IMPORTANT INFORMATION
This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Securities offered by this Prospectus should be considered highly speculative.

For an offer of 60,000,000 Shares at an issue price of $0.20 per Share to raise $12,000,000 (Public Offer). Oversubscriptions of up to a further 15,000,000 Shares at an issue price of $0.20 per Share to raise up to a further $3,000,000 may be accepted under the Public Offer.
1. CORPORATE DIRECTORY

Directors
Bernard Kavanagh Non-Executive Chairman
James Gong Executive Director
Peter Hobman Non-Executive Director
Robert Clisdell Non-Executive Director

Management
James Gong Chief Executive Officer
Jourdan Thompson Chief Financial Officer
Vivienne Cheung Chief Operating Officer
Richard Fyers General Counsel
Andrew Bursill Company Secretary

Proposed ASX Code
KTD – Shares

Solicitors in Australia
Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Solicitors in New Zealand
Flacks & Wong Limited
Level 5, Shortland Chambers Building
70 Shortland Street
Auckland 1010

Lead Manager
Peloton Capital Pty Ltd
(AFSL No. 406040)
Level 5, 56 Pitt Street
Sydney NSW 2000

Registered Office
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70 Phillip Street
Sydney NSW 2000
Telephone: +61 2 9299 9690
Facsimile: +61 2 9251 7455
Email: info@keytonedairy.com
Website: www.keytonedairy.com

Share Registry*
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Telephone: +61 1300 554 474
Facsimile: +61 2 9287 0303

Investigating Accountant
HLB Mann Judd Corporate (NSW) Pty Ltd
Level 19, 207 Kent Street
Sydney NSW 2000

Auditor of Keytone Enterprises (NZ) Company Ltd
PKF Goldsmith Fox Audit
100 Moorhouse Ave
Addington, Christchurch 8011
New Zealand

Co-Manager
Patersons Securities Limited
(AFSL No. 239 052)
Level 23, Exchange Tower2 The Esplanade
Perth WA 6000

* This entity is included for information purposes only, it has not been involved in the preparation of this Prospectus.
2. IMPORTANT NOTICE

This Prospectus is dated 30 April 2018 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

2.1 Exposure Period
This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

2.2 Financial information and amounts
All financial amounts contained in this Prospectus are expressed in Australian Dollars ($), unless otherwise stated. Any discrepancies between totals and sums of components in figures and tables contained in this Prospectus are due to rounding. The Financial Information included in this Prospectus has been prepared and presented in accordance with Australian Accounting Standards and the recognition and measurement principles of the New Zealand Generally Accepted Accounting Practice (NZ GAAP) and is expressed in Australian Dollars, except where otherwise stated.

2.3 Currency conversions
Where an amount is expressed in this Prospectus in Australian Dollars and New Zealand Dollars, the conversion is based on an indicative exchange rate (being A$0.9199 = NZ$1.00). This is RBA exchange rate as at 30 September 2017. The amount when expressed in Australian Dollars or New Zealand Dollars may change as a result of fluctuations in the exchange rate between those currencies. Please refer to Section 8.2.5 of the Prospectus for all exchange rates applied to historical Financial Information disclosed in Section 8.

2.4 Information for New Zealand residents
The Public Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Public Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Public Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Public Offer. If you need to make a complaint about the Public Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Public Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

2.5 Web Site – On-line Prospectus
A copy of this Prospectus can be downloaded from the website of the Company at www.keytonedairy.com. If you are accessing the on-line version of this Prospectus, you must be a resident of Australia or New Zealand and must only access this Prospectus from within Australia or New Zealand, as the case may be. In particular, the on-line version of this Prospectus may not be accessed within any other jurisdiction, including the United States.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company or contacting the Keytone Public Offer Information Line on
1800 262 299 if calling within Australia or +61 1800 262 299 if calling from outside of Australia.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the on-line Application Form, it was not provided together with the on-line Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.6 Website
No document or information included on the Company’s website is incorporated by reference into this Prospectus.

2.7 Forward-looking statements
This Prospectus contains forward-looking statements which are identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 3.7 and 7 of this Prospectus.

2.8 Photographs and Diagrams
Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.
3.
INVESTMENT OVERVIEW
3. Investment Overview

This section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3.1 The Company

Keytone Dairy Corporation Limited (the Company) was incorporated on 28 September 2017 for the primary purpose of acquiring Keytone Enterprises (NZ) Company Limited (a company incorporated in New Zealand) (Keytone), as well as managing and operating Keytone’s business.

Keytone was founded in 2011, commenced production of its KeyDairy® products in 2014, and is a New Zealand manufacturer, packer and exporter of dairy and nutrition products, with a particular focus on powdered dairy products. The majority of Keytone’s products are for export outside of New Zealand (directly to foreign customers or indirectly through New Zealand customers) with the balance of its products manufactured for the domestic New Zealand market.

3.2 Exchange Deed

On 1 April 2018, the Company entered into an exchange deed (Exchange Deed) with the current shareholders of Keytone to acquire 100% of the issued share capital of Keytone in consideration for the issue of an aggregate of 75,000,000 Shares and 49,500,000 Performance Shares in the Company to the current shareholders of Keytone, such issue to be conditional upon, and to occur concurrently with the Company issuing the Shares under the Public Offer (the Exchange). The terms and conditions of the Performance Shares to be issued pursuant to the Exchange are set out in Section 11.5.

The effect of the Exchange Deed is that, upon the Company obtaining the Listing Approval, raising the minimum subscription and issuing the Shares under the Offers, the current shareholders of Keytone will own approximately 55.56% of the Shares of the Company (or, in the event full oversubscriptions are raised under the Public Offer, the current shareholders of Keytone will own approximately 50% of the Shares of the Company) and Keytone will be a wholly owned subsidiary of the Company. Please refer to Section 10.1 for a summary of the key terms of the Exchange Deed.

3.3 Exchange Consideration

The Board considers that the quantum of Shares and Performance Shares to be issued by the Company for the acquisition of Keytone reflects reasonable fair value of Keytone in view of the key investment highlights set out in Section 3.6 of the Prospectus and the Company having conducted arm’s length negotiations with the shareholders of Keytone to arrive at the commercial terms of the acquisition.

In determining the quantum of Shares and Performance Shares to be issued for the Keytone acquisition, the Company also took into account the following considerations:

(a) the fact that Keytone has grown to generate revenues of $1,568,005 and earnings before interest, taxes, depreciation and amortisation (EBITDA) of $538,554 for the financial year to 31 March 2017, which had grown from its revenues of $66,259 and EBITDA of $(42,452) for the financial year to 31 March 2013;

(b) Keytone’s pro forma revenue and net profit before tax forecasts of $1,945,907 and $652,270, respectively, for the financial year to 31 March 2018. Please refer to the Financial Information and Independent Limited Assurance Report in Section 8 for further information including details of the assumptions upon which these forecasts are based;

(c) the fact that the global powdered dairy industry and the nutritional and nutraceutical dairy ingredients industry are large and growing, particularly driven by demand in Asia, including China;

(d) the fact that Keytone is focused on Chinese and other Asian markets, and that it holds coveted registrations and licenses that permit access to these markets, including a foreign manufacturer registration from the Certification and Accreditation Administration (CNCA) of the People’s Republic of China, a Risk Management Programme (RMP) registered by the New Zealand Ministry for Primary Industries (MPI), and a Halal certification by the Federation of Islamic Associations of New Zealand;

(e) Keytone’s expansion plans – in addition to expanding its existing manufacturing facility, Keytone has recently acquired an additional parcel of land and has agreed to acquire a further parcel of land with the intent to increase its production capacity and has commenced construction of a new manufacturing facility on one of these parcels;

(f) Keytone’s growth plans – Keytone has opportunities for growth across product categories (e.g. value-added products, dairy-based processed foods and beverages and niche products), in geographic distribution, with a focus on accelerating exports to Asia, and in particular China, and with new distribution channels, both in retail and on-line;
3. INVESTMENT OVERVIEW

(g) the Board’s assessment of the future prospects of Keytone based on the status of its expansion of its customer base, production capacity, distribution channels, product lines and interest from third parties; and

(h) valuations of comparable companies.

As with the acquisition of any relatively early stage growth company, there is not always an appropriate formal valuation methodology (e.g. discounted cash flow) available when determining the purchase price and the Company was required to take into account qualitative factors such as those set out above in coming to a decision on price.

3.4 BUSINESS MODEL

Keytone is a New Zealand-based manufacturer, packer and exporter of dairy and nutrition blended products, with a current focus on powdered dairy products. Keytone’s business model is aimed at generating revenues from the sales of high-margin, value-added products under its own brand, as well as from manufacturing and packing products for leading supermarkets, retail chains, dairy producers and other customers under the customers’ private label brands.

Keytone owns a purpose-built packing and blending facility. Located in Christchurch, New Zealand, this facility has a nominal maximum production capacity of approximately 1,500 tonnes per annum and is one of the few facilities dedicated to dairy and nutrition sachets and plastic jar products in the South Island of New Zealand, a fast growing dairy region of New Zealand. Being in this region enables the majority of Keytone’s ingredients to be sourced from local New Zealand suppliers.

Keytone’s existing manufacturing facility has a RMP registered with the New Zealand MPI, and Keytone holds a foreign manufacturer registration from the CNCA, thereby enabling export of Keytone’s products to China. In addition, the facility holds a Halal certification from the Federation of Islamic Associations of New Zealand, an accredited body recognized by Islamic countries worldwide.

Further, in February 2018, Keytone commenced the process to gain organic certification of its manufacturing facility from the New Zealand MPI. Keytone’s RMP representative has advised that the organic certification process is expected to be completed in the second quarter of 2018.

The majority of Keytone’s products are exported to China and other Asian countries for sale in a variety of channels, including major supermarket chains, premium retail channels and online marketplaces. In addition, Keytone sells its products domestically in New Zealand and abroad in Europe.

In order to achieve growth, increase production capacity and meet existing and future demand, Keytone has recently acquired an additional parcel of land and has agreed to acquire a further parcel of land for two new manufacturing facilities it plans to build. Keytone has commenced construction of a new manufacturing facility on one of these parcels. These facilities are located in the Izone Business Park, Canterbury, New Zealand. Once complete, the first facility will enable Keytone to expand into a number of new products with increased capacity realised through the addition of new powder blending and packing lines. Keytone believes that demand for these new products will be satisfied by Keytone’s existing and new customers. Further, by expanding its capacity to manufacture powdered products, it is expected that Keytone will also gain access to new high-volume customers in China and other Asian countries.

In addition, these facilities will allow for the production of organic products, as well as for the installation of infant formula production lines should Keytone elect to manufacture and sell infant formula in the future, and both being subject to regulatory compliance and other certifications that may apply at the time. This additional manufacturing capacity will also enable Keytone to consider expanding the range and variety of high-margin, organic (subject to certification) and standardised value-added products it sells, such as:

> sports nutrition and whey protein;
> bioactive blends for nutrition applications;
> yoghurt and ice-cream powder;
> colostrum powder;
> senior dairy nutrition;
> kids’ formula and other junior products;
> infant products, including formula;
> special patient formula (e.g. diabetic blends);
> pregnancy and lactation blends;
3. INVESTMENT OVERVIEW

> milk shake powder;
> animal nutrition blends; and
> other health and functional supplements (e.g. acne treatment, gout reliever and joint health)

Further, Keytone intends to sell wet products, principally anhydrous milk fat (AMF) and ghee, to meet demand from its customers for these products. Depending on the level of demand, pricing and other market factors, these products may be contract packed by third parties or manufactured in-house. In addition, Keytone intends to explore the possibility of manufacturing or contract packing other wet products, such as butter, for sale to its customers.

3.5 THE OBJECTIVES

The Company’s main objectives on completion of the Offers are to:

(a) expand Keytone’s production facilities;
(b) expand Keytone’s product lines into complementary high-margin, value-added products;
(c) expand the range of Keytone’s products into products targeted at other verticals, as well as dairy-based processed foods and beverages;
(d) explore the expansion into the production of wet products, including AMF and ghee;
(e) expand Keytone’s exports to new geographic markets; and
(f) expand Keytone’s distribution network, for example increased online distribution in China and other countries worldwide.

Each of these areas is important to the Company’s ability to execute its strategy.

3.6 KEY INVESTMENT HIGHLIGHTS

(a) The global powdered dairy industry and dairy nutritional and nutraceutical ingredients industry are estimated to have sizes of at least US$21.4 billion\(^1\) and US$12.2 billion\(^2\), respectively, per year (approximately $28.3 billion and $16.1 billion, respectively per year assuming an exchange rate of AUD$1.00:US$0.7575).

(b) These industries are growing in size, particularly as a result of demand in China, whose growing middle class is fueling demand for value-added imported dairy products. With a per capita dairy consumption at less than one third of the global average, China nevertheless represented the world’s third largest dairy market in 2016.\(^3\) China’s growing demand for dairy is expected to be satisfied through additional dairy imports. For example, China’s Ministry of Agriculture expects dairy imports to reach 15.88 million tonnes in 2020, a 43.1% increase over imports in 2015.\(^4\)

(c) Keytone has a proven ability to manufacture and sell high-margin blended dairy products to discerning New Zealand supermarkets, and through its export network. In addition, all blended products are developed and packed in-house with ingredients that are primarily New Zealand sourced and produced. As a manufacturer of New Zealand-origin products, Keytone believes it has a competitive advantage, particularly in Asia, in that New Zealand is renowned globally for its “clean and green” reputation and for producing high-quality dairy products.

