Company in a Prospectus to be issued by Conquest Agri Ltd in respect of its proposed acquisition of the Company and capital raising.

### **Pitcher Partners Sydney**



**Scott Whiddett**  
Partner

Dated in Sydney, this 17<sup>th</sup> day of December 2015.

**PROPERTY CONNECT, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**PROPERTY CONNECT, INC.**

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FOR THE YEAR ENDED 30 JUNE 2015**

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**PROPERTY CONNECT, INC.**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE**

	<b>2015</b>	<b>2014</b>
	<b>\$AUD</b>	<b>\$AUD</b>
Revenue	-	-
Cost of Sales	-	-
Gross Profit	-	-
Other income	-	-
Depreciation and amortisation	49,073	11,246
Selling expenses	40,113	4,465
Administration expenses	439,284	363,196
Finance Costs	24,329	4,673
Other expenses	56,845	15,298
<b>(LOSS)/PROFIT BEFORE TAX</b>	<b>(609,644)</b>	<b>(398,878)</b>
Income Tax Benefit/(Expense)	-	-
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b>(609,644)</b>	<b>(398,878)</b>

**The accompanying notes form part of these financial statements.**

PROPERTY CONNECT, INC.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE

	2015 \$AUD	2014 \$AUD
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	83	6,668
<b>TOTAL CURRENT ASSETS</b>	<b>83</b>	<b>6,668</b>
<b>NON CURRENT ASSETS</b>		
Intangibles	317,528	268,335
Other	3,990	-
<b>TOTAL NON CURRENT ASSETS</b>	<b>321,518</b>	<b>268,335</b>
<b>TOTAL ASSETS</b>	<b>321,601</b>	<b>275,003</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	94,942	2,545
<b>TOTAL CURRENT LIABILITIES</b>	<b>94,942</b>	<b>2,545</b>
<b>NON CURRENT LIABILITIES</b>		
Loans from related parties	551,226	400,947
Convertible Promissory Notes	704,610	175,474
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>1,255,836</b>	<b>576,421</b>
<b>TOTAL LIABILITIES</b>	<b>1,350,778</b>	<b>578,966</b>
<b>NET (LIABILITIES)</b>	<b>(1,029,177)</b>	<b>(303,963)</b>
<b>EQUITY</b>		
Issued capital	606,486	496,297
Accumulated losses	(1,386,670)	(777,026)
Foreign currency reserves	(248,993)	(23,234)
<b>TOTAL EQUITY</b>	<b>(1,029,177)</b>	<b>(303,963)</b>

The accompanying notes form part of these financial statements.

PROPERTY CONNECT, INC.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**1. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL INFORMATION**

The Directors of Property Connect, Inc. are responsible for the preparation of the financial statements. The financial statements have been prepared for the purpose of inclusion in pro forma consolidated accounts in the Prospectus of Conquest Agri Ltd.

The financial statements have been prepared and presented in accordance with the recognition and measurement (but not disclosure) principles of Australian Accounting Standards issued by the Australian Accounting Standards Board.

The financial statements are presented in an abbreviated format and do not contain all of the disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Company's key accounting policies are set out in Note 2 below.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The directors of the Company have prepared the Financial Information on the basis that the Company was not a reporting entity during the period to which the financial statements relate and there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of directors.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of directors. Such accounting policies are consistent with each previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes.

*Foreign currency translation*

The financial statements are presented in Australian dollars, which is the Company's presentation currency. The Company's functional currency is United States dollars.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

*Revenue*

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, after taking into account any trade discounts and volume rebates allowed.

Revenue relating to the provision of services, consisting of research, media and platform revenue, is recognised with reference to the stage of completion of the transaction at the end of the reporting period.

Stage of completion is measured by reference to the services performed to date as a percentage of total anticipated services to be performed. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

PROPERTY CONNECT, INC.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

*Intangible Assets*

*Software*

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reductions are capitalised. Costs capitalised include external direct costs of materials and service, employee costs and an appropriate portion of relevant overheads. Software development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Company has an intention and ability to use the asset. Software costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between four and five years.

**3. GOING CONCERN AND SOLVENCY**

The Company incurred a loss of \$609,644 for the financial year ended 30 June 2015. As at 30 June 2015, the Company was also in a net asset deficiency position of \$1,029,177, as well as a net current asset deficiency position of \$94,859. The Company has entered into a conditional Stock Purchase Agreement with Conquest Agri Limited, whereby the Company's issued capital will be acquired by Conquest Agri Limited. Further, the transaction will be subject to a capital raising. It is on this basis that the Directors have prepared the report on a going concern basis.

**3. SUBSEQUENT EVENTS**

Subsequent to the end of the financial year, the Company raised an additional \$600,000 whereby current investors provided additional funding to the Company.

Additionally, the Company has agreed to be acquired by Conquest Agri Ltd as part of a capital raising as announced to the ASX. The noteholders and related party noteholders have signed agreements that will convert amounts owing to equity concurrent with the offering, and consequently, the Company would no longer be in a net deficit position should the capital raising proceed.

No other matters or circumstances have arisen since the end of the financial year which significantly or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.



**PROPERTY CONNECT, INC.**

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**DIRECTOR'S DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2015**

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 basis of preparation and accounting policies outlined in Note 1 and 2 to the financial statements.

The directors of the Company declare that:

- 1 the financial statements and notes, as set out on pages 1-5, present fairly the Company's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
- 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 to the Board of Directors.

Dated this 17th day of December 2015

  
\_\_\_\_\_  
Tim Manson  
*Director*

  
\_\_\_\_\_  
Sam Lee  
*Director*

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE DIRECTORS OF PROPERTY CONNECT, INC.**

We have audited the accompanying financial statements of Property Connect, Inc. (the Company), which comprise the statement of financial position as at 30 June 2015 and the statement of comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

The financial statements have been prepared for the purpose of including the financial results of the Company in a Prospectus to be issued by Conquest Agri Ltd in respect of its proposed acquisition of the Company and capital raising.

#### **Management's Responsibility for the Financial Report**

Management is responsible for the preparation of these financial statements in accordance with the consistent application of the recognition and measurement (but not disclosure) principles in Accounting Standards and other mandatory professional reporting requirements in Australia. Management is responsible for establishing and maintaining internal controls relevant to the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the accompanying financial statements 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 controls 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 controls. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of accounting estimates made by management, 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 Australian professional accounting bodies.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Property Connect, Inc. as at 30 June 2015, and its financial performance for the year then ended in accordance with the consistent application of the recognition and measurement (but not disclosure) principles in Accounting Standards and other mandatory professional reporting requirements in Australia.

### **Emphasis of matter – Going concern**

Without qualifying our opinion, we draw attention to Note 1 to the financial statements, which state that as at 30 June 2015, the Company had a net asset deficiency of \$1,029,177 and incurred a loss for the year of \$609,644. These conditions indicate the existence of a material uncertainty about the Company's ability to continue as a going concern, and therefore, whether they will realise their assets and discharge their liabilities in the normal course of business at the amounts stated in the financial report, as well as whether the Company will be able to pay their debts as and when they become due and payable.

### **Basis of Accounting, and Restriction on Distribution and Use**

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared as special purpose financial statements for the purpose of including the financial results of the Company in a Prospectus to be issued by Conquest Agri Ltd in respect of its proposed acquisition of the Company and capital raising.

### **PITCHER PARTNERS SYDNEY**



**Scott Whiddett**  
Partner

Dated in Sydney, this 17<sup>th</sup> day of December 2015.