(d) Keytone is focused on China and other Asian export markets. Importantly, China requires exporters to be fully registered by the CNCA, a Chinese regulatory authority, requirements that have been attributed to protecting domestic Chinese dairy producers. Keytone has access to these markets because it holds a coveted CNCA foreign manufacturer registration, which enables it to export a broad array of powdered dairy products to China.

(e) Keytone has an established track record of revenue, EBITDA and margin generation, having grown its revenues to $1,568,005, EBITDA to $538,554 and EBITDA margin to 34% for the financial year to 31 March 2017 from revenues of $66,259 and EBITDA of $(42,452) for the financial year to 31 March 2013.

3. INVESTMENT OVERVIEW

(f) Keytone has numerous opportunities for substantial growth across product categories, including:

(i) Value-added products – including sports nutrition and fitness-orientated whey powders, bioactive blends, yoghurt and ice-cream powders, colostrum, senior dairy nutrition products, infant products (including formula), junior formula and other children’s products, pregnancy and lactation blends, special patient formula, milk shake powder, animal nutrition blends, and other health and functional supplements (e.g., acne treatment, gout reliever and joint health).

(ii) Dairy-based processed foods and beverages – including processed foods that contain significant dairy ingredients (e.g. dairy derived nutraceuticals).

(iii) Retail and food service, including AMF, ghee and butter.

(iv) Organic products* across any of the above categories.

* In February 2018, Keytone commenced the process to gain organic certification of its existing premises from the New Zealand MPI. Keytone’s RMP representative has advised that the organic certification process is expected to be completed in the second quarter of 2018. Keytone’s new facilities will also be designed and constructed to the necessary standards in order to seek organic certification so as to allow Keytone to further broaden its product offering.

(g) Keytone is well positioned to expand the geographic distribution of its products, particularly with a focus on aggressively accelerating exports to Asia and in particular China.

(h) Keytone is actively establishing new distribution channels, both in retail, on-line and in the commercial food service and bakery market.

(i) The Company and Keytone are backed by a U.S. institutional investor.

(j) Members of the Company’s Board and management team are experienced in the industry, in international trade and commerce and also in successful ASX small-caps (refer to Section 3.18 for further details). The calibre, ability and relevant experience of the Board are highlighted by the following:

(i) the Executive Director, Chief Executive Officer and co-founder, James Gong’s experience includes 11 years as the Sales and Marketing Manager at Westland Co-operative Dairy Company Limited (also known as Westland Milk Products), a major producer of dairy and infant nutrition ingredients in New Zealand, where he was responsible for sales and exports to Asia;

(ii) the Non-Executive Chairman Bernard Kavanagh is an experienced executive in the dairy industry, formerly an Executive Director, Chief Financial Officer and General Manager – Corporate Development of Warrnambool Cheese and Butter Co Ltd. and Vice President of Saputo Dairy International division; and

(iii) the Non-Executive Director, Peter Hobman has significant experience in the dairy sector. Mr. Hobman currently provides business development consulting services to dairy-related businesses and other organisations globally. He is a Director of NZ Food Innovation Waikato Ltd, NZ and Waikato Innovation Growth Ltd. He held the position of General Manager, MG Nutrionals Ltd, Murray Goulburn Coop Dairy Co Ltd, Australia from 2002 to 2012 with responsibility for the creation and executive management of the new business unit.

3.7 KEY RISKS

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, unpredictable and the extent to which the Company can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to. Further risks associated with an investment in the Company are outlined in Section 7.

(a) Business strategy risk

The Company’s growth and financial performance is dependent on the Company’s ability to successfully execute its growth strategy. However, there can be no assurance that the Company will be able to successfully achieve any of the objectives set out in Section 3.5. If the Company fails to execute on its business strategy, its business, financial condition and results of operations could be materially and adversely affected.
3. INVESTMENT OVERVIEW

(b) Limited history

The Company was only recently incorporated and has limited operating history and limited historical financial performance. Please refer to the financial information in Section 8 for further details.

Achievement of the Company’s objectives will depend on the Board’s and the executive team’s ability to successfully implement its growth strategy. This strategy involves marketing and manufacturing new products that Keytone has limited experience selling.

In addition, the Company is subject to risks common to early-stage companies, including increasing market share and brand recognition, successfully developing its anticipated products, expanding its manufacturing facilities and competing with larger competitors. Investors should consider the Company's business and prospects in light of the risks that it may face as an early-stage business. If the Company is not successful in addressing such risks, the Company's business prospects and financial performance may be materially and adversely affected.

(c) New Zealand regulatory risks

As a New Zealand-based manufacturer, the Company and in particular Keytone is subject to the food safety laws and regulations of the New Zealand MPI. These laws and regulations require Keytone’s facilities to have a RMP that is validly registered with the New Zealand MPI. An RMP places onerous requirements on the Company to eliminate food safety hazards, and Keytone’s compliance with its RMP must be regularly audited. Keytone’s failure to comply with New Zealand’s food safety regulations, including its RMP, could result in the loss of the ability to manufacture and export its products, which would result in a material adverse impact on the Company’s business and financial performance.

(d) China regulatory risks

The Chinese government has significant discretion in the granting and renewal of registration certifications and other qualifications necessary for the exporting of dairy products to China. The Chinese government has instituted an exported dairy food products regulatory regime that requires, among other things, certain foreign manufacturing facilities to complete a registration process overseen by the CNCA. The process required to obtain and maintain this registration is onerous and includes regular audits by relevant local regulatory authorities. In addition, the regulations applicable to the export of dairy food products are subject to change.

Keytone must continuously meet the applicable registration requirements to avoid having its registration suspended or cancelled by the CNCA. Events that could cause the CNCA to suspend or cancel Keytone’s registration include:

(i) if a major food safety accident attributable to Keytone was to occur;

(ii) if serious nonconformities were identified during the inspection and quarantine of Keytone’s exported products;

(iii) if major problems in food safety and hygiene management were to be identified during inspection of Keytone’s facilities and could not be adequately addressed; or

(iv) if the New Zealand MPI were to no longer be appropriately qualified or conform to applicable Chinese laws.

A CNCA manufacturer registration is valid for four years before it must be renewed, and the renewal application must be submitted one year prior to the expiration of the four-year term. Keytone’s current CNCA registration was granted in August 2014, and as such Keytone has commenced the renewal of its registration. If Keytone were to fail to renew its registration, the CNCA will cancel Keytone’s registration.

While these regulations may act as a barrier to entry for other competitors to enter the Chinese market, Keytone must maintain its registration for its existing facility and seek successful registration for any future manufacturing facility in order to export its products to China. If Keytone were unable to renew its CNCA manufacturer registration or otherwise satisfy the requirements for registration or have its CNCA registration suspended or cancelled, Keytone would be unable to export its products to China, which would result in a material adverse impact on the Company’s business and financial performance.

(e) Future profitability

The Company’s business requires significant expenditure on marketing, business development and personnel, and substantial capital investment in production facilities. Accordingly, the Company may not maintain profitability and, to the extent such expenditure and investment continue, may suffer a shortage of working capital.
3. INVESTMENT OVERVIEW

(f) **Manufacturing risk**
The manufacturing of dairy and nutrition products involves complex and capital intensive mechanical equipment and processes. In addition, manufacturing processes involve risks related to plant breakdown, logistics, supply of labour and other resources. Difficulties or delays relating to the manufacturing of the Company's products could also result from factors outside of the Company's control, such as labour strikes, extreme weather, earthquakes and other natural disasters. The occurrence of any such events could increase the cost of the Company's products or require the Company to use third parties to manufacture its products, which would likely result in an adverse material impact on the Company's business and financial performance.

Further, the Company's growth plans include the acquisition and building by Keytone of two additional manufacturing facilities, the successful implementation of which are dependent on numerous third parties and various factors outside of the Company's control.

(g) **Supply risk**
The Company relies on high quality, dairy and other materials primarily from a number of local New Zealand suppliers in order to manufacture its products. The Company may be unable to secure these ingredients due to a variety of reasons, including environmental events, and price competition for limited supply from better-capitalised market participants. In addition, the cost of these materials could increase substantially due to local or international market events. The occurrence of any of these events could impact on the Company's ability to manufacture and sell its products, which could have a material adverse effect on the business and financial performance of the Company. While Keytone has no contractual security of supply of materials at present, this is considered standard for the industry in which Keytone operates. Keytone further believes it has mitigated supply risk by establishing long term trade accounts with several suppliers in New Zealand.

(h) **Dairy product and ingredients price risk**
The Company purchases its skim milk powder, whole-milk powder and other dairy products (dairy ingredients) primarily from New Zealand dairy companies for the packaging and manufacture of products for sale to its customers. The dairy companies generally have farmers that supply milk from their farms and that milk is dried collected, standardised, pasteurised, evaporated, and dried into milk powder or processed to manufacture cheese.

The large majority of the milk produced in New Zealand is used to produce dairy products that are exported to a large number of countries. New Zealand is one of the world's largest exporters of dairy products. The global market for dairy products and the prices for dairy products are determined by forces of supply and demand. During times where there is high demand and/or reduced supply on the global dairy market, prices will increase and be at higher levels. Conversely, where there is low demand and/or increased supply on the global dairy market, prices will decrease and be at lower levels.

The price that the Company will be required to pay to dairy companies for purchases of dairy ingredients will be strongly influenced or determined by the global dairy market. At any time, the Company is unable to predict with any certainty the future prices for dairy ingredients. When the price of the Company's dairy products and ingredients increase or are at high levels, the Company will endeavour to increase the prices to its customers to cover the increased cost of its dairy ingredients purchased. There is a risk that the Company will be unable to pass on to its customers the increased cost of its dairy ingredients and this would have a detrimental financial impact on the Company's business.

(i) **Distribution risk**
A majority of the Company's revenues is derived from exports to various markets, particularly China and other Asian countries. The Company relies on a limited number of distribution channels to export its products to these markets. In addition, the growth objectives of the Company depend on its ability to substantially increase its distribution channels. The loss or disruption of a distribution channel could adversely affect the Company's financial performance and future prospects.

Additionally, the Company may take a credit risk with regard to parties to whom it supplies products. In the event of such parties failing to meet their obligations to the Company on time or at all, the Company's financial performance may be adversely affected.

While Keytone has no long term contractual security of sale of its products at present, this is again considered standard for the industry in which Keytone operates, where contracting on a monthly purchase order basis (rather than long term contracts) is common practice. Keytone further believes it has mitigated credit risk by establishing business relationships with as broad an array of creditable customers as possible, considering the scale and resources of its business to date – please refer to Section 6.4 for further details of Keytone's customers.
3. INVESTMENT OVERVIEW

(j) Demand risk
The Company’s growth objectives depend on continued growth in the demand for powdered dairy products in domestic and international markets, predominantly in Asia and in particular China. Changes in consumer dietary preferences or an excess of supply of dairy products may adversely impact demand or prices for these products. For example, demand for imported powdered dairy products into China fell in 2015 and 2016 partially due to a recovery of China’s domestic milk output, a build-up of local inventories, and falling international prices. If the Company is unable to penetrate these markets due to a change in demand for powdered milk products or if demand for powdered dairy products were to otherwise fall, the Company may be unable to achieve its growth objectives.

(k) Competition risk
The Company is in the highly competitive fast-moving consumer goods global business market and competes with many participants who are larger and have significantly greater resources, including financial, technical, marketing and human resources, than the Company. The Company competes in this market based on distribution channels, brand recognition, product quality and price, product placement and promotional activities. These competitors have already established a market share and brand and will be able to respond more quickly to changing business, regulatory and economic conditions than the Company. The Company may not be able to effectively compete with other participants in this market.

(l) Product contamination and recall risk
As a manufacturer of dairy products, the Company is subject to the risk that any product contamination or product recall issue (however caused) could have a material adverse effect on the Company’s brand and thus its financial performance. Adverse events could expose the Company to product liability claims or litigation and/or monetary damages being awarded against the Company. In such event, the Company’s liability may exceed the Company’s insurance coverage, if any.

While the Company’s facilities meet the food safety standards prescribed by the New Zealand MPI that minimise the risk of product contamination occurring, there is no guarantee that any such contamination will not occur. Any contamination or other failure to meet applicable food safety standards could result in removal of regulatory approval to pack, produce and/or export the Company’s products.

(m) Financial forecast risk
The pro forma forecast financial information for the 12 months ended 31 March 2018 in Section 8 are forward looking statements that are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the date of this Prospectus, are expected to take place. The Company may not achieve its forecast financial information as a result of factors, both known and unknown, including one or a combination of the risks outlined in this Section 3.7 and Section 7.

(n) General regulatory risks
The Company and its current and future products are subject to various laws and regulations, including, without limitation, manufacturing regulations, product liability laws, product content requirements, labelling and packing requirements, environmental laws, tax laws, anti-corruption laws, and export laws and regulations. The failure by the Company to comply with the laws and regulations in the jurisdictions in which it manufactures, exports and sells its products could result in the loss of access to those and other markets. In addition, compliance with government regulations may also subject the Company to additional fees and costs.

Further, changes to these laws and regulations (including interpretation and enforcement), or the failure by the Company to remain current with those changes, could adversely affect the Company’s business and financial performance.

(o) Export risk
The majority of the Company’s products are sold for ultimate exports from New Zealand. Any adverse changes to trade tariffs, quotas or duties, the subsidisation of local producers or the introduction of other trade barriers, including in connection with the renegotiation of the bilateral free trade agreement between China and New Zealand, could reduce the Company’s profitability and adversely affect its ability to export its products.

5 https://www.ers.usda.gov/publications/pub-details/?pubid=86230
3. INVESTMENT OVERVIEW

(p) Earthquake risk
The location of Keytone’s facilities, Christchurch, New Zealand, has experienced significant earthquakes. Future earthquakes could damage the Company’s facilities and reduce its production capacity during any down time, which would adversely affect the Company’s assets, operations and financial performance.

(q) Currency Risk
Whereas a substantial portion of Keytone’s revenues are earned in foreign currencies through the export of its products, its expenses are predominately in New Zealand dollars. To the extent Keytone sales are in foreign currencies and where the New Zealand dollar appreciates against those foreign currencies, the Company’s financial performance will be negatively affected. As a result, the Company is subject to foreign currency risk that may adversely affect its financial performance.

(r) Key personnel risk
The Company’s success depends on its key personnel, including its Executive Director and Chief Executive Officer James Gong and the rest of the management team. The loss of any of these people’s services could have a significant adverse effect on the Company and may hinder the ability of the Company to achieve its product development and growth objectives. Competition for personnel in the dairy industry is intense, and there is a limited number of persons with knowledge of, and experience in, this industry. In particular, the pool of labour in New Zealand is limited and expensive. A failure to attract and retain other executive, operational, technical and other personnel could limit the Company’s ability to grow.

(s) Taxation risk
The acquisition, ownership and disposal of Shares may have tax consequences for investors, which may vary depending on the individual financial affairs and tax residence of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Shares from a taxation viewpoint and generally. Please refer to Section 3.16 for a general summary of potential taxation consequences facing investors based on the applicable taxation law as at the date of this Prospectus.

(t) Concentration of ownership and dilution risk
The Company currently has 1 Share on issue and will issue 75,000,000 Shares and 49,500,000 Performance Shares in the Exchange, meaning that the maximum number of Shares issued under the Public Offer will represent up to approximately 50% of the issued Share capital of the Company on completion of the Offers (assuming the full oversubscription is raised). Further, assuming only the minimum subscription is raised under the Public Offer, the number of Shares issued will represent approximately only 44.44% of the issued Share capital of the Company on completion of the Offers. Assuming only the minimum subscription is raised, the Performance Shares convert into Shares and no other Shares are issued in the Company, the number of Shares issued under the Public Offer will represent approximately only 32.52% of the issued capital of the Company. There will therefore be a concentration of ownership within the existing shareholders of Keytone on completion of the Offers (and on any conversion of the Performance Shares should the relevant milestones be achieved in the future). Some investors may consider that this increases the risk of participating in the Public Offer.

(u) Liquidity
As noted above, 75,000,000 Shares and 49,500,000 Performance Shares in the Company will be issued to the existing owners of Keytone in the Exchange. The majority of these Shares and Performance Shares are likely to be classified by the ASX as restricted securities and be placed into escrow. Please refer to Section 3.14 for further details. Some investors may consider that there is an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

There is currently no public market through which the Shares may be sold. On completion of the Offers, there can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase or not decrease. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any time. This may increase the volatility of the market price of the Shares and may prevent investors from acquiring more Shares or disposing of Shares they acquire under the Offers. It may also affect the prevailing market price at which the Shareholders are able to sell their Shares. This may result in Shareholders who acquire Shares under the Public Offer receiving a market price for their Shares that is less or more than the Public Offer price.

The above list of risk factors should not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 7 of this Prospectus before deciding whether to apply for Securities pursuant to this Prospectus.
3. INVESTMENT OVERVIEW

3.8 THE OFFERS

Under the Public Offer, the Company invites applications for 60,000,000 Shares at an issue price of $0.20 per Share to raise $12,000,000. Oversubscriptions of up to a further 15,000,000 Shares at an issue price of $0.20 per Share to raise up to a further $3,000,000 may be accepted. As such, the maximum amount that can be raised under the Public Offer is $15,000,000.

The Prospectus also includes an offer of 75,000,000 Shares and 49,500,000 Performance Shares in consideration for the acquisition of Keytone. Only the Keytone shareholders may accept the Consideration Offer. The key information relating to the Offers and references to further details are set out below.

3.9 INDICATIVE TIMETABLE*

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodgement of Prospectus with the ASIC</td>
<td>30 April 2018</td>
</tr>
<tr>
<td>Opening Date</td>
<td>8 May 2018</td>
</tr>
<tr>
<td>Closing Date</td>
<td>1 June 2018</td>
</tr>
<tr>
<td>Despatch of holding statements</td>
<td>12 June 2018</td>
</tr>
<tr>
<td>Expected date for quotation on ASX</td>
<td>19 June 2018</td>
</tr>
</tbody>
</table>

* The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without notice.

3.10 PURPOSE OF THE PUBLIC OFFER

The purpose of the Public Offer is to facilitate an application by the Company for admission to the Official List of ASX and position the Company to seek to achieve the objectives set out above in Section 3.5.
3. INVESTMENT OVERVIEW

3.11 USE OF FUNDS

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves, over the first two years following admission of the Company to the official list of ASX as follows:

<table>
<thead>
<tr>
<th>Funds available</th>
<th>Minimum Subscription ($) ($12,000,000)</th>
<th>Percentage of Funds (%)</th>
<th>Full Subscription ($) ($15,000,000)</th>
<th>Percentage of Funds (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Cash Reserves¹</td>
<td>$1,347,004</td>
<td>10.1%</td>
<td>$1,347,004</td>
<td>8.2%</td>
</tr>
<tr>
<td>IPO funds</td>
<td>$12,000,000</td>
<td>89.9%</td>
<td>$15,000,000</td>
<td>91.8%</td>
</tr>
<tr>
<td>Total</td>
<td>$13,347,004</td>
<td>100%</td>
<td>$16,347,004</td>
<td>100%</td>
</tr>
</tbody>
</table>

Application of Funds

| Expenses of the Offers²          | $1,578,547                            | 11.8%                   | $1,761,697                           | 10.8%                   |
| Expansion of manufacturing capacity including new dry products line | $3,992,110                            | 29.9%                   | $5,635,920                           | 34.5%                   |
| Expansion of operational staff   | $1,103,701                            | 8.3%                    | $1,141,274                           | 7%                      |
| Expansion of sales staff         | $836,934                              | 6.3%                    | $1,000,141                           | 6.1%                    |
| Sales and marketing              | $821,905                              | 6.2%                    | $1,174,150                           | 7.2%                    |
| Executive, head office and overhead | $2,136,201                            | 16%                     | $2,554,199                           | 15.6%                   |
| Administration and overheads¹    | $1,074,347                            | 8%                      | $1,298,610                           | 7.9%                    |
| Working capital                  | $1,553,259                            | 11.6%                   | $1,531,014                           | 9.4%                    |
| Repayment of Shareholder Loan    | $250,000                              | 1.9%                    | $250,000                             | 1.5%                    |
| Total                            | $13,347,004                           | 100%                    | $16,347,004                          | 100%                    |

1. As at 31 March 2018.
2. Refer to Section 11.10 of this Prospectus for further details.
3. Including, but not limited to, rent, utilities, insurance and travel, IT, share registry and company secretarial costs.

As noted above, the Company intends to use approximately $3,992,110 of the capital raised under the Public Offer (assuming minimum subscription), or approximately $5,635,920 (assuming full oversubscription), to fund the expansion of Keytone’s manufacturing capacity including the addition of new dry products lines at Keytone’s existing facilities and the two manufacturing facilities that Keytone intends to build, the first of which will expand its dry production capacity from approximately 1,500 tonnes per annum to approximately 5,000 tonnes per annum.

The Company intends to use approximately $2,136,201 of the capital raised under the Public Offer (assuming minimum subscription), or approximately $2,554,199 (assuming full oversubscription) to hire additional head office staff, pay contractually agreed-upon salaries to retain the Company’s executives, and to pay other overhead costs that will be borne by the Company in connection with the execution of its growth strategy.

In addition, the Company intends to use approximately $1,103,701 of the capital raised under the Public Offer (assuming minimum subscription), or approximately $1,141,274 (assuming full oversubscription) to fund the expansion of operational staff required for the expansion of the Company’s manufacturing capacity, including the appointment of a warehouse supervisor, production manager, machine operators and research and development personnel.

Further, the Company intends to use approximately $836,934 of the capital raised under the Public Offer (assuming minimum subscription), or approximately $1,000,141 (assuming full oversubscription) to fund the expansion of sales staff, including the appointment of a head of business development, sales manager, sales executives and marketing assistants.

It is anticipated that the funds raised under the Public Offer will enable at least two years of full operations (if the minimum subscription is raised).

In the event the Company raises more than the minimum subscription of $12,000,000, the additional funds raised will be first applied towards the additional expenses of the Offers, then towards expanding the Company’s manufacturing capacity in connection with the construction of the two plant facilities and new dry products line, and then towards sales and marketing and working capital. On completion of the Public Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.
The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances (including the need to adapt to a changing competitive environment, and the level of demand for the Company’s products) have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The use of further debt or equity funding will be considered by the Board where it is appropriate to expand sales, accelerate product development, develop additional production capacity, or capitalise on further opportunities.

3.12 CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offers (assuming minimum subscription and full oversubscriptions under the Public Offer) is summarised below1:

### Shares

<table>
<thead>
<tr>
<th></th>
<th>Minimum Subscription</th>
<th>Full Over-subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares currently on issue</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Shares to be issued pursuant to the Exchange Deed</td>
<td>75,000,000</td>
<td>75,000,000</td>
</tr>
<tr>
<td>Shares to be issued pursuant to the Public Offer</td>
<td>60,000,000</td>
<td>75,000,000</td>
</tr>
<tr>
<td><strong>Total Shares on completion of the Offers</strong></td>
<td><strong>135,000,001</strong></td>
<td><strong>150,000,001</strong></td>
</tr>
</tbody>
</table>

### Options

<table>
<thead>
<tr>
<th></th>
<th>Minimum Subscription</th>
<th>Full Over-subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options currently on issue</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Options to be issued to Directors and management</td>
<td>8,500,000</td>
<td>8,500,000</td>
</tr>
<tr>
<td>Options to be issued to the Lead Manager (or its nominees)</td>
<td>12,000,000</td>
<td>12,000,000</td>
</tr>
<tr>
<td><strong>Total Options on completion of the Offers</strong></td>
<td><strong>20,500,000</strong></td>
<td><strong>20,500,000</strong></td>
</tr>
</tbody>
</table>

### Performance Shares

<table>
<thead>
<tr>
<th></th>
<th>Minimum Subscription</th>
<th>Full Over-subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Shares currently on issue</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Performance Shares to be issued under the Public Offer</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Performance Shares to be issued pursuant to the Exchange Deed</td>
<td>49,500,000</td>
<td>49,500,000</td>
</tr>
<tr>
<td><strong>Total Performance Shares on completion of the Offers</strong></td>
<td><strong>49,500,000</strong></td>
<td><strong>49,500,000</strong></td>
</tr>
</tbody>
</table>

1. Refer to the Independent Limited Assurance Report set out in Section 8 of this Prospectus for further details.
2. The rights attaching to the Shares are summarised in Section 11.2 of this Prospectus.
3. The Share currently on issue was issued on the date of incorporation of the Company to Long Hill Capital IV, LLC.
4. Refer to Section 10.1 for a summary of the terms of the Exchange Deed pursuant to which these Shares are to be issued.
5. Each Option will be unquoted and is exercisable at $0.30 cents on or before the third anniversary of the date of its vesting. Refer to Section 3.20 for details of the vesting conditions attached to such Options and to Section 11.3 for the full terms and conditions of these Options.
6. Each Option will be unquoted and is exercisable at $0.30 cents on or before the third anniversary of the date of its issue. Refer to Section 11.4 for the full terms and conditions of these Options and to Section 10.2 for a summary of the Lead Manager Mandate.
7. Consisting of 16,500,000 Class A Performance Shares, 16,500,000 Class B Performance Shares and 16,500,000 Class C Performance Shares. Each Performance Share is convertible into one Share in the Company on the achievement of certain milestones. Refer to Section 11.5 for the full terms and conditions of these Performance Shares.
### 3. INVESTMENT OVERVIEW

#### 3.13 SUBSTANTIAL SHAREHOLDERS

Those Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus assuming completion under the Exchange Deed has occurred and on completion of the Public Offer (assuming minimum subscription) are set out in the respective tables below.

**As at the date of the Prospectus**

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Shares</th>
<th>Options</th>
<th>% (undiluted)</th>
<th>% (fully diluted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Hill Capital IV, LLC</td>
<td>1</td>
<td>–</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**As at the date of the Prospectus and assuming the Shares under the Exchange Deed are issued to the Keytone shareholders**

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Shares</th>
<th>Options</th>
<th>% (undiluted)</th>
<th>% (fully diluted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vivienne Cheung1</td>
<td>25,618,812</td>
<td>–</td>
<td>34.16</td>
<td>34.16</td>
</tr>
<tr>
<td>James Gong1</td>
<td>12,623,762</td>
<td>–</td>
<td>16.83</td>
<td>16.83</td>
</tr>
<tr>
<td>Long Hill Capital IV, LLC</td>
<td>33,044,555</td>
<td>–</td>
<td>44.06</td>
<td>44.06</td>
</tr>
</tbody>
</table>

1. Vivienne Cheung and James Gong are spouses and are associates of each other for the purposes of the Corporations Act.

**On completion of the Offers (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Public Offer and no subscriber in the Public Offer becomes a substantial Shareholder as a result of their subscription)**

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E=C+D</th>
<th>F=A/C</th>
<th>G=A/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vivienne Cheung2</td>
<td>25,618,812</td>
<td>–</td>
<td>135,000,001</td>
<td>20,500,000</td>
<td>155,500,001</td>
<td>18.98</td>
<td>16.48</td>
</tr>
<tr>
<td>James Gong2</td>
<td>12,623,762</td>
<td>–</td>
<td>135,000,001</td>
<td>20,500,000</td>
<td>155,500,001</td>
<td>9.35</td>
<td>8.12</td>
</tr>
<tr>
<td>Long Hill Capital IV, LLC1</td>
<td>33,044,555</td>
<td>–</td>
<td>135,000,001</td>
<td>20,500,000</td>
<td>155,500,001</td>
<td>24.48</td>
<td>21.25</td>
</tr>
</tbody>
</table>

1. Long Hill Capital IV, LLC and/or its related parties may participate in the Public Offer.
2. Vivienne Cheung and James Gong are spouses and are associates of each other for the purposes of the Corporations Act.

**On completion of the Offers (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Public Offer, no subscriber in the Public Offer becomes a substantial Shareholder as a result of their subscription, all of the Performance Shares convert into Shares and no other Shares are issued in the Company)**

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>A</th>
<th>A1</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E=C+D</th>
<th>F=(A+A1)/C</th>
<th>G=(A+A1)/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vivienne Cheung2</td>
<td>25,618,812</td>
<td>16,908,417</td>
<td>–</td>
<td>184,500,001</td>
<td>20,500,000</td>
<td>205,000,001</td>
<td>23.05</td>
<td>20.75</td>
</tr>
<tr>
<td>James Gong2</td>
<td>12,623,762</td>
<td>8,331,684</td>
<td>–</td>
<td>184,500,001</td>
<td>20,500,000</td>
<td>205,000,001</td>
<td>11.36</td>
<td>10.22</td>
</tr>
<tr>
<td>Long Hill Capital IV, LLC1</td>
<td>33,044,555</td>
<td>21,809,403</td>
<td>–</td>
<td>184,500,001</td>
<td>20,500,000</td>
<td>205,000,001</td>
<td>29.73</td>
<td>26.76</td>
</tr>
</tbody>
</table>

1. Long Hill Capital IV, LLC and/or its related parties may participate in the Public Offer.
2. Vivienne Cheung and James Gong are spouses and are associates of each other for the purposes of the Corporations Act.

The Company will announce to the ASX details of its top 20 Shareholders (following completion of the Offers) prior to the Shares commencing trading on ASX.
3. INVESTMENT OVERVIEW

3.14 RESTRICTED SECURITIES

Subject to the Company being admitted to the Official List, certain Shares, Performance Shares and Options will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Securities are prohibited from being transferred, trading in Securities may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Securities in a timely manner.

It is estimated that 66,373,670 Shares, 49,500,000 Performance Shares and 20,500,000 Options will be subject to escrow as follows:

(a) 1 Share issued on the incorporation of the Company for 24 months from the date of Official Quotation (held by Long Hill Capital IV, LLC, the sole shareholder of the Company at the date of this Prospectus);

(b) 66,373,670 Shares and 49,500,000 Performance Shares for 24 months from the date of Official Quotation (to be issued under the Exchange Deed and held by the shareholders of Keytone);

(c) 8,500,000 Options for 24 months from the date of Official Quotation (held by Directors and Management); and

(d) 12,000,000 Options for 24 months from the date of Official Quotation (to be issued to the Lead Manager).

The Company will announce to the ASX full details (quantity and duration) of the Shares, Performance Shares and Options required to be held in escrow prior to the Shares commencing trading on ASX.

3.15 FINANCIAL INFORMATION

The Company was only recently incorporated (28 September 2017) and has no operating history or history of financial performance.

Contained in the financial information in Section 8 is the pro forma historical statement of financial position as at 30 September 2017 and related notes to provide investors with a summary of the Company's historical financial information assuming the Company had existed and Keytone had been owned by the Company at that date.

In addition, contained in the financial information in Section 8 is the statutory forecast financial information for the 12 months ending 31 March 2018 to provide investors with a summary of the Company's prospective financial information assuming the Company had existed for the duration of that financial period and Keytone had been owned by the Company for that period, based on management's assessment of present economic and operating conditions and on a number of assumptions, including the general assumptions and the Director's best estimate specific assumptions set out in Section 8.6.5. Forecast financial information beyond 31 March 2018 is not included as this is not within the usual practise of Keytone’s management and is considered likely to be less reliable given the continued growth and proposed changes to the Company's business in the coming financial year.

This Prospectus is taken to include information contained in the audited annual financial statements of Keytone for the 12 months ended 31 March 2016 and 2017 and the half year ended 30 September 2017 (together, the Included Documents).

The Included Documents were lodged with ASIC on the date of this Prospectus. The Company will give a copy of the Included Documents free of charge to any investor who asks for a copy before the Closing Date. Any such request should be made by contacting the Company at its registered office during normal business hours. The Company will also announce the Included Documents to the ASX prior to the Shares commencing trading on ASX.

Please refer to the financial information in Section 8 of this Prospectus for further details.

3.16 TAXATION

The acquisition, ownership and disposal of Securities may have tax consequences, which will vary depending on the individual financial affairs and tax residence of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.

The information contained in Section 3.7(s) and in this Section 3.16 is not a complete summary of potential taxation consequences facing investors based on the applicable taxation law as at the date of this Prospectus. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus or the reliance of any Shareholder on any part of the summary contained in, Section 3.7(s), this Section 3.16 or Section 5.9.
3. INVESTMENT OVERVIEW

3.17 DIVIDEND POLICY
The Company anticipates that significant expenditure will be incurred in the furtherance of the Company’s development. These activities are expected to dominate the two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3.18 DIRECTORS AND KEY PERSONNEL
Set out below are short descriptions of the Directors and key personnel of the Company. Please refer to Section 9.1 for the full biographies of the Directors and key personnel.

James Gong
Executive Director and Chief Executive Officer
Mr. Gong is a co-founder of Keytone. Prior to founding Keytone, Mr. Gong was the Sales and Marketing Manager at Westland Co-operative Dairy Company Limited (also known as Westland Milk Products), a major producer of dairy and infant nutrition ingredients in New Zealand, where was responsible for sales and exports to Asia, for 11 years.

Bernard Kavanagh
Non-Executive Chairman
Mr. Kavanagh was formerly an Executive Director, Chief Financial Officer and General Manager – Corporate Development of Warrnambool Cheese and Butter Factory Co Ltd. Following Warrnambool being acquired by Saputo Inc of Canada in January 2014 he was appointed General Manager – Corporate Development and Vice President in Saputo Dairy International division. Mr. Kavanagh has held non-executive directorships at Warrnambool Cheese and Butter Co – Japan (located in Tokyo Japan) and also at Great Ocean Ingredients Pty Ltd (a joint venture company between WCB and Royal Friesland Campina of The Netherlands).

Peter Hobman
Non-Executive Director
Mr. Hobman currently provides business development consulting services to dairy-related businesses and other organisations globally. He is a Director of NZ Food Innovation Waikato Ltd, NZ and Waikato Innovation Growth Ltd. He held the position of General Manager, MG Nutritionalis Ltd, Murray Goulburn Coop Dairy Co Ltd, Australia from 2002 to 2012 with responsibility for the creation and executive management of the new business unit. These activities covered R & D and marketing and sales of B2B and own-brand retail pediatric nutrition powders, sports nutrition (powders, bars and beverages), formulated meal replacers for hospital diets and specialised bioactive ingredients such as lactoferrin.

Robert Clisdell
Non-Executive Director
Mr. Clisdell is a non-executive director of DroneShield Limited (ASX:DRO) and UUV Aquabotix Limited (ASX:UUV) and is the head of Bergen Capital (Australia), LLC’s Sydney office.

Jourdan Thompson
Chief Financial Officer
Mr. Thompson has over 15 years’ industry experience in investment banking, finance and restructuring both in Australia and Europe. Mr. Thompson has spent the last 10 years in investment banking, working most recently for Greenhill & Co. as a director, based in the Sydney office and prior to this for ING Investment Bank based in London. During his time at Greenhill, Mr. Thompson principally focussed on strategic and advisory mandates for ASX200 clients. Mr. Thompson began his career at KPMG in the Corporate Recovery and Restructuring team (now McGrathNicol), prior to moving to the Corporate Finance team at Ernst & Young.
3. INVESTMENT OVERVIEW

Vivienne Cheung
Chief Operating Officer
Mrs. Cheung is a co-founder of Keytone and has served as a key employee since its inception. Mrs. Cheung has over 20 years of experience in finance and banking at Bank of China Shanghai and ASB Bank of New Zealand.

Richard Fyers
General Counsel
Mr. Fyers is senior partner at the New Zealand commercial law firm Fyers Joyce. He was formerly a partner at national firm Buddle Findlay and is a current executive member and former chairman of the New Zealand China Trade Association. He provides strategic, governance and commercial legal advice to a wide range of enterprises including exporters to China and elsewhere.

Andrew Bursill
Company Secretary
Mr. Bursill is a Chartered Accountant with more than 20 years of accounting experience. He is a Principal at Franks & Associates Pty Ltd, where he has assisted publicly listed and unlisted companies since 1998 with capital raising activities, financial management, investor relations and company secretarial services and compliance. Mr. Bursill is a Company Secretary of numerous publicly listed entities and several unlisted public and private companies.

3.19 CORPORATE GOVERNANCE

To the extent applicable, in light of the Company’s size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations).

The Company’s main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 9.2 of this Prospectus and the Company’s departures from the Recommendations are set out in Section 9.3 of this Prospectus.

In addition, the Company’s full Corporate Governance Plan is available from the Company’s website www.keytonedairy.com.

3.20 DISCLOSURE OF INTERESTS

The Company has not paid any remuneration to its Board since incorporation to the date of this Prospectus. However, remuneration has accrued since incorporation to the date of this Prospectus as follows (Bernard Kavanagh $73,750, Peter Hobman $26,250 and Robert Clisdell $11,250) and will be paid to the Board as soon as practicable after the Company is admitted to the Official List of ASX. Further, in the same period, Keytone has paid Mr. Gong remuneration of approximately $37,560.

For each of the Directors of the Company, the proposed annual remuneration for the financial year following the Company being admitted to the Official List together with the relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

<table>
<thead>
<tr>
<th>Director</th>
<th>Remuneration</th>
<th>Shares</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Gong</td>
<td>$292,528</td>
<td>38,242,574</td>
<td>–</td>
</tr>
<tr>
<td>Bernard Kavanagh¹</td>
<td>$150,000</td>
<td>–</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Peter Hobman</td>
<td>$70,000</td>
<td>–</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Robert Clisdell¹</td>
<td>$30,000</td>
<td>–</td>
<td>500,000</td>
</tr>
</tbody>
</table>

1. Each Option will be unquoted and exercisable at $0.30 cents each on before the third anniversary of the date of its vesting.
2. From the date the Company is admitted to the Official List (Listing Date), Mr. Gong will be paid NZ$318,000 per annum (approximately $292,528 per annum) in his capacity as the Chief Executive Officer of both Keytone and the Company under his executive services agreement.
3. Mr. Gong owns approximately 16.83% of the issued share capital of Keytone. In connection with the Exchange, Mr. Gong will be issued 12,623,762 Shares and 8,331,684 Performance Shares in the Company in consideration for the Company’s acquisition of his shareholding in Keytone. Further, Mr. Gong’s spouse, Vivienne Cheung, who is Mr. Gong’s associate for the purposes of the Corporations Act, will be issued 25,618,812 Shares and 16,908,417 Performance Shares in the Company in consideration for the Company’s acquisition of her shareholding in Keytone.
4. The Options to be granted to Mr. Kavanagh, Mr. Hobman and Mr. Clisdell will vest on the Listing Date.
5. Exclusive of superannuation.
6. The Directors of the Company may participate in the Public Offer.
3. INVESTMENT OVERVIEW

3.21 AGREEMENTS WITH DIRECTORS OR RELATED PARTIES

The Company’s policy in respect of related party arrangements is:

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is, unless otherwise agreed by the Board (excluding the relevant Director), not present while the matter is being considered at the meeting and does not vote on the matter.

Executive Employment Agreement – James Gong

James Gong has entered into an executive employment agreement with the Company and Keytone to act in the capacities of Chief Executive Officer of the Company and of Keytone. Mr. Gong has also entered into an appointment letter with the Company to act as a Director of the Company. Mr. Gong is currently receiving an annual salary of NZ$70,000 from Keytone (approximately $64,393 per annum). Commencing on the date the Company is admitted to the Official List, Mr. Gong will receive a salary of NZ$318,000 per annum (approximately $292,528 per annum) from Keytone (which will be the Company’s wholly-owned subsidiary from the Listing Date) and the Company.

Executive Employment Agreement – Vivienne Cheung

Vivienne Cheung has entered into an executive employment agreement with the Company and Keytone to act in the capacities of Chief Operating Officer of Keytone and the Company. Ms. Cheung is currently receiving an annual salary of NZ$60,000 from Keytone (approximately $55,194 per annum). Commencing on the date the Company is admitted to the Official List, Ms. Cheung will receive a salary of NZ$217,000 per annum (approximately $199,618 per annum) from Keytone (which will be the Company’s wholly-owned subsidiary from the Listing Date) and the Company. Ms. Cheung is the spouse of James Gong. Please refer to Section 10.10 for full details.

Appointment Letters – Bernard Kavanagh, Peter Hobman and Robert Clisdell

Bernard Kavanagh, Peter Hobman and Robert Clisdell have entered into appointment letters with the Company to act in the capacity of Non-Executive Chairman and Non-Executive Directors respectively. These Directors will receive the remuneration set out in Section 3.20 above upon the Company being admitted to the Official List.

Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

Exchange Deed – Keytone Enterprises (NZ) Company Limited

As set out above, the Company is party to the Exchange Deed with the current shareholders of Keytone to acquire 100% of the issued share capital of Keytone. Mr. Gong, a Director and the Chief Executive Officer of the Company, and the sole Director and Chief Executive Officer of Keytone, currently owns approximately 16.83% of the issued share capital of Keytone, and Ms. Cheung, an officer of Keytone, currently owns approximately 34.16% of the issued share capital of Keytone. Pursuant to the Exchange, Mr. Gong, in these capacities, will be issued an aggregate of 12,623,762 Shares and 8,331,684 Performance Shares in the Company, and Ms. Cheung, in these capacities, will be issued an aggregate of 25,618,812 Shares and 16,908,417 Performance Shares in the Company, in consideration for the Company’s acquisition of their respective shareholdings in Keytone. Mr. Gong and Ms. Cheung are spouses and associates for the purposes of the Corporations Act.

As such, the Exchange Deed is a related party arrangement. The sole shareholder of the Company, Long Hill Capital IV, LLC (who is unrelated to Mr. Gong or Ms. Cheung) approved the entry by the Company into the Exchange Deed (which is deemed under the Corporations Act to be the giving of a financial benefit to Mr. Gong and Ms. Cheung). The Board (other than Mr. Gong) also note that the Exchange Deed is on arm’s length terms given the issues of Shares and Performance Shares to Mr. Gong and Ms. Cheung are on the same terms as the Shares and Performance Shares to be issued to all unrelated party Keytone shareholders under the Exchange. Full details of the material terms and conditions of the Exchange Deed are set out at Section 10.1 of this Prospectus.

Loan Agreement – Long Hill Capital IV, LLC

The Company is party to a Loan Agreement with Long Hill Capital IV, LLC (the sole Shareholder of the Company at the date of this Prospectus) pursuant to which it can borrow a maximum of $250,000. Details of the material terms and conditions of the Loan Agreement are set out at Section 10.12 of this Prospectus.
4. CHAIRMAN’S LETTER
Dear Investor,

On behalf of the directors of Keytone Dairy Corporation Limited (Company), I am delighted to invite you to become a shareholder of the Company.

The Company is seeking to raise a minimum $12,000,000 through an issue of 60,000,000 Shares at a price of $0.20 per Share (Public Offer). Oversubscriptions of up to a further 15,000,000 Shares at an issue price of $0.20 per Share to raise up to a further $3,000,000 may be accepted under the Public Offer. The maximum amount which can be raised under the Public Offer is therefore $15,000,000.

The Company was formed on 28 September 2017 for the sole purpose of acquiring Keytone, and managing and operating Keytone’s business.

Keytone is a New Zealand-based manufacturer and exporter of dairy and nutrition products, with a focus on powdered dairy products. Keytone was founded in 2011 and commenced manufacturing in 2014.

Keytone has successfully commercialised and sells retail packs of whole milk and skim milk powder products under its proprietary brands. In addition, Keytone manufactures and packs colostrum milk powder, kiwifruit milk powder and other dairy products. Keytone’s milk powders and other products are sold to leading supermarkets, retail chains, dairy producers and other customers under Keytone’s own brands as well as private label brands, primarily in New Zealand and China.

Keytone is focused on providing high-margin, value-added products for export globally, including to China and other Asian countries, as well as domestic sales to discerning supermarket customers that are household names in New Zealand. Based in the fastest growing dairy region in New Zealand, Keytone is registered to export dairy products to China, which is experiencing high demand for New Zealand dairy products due to New Zealand’s “clean and green” reputation. It has established distribution channels and experience in China and other Asian countries.

The dairy and nutrition markets are growing rapidly in Asia, particularly in China, driven by the removal of the one-child policy and the growth in the middle-class population. It is estimated that the addressable market in the global powdered dairy industry and nutritional and nutraceutical ingredients industry is at least US$33.6 billion67 (approximately $44.4 billion). The Company seeks to capitalise on its existing and expected demand through applying the funds raised in the Public Offer to expand its manufacturing capabilities and product range, as well as penetrate new and existing markets by investing in marketing and distribution capabilities.

Before making your decision to invest, I ask that you carefully read this Prospectus, consider the extensive risks of investing in the Company (which include the risk factors set out in Sections 3.7 and 7) and seek professional advice if required.

On behalf of the Board, I commend the Offers to you and look forward to welcoming you as a Shareholder.

Yours sincerely

Bernard Kavanagh
Chairman

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5. DETAILS OF THE OFFERS
5. DETAILS OF THE OFFERS

5.1 PUBLIC OFFER

Pursuant to this Prospectus, the Company invites applications for 60,000,000 Shares at an issue price of $0.20 per Share to raise $12,000,000 under the Public Offer.

The Company may accept oversubscriptions of up to a further $3,000,000 through the issue of up to a further 15,000,000 Shares at an issue price of $0.20 each under the Public Offer. The maximum amount which may be raised under this Prospectus is therefore $15,000,000.

The Shares offered under the Public Offer will rank equally with the existing Share on issue.

5.2 CONSIDERATION OFFER

This Prospectus includes an offer of 75,000,000 Shares and 49,500,000 Performance Shares to be issued to the Keytone shareholders pursuant to the Exchange Deed in consideration for the acquisition by the Company of the entire issued capital of Keytone. The material terms and conditions of the Exchange Deed are summarised at Section 10.1 of this Prospectus.

The Shares offered under the Consideration Offer will rank equally with the existing Share on issue. The terms of the Performance Shares are summarised in Section 11.5.

Only the Keytone shareholders may accept the Consideration Offer. A personalised Application Form in relation to the Consideration Offer will be issued to the Keytone shareholders together with a copy of this Prospectus.

The Shares and Performance Shares issued under the Consideration Offer will be subject to escrow under the ASX Listing Rules. Please refer to Section 3.14 for a summary of the expected escrow position.

5.3 MINIMUM SUBSCRIPTION

If the minimum subscription to the Public Offer of $12,000,000 has not been raised within four months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Securities and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

5.4 APPLICATIONS

Applications for Shares under the Public Offer must be made using the Public Offer Application Form or through the BPAY® or electronic funds transfer payment facilities described on the Public Offer Application Form. If you wish to make your payment by BPAY® or by electronic funds transfer, please refer to the instructions on the Public Offer Application Form. BPAY® and electronic funds transfer payments must be received by no later than 5:00pm (Sydney time) on the Closing Date.

Applications for Shares under the Public Offer must be for a minimum of 10,000 Shares and thereafter in multiples of 500 Shares and payment for the Shares must be made in full at the issue price of $0.20 per Share.

If you apply using a paper Public Offer Application Form, you cannot pay for Shares using BPAY® or electronic funds transfer. Instead, you must pay by cheque, bank draft or money order. Completed Public Offer Application Forms and accompanying cheques, made payable to “Keytone Dairy Corporation Limited Public Offer” and crossed “Not Negotiable”, bank drafts or money orders must be mailed or delivered to the address set out on the Public Offer Application Form by no later than the Closing Date.

Applications for Shares under the Consideration Offer must be made using the Consideration Offer Application Form. Completed Consideration Offer Application Forms must be received by the Company by no later than the Closing Date. Only the Keytone shareholders may accept the Consideration Offer.

The Company reserves the right to close the Offers early.

5.5 ASX LISTING

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. The Company will not apply for Official Quotation of the Performance Shares offered under this Prospectus or the Options which will be issued by the Company.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Securities and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.
5. DETAILS OF THE OFFERS

5.6 ISSUE
Subject to the minimum subscription to the Public Offer being reached (see Section 5.3 above) and ASX granting conditional approval for the Company to be admitted to the Official List, the issue of the Securities offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

To the extent application monies (or subscription proceeds in United States nomenclature) are raised through a concurrent Regulation D offering in the United States (see Section 5.8.1 below) or an equivalent concurrent offering in the United Kingdom (Section 5.8.2), Singapore (Section 5.8.3), Hong Kong (Section 5.8.4), Malaysia (Section 5.8.5 below), the People’s Republic of China (Section 5.8.6 below), or any offering in any other jurisdiction in which it is lawful to make such offering (see Section 5.8 below), any subscription proceeds furnished by investors in such a concurrent offering will be included for calculating whether the minimum subscription has been reached, and such proceeds will be held in trust for these investors along with those proceeds invested by applicants generally, pending the issue of the Securities or payment of any refunds as set out in Sections 5.3 and 5.5. For investors in the United States, such proceeds must be returned to such investors if the Closing Date does not occur by 4 months from the date of the Prospectus.

The Directors will determine the recipients of the issued Shares under the Public Offer in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for under the Public Offer. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date. While Long Hill Capital IV, LLC (the sole Shareholder at the date of this Prospectus) may participate in the Public Offer, it has made no commitment to participate and priority will be given to other investors over Long Hill Capital IV, LLC in the allocation of Shares under the Public Offer.

5.7 INFORMATION FOR NEW ZEALAND RESIDENTS
The Public Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014. Refer to Section 2.4 for further details.

5.8 APPLICANTS OUTSIDE AUSTRALIA AND NEW ZEALAND
This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia and New Zealand. Applicants who are resident in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia or New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained. The Company will be the sole judge of whether an investor possesses such qualifications as may be required to purchase Shares. Notwithstanding the delivery of this Prospectus or other materials, the Company does not intend to extend an offer to sell or to solicit an offer to buy its Shares until it determines that the investor is qualified and expressly communicates such determination to the investor by accepting that investor’s subscription.
5. DETAILS OF THE OFFERS

5.8.1 United States securities law matters

The offering of Shares under this Prospectus is being effected outside the United States of America (“United States”) pursuant to Regulation S (Regulation S), a “safe harbor” from registration under the United States Securities Act of 1933, as amended (the Securities Act). The Shares offered by this Prospectus are being offered and sold outside the United States in an “offshore transaction” without “directed selling efforts” in the United States, as both these terms are used in Regulation S.

Each applicant purchasing Shares outside the United States will be taken to have represented, warranted and agreed as follows:

> the offer under this Prospectus was not made to the applicant while in the United States, and the applicant is not in the United States at the time of lodging its application;

> it will be purchasing the Shares in an “offshore transaction” meeting the requirements of Regulation S; and

> its purchase of Shares is not as a result of “directed selling efforts” in the United States.

The Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States, and the Shares may not be offered or sold, directly or indirectly, in the United States, except in a transaction exempt from the registration requirements of the Shares Act and the qualification requirements of applicable state laws.

The Company intends to conduct a private offering of the Shares in the United States, concurrent with the offer of Shares under this Prospectus, pursuant to Regulation D, a “safe harbour” exemption under the Securities Act.

5.8.2 United Kingdom

Neither the information in this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA) has been published or is intended to be published in respect of the Shares offered pursuant to this Prospectus. This document is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Shares offered pursuant to this Prospectus may not be offered or sold, directly or indirectly, in the United States, except in a transaction exempt from the registration requirements of the Shares Act and the qualification requirements of applicable state laws.

The Company intends to conduct a private offering of the Shares in the United States, concurrent with the offer of Shares under this Prospectus, pursuant to Regulation D, a “safe harbour” exemption under the Securities Act.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares offered pursuant to this Prospectus has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons:

(a) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO);

(b) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or

(c) to whom it may otherwise be lawfully communicated,

(together, relevant persons).

The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.)
5. DETAILS OF THE OFFERS

5.8.3 Singapore

This Prospectus and any other materials relating to the Shares do not constitute a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (SFA) and have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. This Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than to (i) an ‘institutional investor’ (as defined in section 4A(c) of the SFA); (ii) a ‘relevant person’ (as defined in section 275(2) of the SFA); (iii) pursuant to and in accordance with the exemptions in Subdivision (4) Division 1, Part XIII of the SFA; or (iv) otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

The following applies to persons in Singapore. This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an “institutional investor” (as defined in section 4A(c) of the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore. Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares and you should note that any offer contained in this Prospectus is subject to the general resale restriction under section 257 of the SFA. You shall not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the Shares in Singapore unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

5.8.4 Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a Prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) (the CWUMP) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong by means of any document other than (a) to “professional investors” (as defined in the SFO) or (b) in other circumstances which do not result in the document being a “Prospectus” as defined in the CWUMP or which do not constitute an offer to the public within the meaning of the CWUMP.

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued Shares may sell, or offer to sell, such securities in circumstances which amount to an “offer to the public” (within the meaning of the CWUMP) in Hong Kong following the date of issue of such Shares.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Public Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

5.8.5 Malaysia

No approval, authorization or recognition from the Securities Commission of Malaysia (the SCM) has been applied for or will be obtained for the offer or sale, invitation for subscription or purchase of the Shares under the Malaysian Capital Markets and Services Act 2007 (CMSA). No prospectus or other offering material or document in connection with the offer or sale, invitation for subscription or purchase of the Shares has been or will be registered with the SCM as a prospectus or a disclosure document under the CMSA. By reason of the foregoing, whether or not you invest in the Shares, if you are in Malaysia, you may not distribute any information regarding the Shares. Any other reproduction or distribution of such information regarding the Shares in Malaysia, in whole or in part, or the disclosure of its contents in Malaysia, without the Company’s prior written consent, is prohibited.
5. DETAILS OF THE OFFERS

5.8.6 People’s Republic of China

The information in this Prospectus does not constitute a public offer of Shares, whether by way of sale or subscription, in the People’s Republic of China (PRC) (excluding, for the purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to “qualified domestic institutional investors” authorised by the competent Chinese regulatory authorities.

5.9 TAXATION

5.9.1 Certain Australian Tax Consequences to Holders of Shares

The following discussion summarises certain Australian tax consequences to investors who subscribe for Shares under this Prospectus. This discussion assumes that investors hold Shares as a capital asset (generally, property held for investment rather than for resale at a profit) and does not address all of the potential Australian tax consequences of the ownership of Shares. In particular, it does not address the positions of investors who acquire Shares in the course of a business of trading in securities or who otherwise hold Shares on revenue account or as trading stock, nor does it address the position of investors who are subject to the provisions regarding the “taxation of financial arrangements” in Division 230 of the Income Tax Assessment Act 1997.

(a) Dividends

Australian resident investors will be required to include the amounts of any dividends paid by the Company in their assessable income. The Company does not expect to be subject to Australian income tax in respect of a potentially significant portion of its profit, being that portion derived in the form of dividends from its wholly-owned operating subsidiary, Keytone. Accordingly, the Company does not expect to be in a position to frank a material portion of any dividends which it may pay.

To the extent that a dividend paid by the Company is franked, an investor who is a resident of Australia and a qualified person in relation to that dividend will be required to include the amount of the franking credit attached to the dividend in its assessable income, but would also be entitled to a refundable tax offset in the same amount. In order to be a qualified person in relation to a dividend an investor must satisfy an at risk requirement for a particular holding period or qualify for a safe harbour for small investors. Potential investors should consult their own tax advisors regarding those requirements.

To the extent that dividends paid by the Company to non-Australian resident investors, who do not hold their Shares through a fixed place of business in Australia, are either franked or declared to be conduit foreign income, those dividends will not be subject to Australian dividend withholding tax. The Company would be able to declare the unfranked portion of its dividends to be conduit foreign income to the extent to which those dividends are paid from certain foreign income derived by the Company which is not subject to Australian income tax (including dividends from its New Zealand resident wholly owned subsidiary, Keytone).

To the extent that dividends paid by the Company to non-Australian resident investors are neither franked nor declared to be conduit foreign income, that portion of any such dividend would be subject to the Australian dividend withholding tax, which is imposed at the rate of 30% of the gross amount of the dividend, unless that rate is reduced by an applicable double tax treaty between Australia and the country in which the non-Australian resident investor is a resident for tax purposes. If the non-Australian resident investor is entitled to the benefit of such a treaty, the rate of Australian dividend withholding tax is generally reduced from 30% to 15%.
5. DETAILS OF THE OFFERS

(b) Disposal of Shares

An Australian resident holder of Shares would be subject to the Australian capital gains tax rules in relation to any sale, other disposal or certain other dealings of or in relation to the Shares. Those rules generally include any gain in assessable income, but capital gain may be offset by capital losses incurred in the same or an earlier year of income. If the sale or other disposal by an Australian resident investor results in a capital loss, that loss would be available to offset other capital gains in that or a later year, but is not an allowable deduction.

Non-Australian resident investors who do not hold their Shares in connection with a business carried on through a fixed place of business in Australia would generally only be subject to Australian capital gains tax on a sale, other disposal or other dealing of or in relation to Shares if they have held 10% or more of the total Shares in the Company and if more than half of the value of the Company’s assets is attributable to direct or indirectly held interests in Australian real property. The Company has no direct or indirectly held interests in Australian real property at the date of this Prospectus.

THE PRECEDING SUMMARY IS NOT A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP AND DISPOSITION OF SECURITIES IN THE COMPANY AND IS NOT TAX ADVICE. PROSPECTIVE HOLDERS OF SECURITIES IN THE COMPANY SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF SECURITIES.

5.9.2 New Zealand Tax Considerations

The following provides a summary of the New Zealand tax implications for New Zealand tax resident investors who acquire Shares under this Prospectus. This summary assumes that the New Zealand resident investors hold less than a 10% shareholding interest in the Company. New Zealand resident investors holding more than a 10% shareholding interest are recommended to obtain tax advice specific to their position.

This summary reflects the provisions of the New Zealand Income Tax Act 2007 as at the date of this Prospectus. This summary does not constitute tax advice and should not be relied on as such. Each investor is advised to obtain its own advice on the tax implications of acquiring, holding and disposing of Shares in the Company.

(a) Application of FIF rules

New Zealand resident investors who subscribe for shares under this Prospectus, will hold shares in the Company, an Australian incorporated and resident company that will be listed on the Australian Securities Exchange. The investment in the Company will be subject to the New Zealand foreign investment fund (FIF) rules. However, New Zealand resident Shareholders should be exempt from attributing FIF income on the basis of an exemption for ASX-listed Australian companies.

(b) Dividends on a Share

Distributions to a New Zealand resident Shareholder by the Company will generally be taxable dividends for New Zealand tax purposes, provided the investor’s interest in the Company meets certain criteria to be exempt from taxation under the New Zealand FIF rules. Some distributions an investor receives from the Company may not be taxable dividends (for example, non-taxable bonus issues and certain returns of capital).

New Zealand operates an imputation regime under which income tax paid by a company gives rise to credits, known as imputation credits, which may be attached to dividends it pays. Imputation credits attached to dividends may be used by New Zealand tax-resident investors as a credit against their tax liability in respect of the dividends. The maximum ratio at which a company can attach imputation credits to dividends is 28:72 (that is, $28 of imputation credits to $72 of cash dividend).

The Trans-Tasman imputation regime allows Australian and New Zealand companies to form a Trans-Tasman imputation group. This enables New Zealand and Australian shareholders of Trans-Tasman companies to be allocated both franking credits and imputation credits in proportion to their ownership in the company.

Therefore, the Company may elect to maintain a Trans-Tasman imputation credit account allowing it to attach “imputation credits” to dividends it pays. The Company may also attach “franking credits” to those dividends. Franking credits broadly represent the extent to which a dividend is paid by the Company out of profits that have been subject to Australian tax. The receipt of franking credits by New Zealand resident shareholders will have no implications for New Zealand tax purposes.

If the dividends paid by the Company are fully franked or paid out of conduit income they should not be subject to Australian withholding tax. If the dividends are subject to Australian withholding tax, the rate of withholding tax will be 15% or 30% depending on the status and circumstances of the New Zealand resident Shareholder. New Zealand resident Shareholders should be able to credit the amount of any Australian withholding tax against their New Zealand income tax liability.
5. DETAILS OF THE OFFERS

(c) Filing an income tax return

If a New Zealand resident Shareholder files an income tax return, it must include in its taxable income not only the cash dividend received, but also the imputation credits attached to, and Australian withholding tax deducted from, the dividend. The total amount included in the taxable income is referred to as the gross dividend. The Shareholder will be able to use attached imputation credits and a credit for Australian withholding tax deducted to satisfy (or partially satisfy) tax liability on the gross dividend. If the attached imputation credits and Australian withholding tax deducted exceed the amount of tax on the gross dividend, the Shareholder’s tax liability on other income earned may be reduced as a result of receiving the Company dividend.

If a Shareholder does not currently file an income tax return, the Shareholder may need to file an income tax return declaring the dividends from the Company.

(d) Tax on sale or disposal of Shares

Although New Zealand does not have a general capital gains tax, there are instances where a Shareholder will be subject to New Zealand tax on gains made on the sale or disposal of Shares or be allowed a deduction for any loss made. The Shareholder must consider their individual circumstances to determine whether any gain on the sale or disposal of the Company’s Shares will be taxable (or loss deductible).

Generally, a Shareholder will be subject to tax on any gain (or allowed to deduct any loss) arising from the sale or disposal of Shares if the Shareholder:

(i) is in the business of dealing in Shares;
(ii) acquires Shares as part of a profit-making undertaking or scheme; or
(iii) acquires Shares with a purpose of selling them.

The Shareholder’s taxable gain (or tax-deductible loss) will be the difference between the cost of Shares and the amount received on the disposal of these Shares. If the Shareholder has a taxable gain, they will be required to include that gain in a tax return for the tax year in which the sale occurs. The Shareholder will need to pay any tax owing in respect of that gain at the Shareholder’s marginal tax rates.

(e) Stamp Duty

New Zealand no longer has stamp duty. Consequently, no stamp duty is payable on the issues of Shares or on subsequent transfer of the Shares.

(f) GST

No New Zealand GST liability should arise either on the issue of the Shares or on the subsequent transfer of the Shares.

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5.10 NOT UNDERWRITTEN

The Public Offer is not underwritten.
5. DETAILS OF THE OFFERS

5.11 LEAD MANAGER

Peloton Capital Pty Ltd has been appointed by the Company to lead manage the Public Offer. Patersons Securities Limited has been appointed as Co-Manager of the Offer. In consideration for its role as Lead Manager, Peloton Capital Pty Ltd will be entitled to a lead manager fee of $200,000, a 6% sales commission and will be issued a total of 12,000,000 Options on the terms and conditions set out in Section 11.4. In consideration for its role as Co-Manager, Patersons Securities Limited, subject to raising a minimum of $2,500,000 under the Public Offer, will be entitled to a co-manager fee (payable from the lead manager fee) of $20,000 and will be issued a total of 2,000,000 Options (from the Lead Manager’s allocation) on the terms and conditions set out in Section 11.4. For further details relating to the appointment of the Lead Manager and the Co-Manager, please refer to Section 10.2. Any broker fees payable to the Co-Manager, other brokers or intermediaries (including those overseas) will be paid from the 6% sales commission payable to the Lead Manager.

5.12 ENQUIRIES

Any questions concerning the Company or the Public Offer should be directed to the Company at +61 2 9299 9690 or by contacting the Keytone Public Offer Information Line on 1800 262 299 if calling within Australia or +61 1800 262 299 if calling from outside of Australia.
6. COMPANY OVERVIEW
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6.1 BACKGROUND

Keytone Dairy Corporation Limited (the Company) was incorporated on 28 September 2017 for the primary purpose of acquiring Keytone Enterprises (NZ) Company Limited (Keytone), as well as managing and operating Keytone’s business.

Keytone is a New Zealand corporation that was formed on 4 April 2011 for the primary purpose of manufacturing and marketing New Zealand dairy and nutrition products globally. Keytone has successfully commercialised and sells the following products: whole milk powder, skim milk powder, colostrum milk powder and kiwifruit milk powder under its own proprietary KeyDairy® brand. In addition, Keytone is currently selling health supplement capsules under its proprietary FaceClear® brand.

Keytone’s milk powders and other products are sold to leading supermarkets, retail chains, dairy producers and other customers under its own brands as well as in private label brands, primarily in New Zealand and China.

Keytone had revenues of $1,568,005 and EBITDA of $538,554 for the financial year to 31 March 2017, which represents substantial growth from its revenues of $66,259 and EBITDA of $(42,452) for the financial year to 31 March 2013. In addition, Keytone’s revenue and profit forecasts are $1,945,907 and $652,270, respectively, for the financial year to 31 March 2018. Please refer to the Financial Information and Independent Limited Assurance Report in Section 8 for further information including details of the assumptions upon which these forecasts are based.

Keytone’s products are sold domestically in supermarkets in New Zealand and are directly and indirectly exported to overseas supermarkets and retail chains in mainland China, Taiwan, South East Asia, Japan, South Korea and the Pacific Islands. In addition, its FaceClear® health supplement product is sold in Scandinavian pharmacies. In the 2017 fiscal year and the 2016 fiscal year, sales of Keytone’s products for export directly or for resale outside of New Zealand constituted 79.9% and 50.3% of its total sales, respectively.

Demand for dairy and nutrition products are growing rapidly in Keytone’s primary export markets, Asia and in particular China, driven by growth in China’s middle-class population and the ending of its one-child policy. China’s Ministry of Agriculture expects dairy imports to reach 15.88 million tonnes in 2020, a 43.1% increase over imports in 2015. Keytone holds a coveted foreign manufacturer registration with the CNCA of the People’s Republic of China for exporting dairy products to China and has a registered RMP with the New Zealand MPI, and thus is well positioned to capitalise on the growth in the demand for dairy and nutritional products in China and other countries in Asia.

On 1 April 2018, the Company entered into the Exchange Deed with the current shareholders of Keytone to acquire 100% of the issued share capital of Keytone in consideration for the issue of an aggregate of 75,000,000 Shares and 49,500,000 Performance Shares in the Company to the current shareholders of Keytone, such issue to be conditional upon, and to occur concurrently with the Company issuing the Shares under the Public Offer (the Exchange). The terms and conditions of the Performance Shares to be issued pursuant to the Exchange are set out in Section 11.5.

The effect of the Exchange Deed is that, upon the Company obtaining the Listing Approval, raising the minimum subscription and issuing the Shares under the Offers, the current shareholders of Keytone will own approximately 55.56% of the Shares of the Company (or, in the event full oversubscriptions are raised under the Public Offer, the current shareholders of Keytone will own approximately 50% of the Shares of the Company) and Keytone will be a wholly owned subsidiary of the Company.

Please refer to Section 10.1 for a summary of the key terms of the Exchange Deed.

The Company has attracted a Board and management team whose members have experience in Keytone’s industry, the Chinese and other international markets, and small-cap companies (refer to Sections 3.18 and 7 for further details).

6.2 THE INDUSTRY IN WHICH KEYTONE OPERATES

Keytone operates in the dairy products segment of the fast-moving consumer goods industry. Keytone focuses on the global market for the powdered dairy industry and nutritional and nutraceutical ingredients industry, which are estimated to be worth at least US$21.4 billion (approximately $28.3 billion at the date of this Prospectus) and US$12.2 billion (approximately $16.1 billion), respectively.

The global powdered dairy industry consists of the trade of whole milk powder, skim milk powder, whey and other powders between dairy producing regions, dominated by New Zealand, the USA, Germany and other countries in Europe, and Australia, and dairy importing regions, including China and other countries in Asia. New Zealand is the world’s leading exporter of dairy products, with US$5.0 billion (approximately $6.6 billion) of powdered dairy exports in 2015.11

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The global nutritional and nutraceutical ingredients industry is driven by demand for the unique health, nutritional and functional benefits associated with dairy ingredients used in a wide number of food categories such as beverages, sports nutrition meat, dairy, bakery, confectionery, cosmetics, infant nutrition, and clinical nutrition, among others. Demand for these ingredients has been increasing due to numerous factors, but primarily due to their health benefits, including lower risk of cardiovascular disease, lower cholesterol levels, improved digestive health, and healthy bone growth. By leveraging its existing leadership position in the dairy powder industry, New Zealand has achieved significant long-term growth of its exports of nutritional and nutraceutical ingredients from US$0.6 billion in 2006 to over US$1.6 billion in 2016 (approximately $2.1 billion).

While China is the world's largest importer of dairy products and has the world's third largest dairy market, its per capita consumption of dairy products in 2017 was 34.1 kg per annum – less than one third of the global average. Chinese demand for dairy is expected to grow for a number of reasons, including rising living standards, higher urbanisation, the rolling-out of the National School Milk Scheme, promotion of China's domestic dairy industry, and population increases due to the ending of the one-child policy, as reported by the Chinese government. Chinese per capita dairy consumption is expected to increase to approximately 37.1 kg per annum in 2020, a 9% increase from 2017.

To feed this demand, China is expected to continue importing significant quantities of dairy product in the short to medium term. In spite of the modernisation of China's domestic dairy industry, it is projected that at least one quarter of China's demand for dairy products will be satisfied by imports, in part due to lingering quality concerns and the inability to meet feed requirements of dairy farms. Moreover, Chinese consumers, both urban and rural residents, have begun to demand more diversified, high-quality and imported dairy products, particularly as a result of better awareness of nutrition. For example, China's Ministry of Agriculture expects dairy imports to reach 15.88 million tonnes in 2020, a 43.1% increase over imports in 2015.

New Zealand is well positioned to meet China's growing demand for dairy and nutrition products. With an export-focused dairy market and its promotion of trade with China, New Zealand is a leading exporter of dairy products to China. In 2017, over 90% of China's imported whole milk powder was sourced from New Zealand. This is assisted by low barriers to trade as a result of its Free Trade Agreement with China.

Importantly, while Chinese imports of powdered products from New Zealand have levelled in recent years, the import market is poised for recovery as inventories have been drawn down to levels not seen since 2012. This is expected to lead to additional growth in imports of dairy products, as evidenced by the fact that, during the period between January through November 2017, imports to China of whole milk powder, skim milk powder and whey powder increased by 51.1%, 49.7% and 54.1%, respectively, compared to the same period in the prior year.

6.3 REGULATORY ENVIRONMENT

6.3.1 New Zealand

Keytone is registered with the New Zealand MPI as an exporter of animal products. In addition, as a manufacturer of dairy products, Keytone is required to meet strict standards set by the MPI. These standards set forth requirements for the implementation of policies and procedures relating to the management of product safety, also known as a RMP. As an exporter, Keytone must register its RMP with the MPI. Keytone has obtained the highest level 5 RMP registration from the MPI, thereby enabling it to manufacture products for export. In connection with its RMP, Keytone is subject to stringent, mandatory food and safety audits on a quarterly basis.

12 https://www.coherentmarketinsights.com/market-insight/dairy-nutrition-market-1024
15 AOC China Agricultural Outlook Report 2016 to 2025 page 127.
17 https://www.ers.usda.gov/publications/pub-details/?pubid=86230
18 AOC China Agricultural Outlook Report 2016 to 2025 page 126.
6. COMPANY OVERVIEW

6.3.2 China

The Chinese government has instituted strict and rigorous standards for importing dairy products. Exporters must be registered with the CNCA of the People's Republic of China for the products that are imported into China. These requirements include, among other things, on-site inspection of a manufacturer's facilities by the MPI (a New Zealand government department) and administrative review by the CNCA.

These regulations have had the effect of reducing the access of unlicensed foreign dairy manufacturers to the Chinese market. As the United States Department of Agriculture's Foreign Agricultural Services has noted, all of China's trading partners have found that the registration process slows new exporters from accessing the China market.23

The Chinese government has certifications and other qualifications necessary for the exporting of dairy products to China. A CNCA manufacturer registration is valid for four years before it must be renewed, and the renewal application must be submitted one year prior to the expiration of the four-year term. Keytone's current CNCA manufacturer registration was granted in August 2014, and as such Keytone has commenced the renewal of its registration.

Under its CNCA manufacturer registration, Keytone is permitted to export the following categories of products to China (as reproduced verbatim from Keytone’s CNCA manufacturer registration):

- Whole milk powder;
- Skimmed milk powder;
- Fortified formula milk powder;
- Other milk powder;
- Milk powder;
- Whey Powder;
- Whey protein concentrate;
- Other Whey Powder;
- Other milk and milk product; and
- Flavoured Milk Product.

6.4 BUSINESS MODEL

Keytone's business model is centred on delivering high-quality dairy and nutrition products, principally sourced from New Zealand, with a nimble manufacturing model that allows it to respond to changing consumer appetite. Keytone's key strengths include its high production and quality control standards, its experience with exporting to foreign markets and its ability to meet the ever-increasing demand for dairy manufacturers to have the flexibility to serve the needs of local and global customers. Moreover, Keytone believes it has a competitive advantage, particularly in Asia, in that New Zealand is renowned globally for its “clean and green” reputation and producing high-quality dairy products.

Keytone's business model is aimed at generating revenues from the sales of high-margin, value-added products under its own brand, as well as from manufacturing and packing products for leading supermarkets, retail chains, dairy producers and other customers under the customers' private label brands, with whom Keytone has existing relationships.

Keytone operates a purpose-built blending and packing facility located in Christchurch, New Zealand. This facility has a nominal production capacity of approximately 1,500 tonnes per annum and is one of the few facilities dedicated to dairy and nutrition sachet and jar products in the South Island of New Zealand, the fastest growing dairy region of New Zealand. The facility is certified with the New Zealand MPI and holds a CNCA manufacturer registration, thereby enabling export of Keytone's products to China. In addition, the facility holds a Halal certification from the Federation of Islamic Associations of New Zealand (an accredited body recognised by Islamic countries worldwide).

The majority of Keytone's products are exported directly or indirectly to Asia, including China, for sale in a variety of channels, including major supermarket chains, premium retail channels and online marketplaces. In addition, Keytone sells its products domestically in New Zealand and abroad in Europe. In the last fiscal year, 79.1% of Keytone's production was, either directly or indirectly, exported to customers outside of New Zealand, with over 60% of that production destined for China, and Keytone expects that it will export, directly or indirectly, over 70% of its production to China in the 2018 fiscal year.

23 https://www.ers.usda.gov/publications/pub-details/?pubid=86230
6. COMPANY OVERVIEW

6.4.1 Products

Keytone sells products under its own brands and conducts contract manufacturing for private label brands.

Keytone owns three main brands, being KeyDairy®, KeyHealth® and FaceClear®, all of which are registered trademarks in New Zealand and are the subject of trademark applications in Australia. Additionally, KeyDairy® is registered in China and FaceClear® is registered in both China and the European Union.

Keytone has successfully commercialised and has sold the following products in New Zealand and international markets:

- KeyDairy® powdered milk nutritional products, including whole milk powder, skim milk powder, colostrum milk powder, and kiwifruit milk powder. Some of the products Keytone manufactures are manufactured according to proprietary recipes containing proteins, vitamins, minerals and other essential nutrients. These products are sold in supermarkets across New Zealand and exported to overseas supermarkets and retail chains in China, Taiwan, Japan, Malaysia, South Korea and the Pacific Islands.

- FaceClear® health supplement capsules, an award-winning health supplement for the treatment of acne. FaceClear® has won the Silver Award under the Best Natural Beauty Product in the Natural Products Expo Scandinavia. This product is being sold in New Zealand and the European Union, including 75 Hålsokraft pharmacy stores in Scandinavia.

Keytone also manufactures and/or packs dairy and nutrition products under private label brands for the following customers:

- Woolworths® (Countdown) – whole milk powder and skim milk powder for distribution in Countdown supermarkets;
- Alpine® milk products for a NZ customer;
- NZ Delight® Whole/Skim Milk Powder;
- DairyWorks® Whole/Skim Milk Powder;
- Natural Care® Whole/Skim Milk Powder;
- IgCO® Colostrum Milk Powder;
- NZCo® Colostrum Milk Powder;
- U-Than® Colostrum Milk Powder;
- Seperex® nutrition powders; and
- Kobe Beef® calf starter feed.

6.4.2 Distribution Channels

(a) Traditional channels

Keytone has existing domestic and international distribution channels, including in Asia with a particular focus on the Chinese market, as well as the European Union. Keytone exports its products for sale in the following retail chains in China: Guangzhou Department Store, Friendship Department Store and Metro. In addition, Keytone sells its products and third party private label brands in New Zealand through the Countdown, New World and PaknSave stores.

In addition to China and the European Union, Keytone exports its products to Taiwan, Japan, Malaysia, South Korea and the Pacific Islands into retail and commercial channels.

(b) Online channels

Keytone sells its own proprietary product and other private label products through online channels in China, specifically, Tmall, VIP and JD.com. In January 2018, Keytone established the KeyDairy® flag ship store on JD.com selling KeyDairy® branded products including whole milk powder and skim milk powder. Keytone will continue to launch new products through the flagship store as they come to market.

Keytone is also the sole online distributor of Alpine® milk in China, which is distributed through Tmall, Taobao-Alibaba, and VIP.
6. COMPANY OVERVIEW

6.4.3 Facilities
Keytone operates a purpose-built dairy and nutrition packing and blending facility in leased premises in the Sockburn Industrial Estate in Christchurch, New Zealand. The facility is designed to provide efficient, low-cost production runs. This facility was built in 2013, with two fully automated packing lines and can deliver a nominal annual capacity of 1,500 tonnes. The capacity will ultimately be affected by different product SKUs in various packaging sizes. The facility is capable of producing different products with a variety of different packing options for retail and business-to-business applications.

Located in the fastest growing dairy region in New Zealand, Keytone's facility is one of the few facilities in the South Island of New Zealand dedicated to dairy and nutrition sachets and plastic jar products, and its strategic location enables Keytone to deliver its products by land or sea throughout New Zealand and to ship its export orders directly from Lyttelton Port in Christchurch.

As previously noted, Keytone's manufacturing facility has a registered RMP with the MPI, for domestic supply and international export, and Keytone holds a CNCA manufacturer registration enabling sales of its products to China. In addition, Keytone's products are also Halal certified. In February 2018, Keytone commenced the process to gain organic certification of the facility from the New Zealand MPI. Keytone's RMP representative has advised that the organic certification process is expected be completed in the second quarter of 2018.

6.4.4 Suppliers
Keytone has long standing and established relationships with New Zealand’s major milk processors including Fonterra Co-operative Group Limited, Synlait Milk Ltd, Open Country Dairy Limited and Westland Co-operative Dairy Company Limited. New Zealand has a large dairy industry relative to its small population, and the majority of the dairy products produced in New Zealand are exported to markets across the world. Keytone believes this surplus will allow it to continue to buy its ingredients from New Zealand companies at competitive rates, particularly given Keytone's proximity to its key suppliers. To further mitigate any risk of continuity of supply, Keytone maintains diversity of sourcing across the major New Zealand dairy suppliers.

In addition, Keytone has access and relationships with international dairy suppliers to source further relevant ingredients where required, further mitigating and diversifying any perceived supply risk in local markets.

6.5 GROWTH STRATEGY
Keytone is implementing a number of growth strategies to increase its sales in Asia and in particular China. These strategies are centred on the following four pillars:

- significantly expanding Keytone’s production capacity in order to access high-volume customers;
- expanding Keytone’s product range, both in-house and through contract manufacturing;
- enlarging Keytone’s distribution channels; and
- increasing the number of countries to which Keytone exports its products.

These four pillars are discussed in detail in the following sections.

6.5.1 Production Capacity Expansion
Keytone is substantially increasing the production capacity of its existing KeyDairy® powdered products in order to access high-volume, high-value customers, throughout Asia and in particular, China.

Keytone's current production capacity of approximately 1,500 tonnes per annum has enabled Keytone to target sales at small to medium-sized customers. During its early growth phase, Keytone had limited its production capacity at its existing manufacturing site (Plant One) in order to establish its manufacturing processes and obtain the necessary regulatory approvals.

Keytone is expanding its production capacity through the development of two additional manufacturing sites (Plant Two and Plant Three), which will include new dry powder and packing lines. These new facilities have been designed and will be built to the highest building code and food production standards. In addition, these facilities will be built to allow for the installation of infant formula production lines should Keytone elect to manufacture and sell infant formula in the future, subject to regulatory compliance and other certifications that may be required at the time.

On 1,886 square meters of land purchased in 2017 as Keytone’s second future manufacturing site Plant Two will house blending and packing lines with total annual capacity of approximately 3,500 tonnes, an increase of 233% over its existing production capacity. Keytone has entered into a building contract with CoreSteel, a reputable New Zealand company for structural steel manufacturing, to commence the engineering design. The building consent for this site was granted in April 2018. Keytone expects that Plant Two will commence production in the first quarter of 2019.

Keytone believes that the additional production capacity resulting from Plant Two will enable it to sell its KeyDairy® and third party private label powdered products to high-volume, high-value customers, including Asia and in particular, China.

In addition, Keytone agreed to acquire a third future manufacturing site, Plant Three, in September 2017. Plant Three neighbours Plant Two and has a land area of 2,674 square meters. This additional, larger site will allow further expansion of Keytone’s production capacity as Keytone continues to grow, and will enable Keytone to integrate its production facilities and to target additional markets and products, without being subject to capacity constraints. Keytone intends that Plant Three will initially be used for new packing lines for different packaging formats. Longer term utilisation may include dry and cold storage and packing lines for tins and butter pats.

6.5.2 Product Range Expansion

(a) Value-added products and dairy-based processed foods and beverages

Keytone’s growth plans are also focused on expanding the range of products it manufactures and sells. Once complete, Plant Two will enable Keytone to sell additional blended milk powders.

Keytone intends to utilise Plant Two to expand its product range into high-margin, value-added products such as:

> sports nutrition and whey protein;
> bioactive blends for nutrition applications;
> yoghurt and ice-cream powder;
> colostrum powder;
> special patient formula (including diabetic blends);
> junior and senior formula, pregnancy and lactation nutrition formula; and
> organic certified products*.

* In February 2018, Keytone commenced the process to gain organic certification of its existing premises from the MPI. Keytone’s RMP representative has advised that the organic certification process is expected to be completed in the second quarter of 2018. Keytone’s new facilities, being Plant Two and Plant Three, will also be designed and constructed to the necessary standards in order to seek organic certification so as to allow Keytone to further broaden its product offering.

As Keytone expands into new products, if demand from its customers exceeds its production capacity, Keytone intends to use third-party contract-packers to initially meet this demand before determining whether to produce in-house.

Further, Keytone intends to explore the expansion of its product range into additional high-margin, value-added verticals and dairy-based processed foods and beverages, which may include infant and other junior products, including formula, pregnancy nutrition, animal nutrition, butter pats and other products, as well as processed foods that contain significant dairy ingredients (e.g. dairy derived nutraceuticals).

(b) Wet products

In addition to the product development of powdered products, Keytone intends to explore the possibility of expanding into the production of wet dairy products, principally AMF and ghee, in order to satisfy demand from its existing distributors and new customers in the food and hotel service industries. Keytone intends to outsource the production of these products to third-party contract packing manufacturers. In addition, Keytone intends to explore the possibility of manufacturing or contract packing other wet products, such as butter, for sale to its customers.

Outsourcing the production of new products, including AMF and ghee, in the short term will enable Keytone to leverage its existing distribution capability, decrease the capital intensity of the business and test the viability of constructing dedicated plant capacity in the future.
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6.5.3 Distribution Channels

As part of its growth plans, Keytone intends to significantly expand its distribution channels for its current and anticipated products. These channels include the following:

- the direct sale of products by retail stores, such as Metro China's 88 mega stores;
- online distributors in China who sell through platforms such as JD.com, Tmall and Taobao; and
- premium retail channels in China, such as the Guangzhou Department Store and Friendship Store's supermarkets.

In addition, Keytone intends to expand the distribution of FaceClear® into new pharmacy channels in Scandinavia and Europe.

Keytone also expects to significantly grow its private label business. Keytone recently passed an audit by Woolworths, and in August 2017, it commenced contract manufacturing and packing whole milk powder and skim milk powder for Woolworths' subsidiary, Countdown supermarkets in New Zealand. Keytone is actively seeking to contract manufacture with other supermarket chains.

6.5.4 Geographic Range

New Zealand is one of the world’s largest dairy exporters. Keytone intends to leverage New Zealand’s global brand awareness by significantly increasing the marketing and promotion of Keytone’s proprietary products to enhance product awareness and strengthen sales penetration in both new and existing markets.

6.6 PROGRESS TO DATE AND BUSINESS PLAN EXECUTION

Below are the key milestones achieved by Keytone to date:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FaceClear® won Innovation Award for Best Natural Beauty Product at Scandinavia Natural Products Expo 2012 in Sweden</td>
<td>October 2012</td>
</tr>
<tr>
<td>Secured long term lease for manufacturing site at Sockburn Industrial Zone, Christchurch</td>
<td>February 2013</td>
</tr>
<tr>
<td>Commenced construction of blending and packing plant at Sockburn Industrial Zone, Christchurch</td>
<td>May 2013</td>
</tr>
<tr>
<td>Obtained RMP (Risk Management Programme) registration from New Zealand MPI</td>
<td>December 2013</td>
</tr>
<tr>
<td>Executed an agreement for the distribution of FaceClear® into Hälsokraft Pharmacies, Sweden</td>
<td>March 2014</td>
</tr>
<tr>
<td>Obtained export manufacturer's license from the Certification and Accreditation Administration (CNCA) of the People's Republic of China for the export of dairy products to China</td>
<td>April 2014</td>
</tr>
<tr>
<td>Contract packing agreement negotiated with DairyWorks® for supply of whole and skim milk powder of their Alpine® brand for distribution into Woolworths’ New Zealand subsidiary, Countdown</td>
<td>April 2014</td>
</tr>
<tr>
<td>Obtained Halal certification for manufactured product from The Federation of Islamic Associations of New Zealand</td>
<td>May 2014</td>
</tr>
<tr>
<td>First sales of KeyDairy® Whole Milk Powder and Skim Milk Powder realised to China</td>
<td>May 2014</td>
</tr>
<tr>
<td>First contract packing orders for DairyWorks’® fulfilled</td>
<td>May 2014</td>
</tr>
<tr>
<td>KeyDairy® Whole Milk and Skim Milk Powder produced for distribution to PaknSave, a leading New Zealand supermarket chain</td>
<td>June 2014</td>
</tr>
<tr>
<td>KeyDairy® products exported to Lianhua supermarket chain, China</td>
<td>June 2014</td>
</tr>
<tr>
<td>Keytone becomes sole distributor of DairyWorks’ Alpine® product for online sales in China</td>
<td>January 2015</td>
</tr>
<tr>
<td>Launched KeyDairy® Kiwi Fruit Milk Powder</td>
<td>March 2015</td>
</tr>
<tr>
<td>Runner up in Bank of New Zealand’s, New Zealand Chinese business award for Best Emerging Business Award 2014</td>
<td>March 2015</td>
</tr>
<tr>
<td>KeyDairy® products launched into Metro China supermarket chain</td>
<td>June 2015</td>
</tr>
<tr>
<td>Annual profitability achieved for the first time of approximately NZ$537,000 (approximately $494,000) for the year ended 31 March 2016</td>
<td>March 2016</td>
</tr>
</tbody>
</table>
6. COMPANY OVERVIEW

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieved highest annual revenue since inception of approximately NZ$2,200,000 (approximately $2,000,000)</td>
<td>March 2016</td>
</tr>
<tr>
<td>KeyDairy® products launched into Guangzhou department and friendship store</td>
<td>October 2016</td>
</tr>
<tr>
<td>Successfully passed Woolworths (Australia) audit for production of Woolworths branded milk powder for distribution into Woolworths New Zealand subsidiary, Countdown</td>
<td>January 2017</td>
</tr>
<tr>
<td>Achieved highest annual EBITDA since inception of approximately NZ$620,000 (approximately $570,000)</td>
<td>March 2017</td>
</tr>
<tr>
<td>Executed acquisition contract for the purchase of land for the construction and development of new manufacturing facilities at Izone Industrial Park, Canterbury, New Zealand</td>
<td>May 2017</td>
</tr>
<tr>
<td>Received private U.S. institutional investor funding</td>
<td>September 2017</td>
</tr>
<tr>
<td>Agreed to acquire second and adjacent parcel of land at Izone Industrial Park, Canterbury, New Zealand for the construction and development of new manufacturing facilities</td>
<td>September 2017</td>
</tr>
<tr>
<td>Established a new channel to market in China on JD.com, KeyDairy® flagship store established</td>
<td>December 2017</td>
</tr>
<tr>
<td>Consent application lodged for the construction of new manufacturing facilities lodged with Selwyn District Council</td>
<td>January 2018</td>
</tr>
</tbody>
</table>

It is also part of the Company’s business model that it will consider expanding its business through the acquisitions (either outright or through licensing) of complementary and enhancing technologies and businesses in appropriate geographies. The Company notes however that it is not in negotiation for any such acquisitions as at the date of this Prospectus.

6.7 COMPETITION

As a manufacturer and exporter of dairy and nutrition products, Keytone competes with a number of large, medium and small dairy companies, particularly dairy companies that focus on specialty products. Many of these companies have greater resources than the Company.
7. RISK FACTORS
7. RISK FACTORS

7.1 INTRODUCTION
The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free, and the Directors strongly recommend potential investors consider the risk factors described in Section 3.7 of this Prospectus in addition to those listed below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company’s business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 COMPANY-SPECIFIC RISKS

(a) Additional requirements for capital
The Company's capital requirements depend on numerous factors. Depending on the Company’s ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Public Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(b) Shareholder dilution
In the future, the Company may elect to issue Shares or other securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other securities, Shareholders may be diluted as a result of issues of Shares or other securities. Further, on the conversion of Performance Shares (issued under the Exchange Deed) into Shares, Shareholders will be further diluted. Please refer to Section 3.7(s) for further details.

(c) Acquisitions
The Company’s growth strategy may involve finding and consummating acquisitions in areas complementary to Keytone’s business. The Company may not be successful in identifying and acquiring suitable acquisition targets at acceptable cost. Further, acquisitions may require additional funding on acceptable terms, which may or may not be available at the relevant time. Further, the Company will experience competition in making acquisitions from larger companies with significantly greater resources.

(d) International operations
Keytone has previously exported its products to nine countries, and expects to continue to do business around the world. The Company’s operations will therefore be subject to a number of risks inherent in global operations, including political and economic instability in foreign markets, inconsistent product regulation by foreign agencies or governments, imposition of product tariffs and burdens, cost of complying with a wide variety of international and New Zealand export laws and regulatory requirements, risks stemming from the Company’s lack of local business experience in specific foreign countries, foreign currency fluctuations, difficulty in enforcing intellectual property rights, foreign taxes, and language and other cultural barriers. Additionally, operating an international business with sales in a number of legal jurisdictions will necessarily require substantial input from a variety of legal counsel and expose the Company to legal costs that may be disproportionately high relative to its revenues, and will be incurred regardless of whether the Company derives revenues from a given jurisdiction or at all.

(e) Disputes
The activities of the Company may result in disputes with third parties, including, without limitation, the Company’s investors, competitors, regulators, partners, suppliers, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.
7. RISK FACTORS

(f) Strategies
There are no limits on strategies that the Company may pursue. The strategy discussed in this Prospectus may evolve over time due to, among other things, market developments and trends, technical challenges, the emergence of new products and competitors, changing regulation and/or industry practice, and otherwise in the Company’s sole discretion. As a result, the strategy, approaches, markets and products described in this Prospectus may not reflect the strategies, approaches, markets and products relevant to, or pursued by, the Company at a later date.

Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company’s strategy in place as of the date hereof.

(g) Contracts in general
There are a number of risks associated with contracts entered into by the Company or Keytone, including the risk that those contracts may contain unfavourable provisions, or be terminated, lost or impaired, or renewed on less favourable terms.

(h) Litigation
The Company is exposed to possible litigation risks including, but not limited to, product liability claims, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company’s operations, financial performance and financial position. Neither the Company nor Keytone is currently engaged in any litigation.

(i) Environmental
The Company’s and Keytone’s operations are subject to government environmental legislation. While environmental issues are continually monitored to minimise the likelihood of risk there is no assurance that the Company’s or Keytone’s respective operations will not be affected by an environmental incident or subject to environmental liabilities. The introduction of new environmental legislation and regulations may result in additional cost to the Company arising from additional compliance, further capital expenditure and monitoring which may have a material adverse impact on the financial position and performance of the Company.

(j) Force majeure events
Force majeure events, or events beyond the control of the Company, may occur within or outside New Zealand that could affect the world economy, the operations of the Company and the price of the Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as floods, fires and severe weather conditions.

(k) Product contamination
While the Company follows good industry practices there remains a risk of product contamination and tampering, during and after the production process.

(l) Foreign exchange
The Company will be operating in a variety of jurisdictions, including New Zealand, China and Australia, and as such, expects to generate revenue and incur costs and expenses in more than one currency. In addition, the majority of its sales are derived from exports of products sold in local currencies. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company’s results or operations and cash flows. For example, the appreciation or depreciation of foreign currencies relative to the New Zealand dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.

(m) Insurance coverage
The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company believes it has reasonably adequate coverage for third-party liability insurance, product liability insurance and business interruption insurance. However, the Company’s insurance coverage may not be adequate. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company’s financial position and financial performance may be adversely affected.
7. RISK FACTORS

7.3 GENERAL RISKS

(a) Economic conditions and other global or national issues

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company’s operations.

(b) Market conditions

Share market conditions may affect the value of the Company’s quoted securities regardless of the Company’s operating performance. Share market conditions are affected by many factors such as:

> general economic outlook;
> introduction of tax reform or other new legislation;
> interest rates and inflation rates;
> changes in investor sentiment toward particular market sectors;
> the demand for, and supply of, capital; and
> terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Further, the value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.

(c) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(d) Price of Shares

As a publicly-listed company on ASX, the Company will be subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price. The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Public Offer price. There is no assurance that the price of the Shares will increase or not decrease following the commencement of quotation on ASX, even if the Company’s earnings increase.

The Share price will be quoted in Australian dollars. As such, any investment in the Shares by a non-Australian investor will result in the investment being subject to the risk that the value of the Australian dollar depreciates relative the investor’s local currency.

Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company’s Share price. Please refer to Section 3.14 for further details on the Securities likely to be classified by the ASX as restricted securities.
7. RISK FACTORS

(e) Investment speculative

The risk factors set out in this Prospectus ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. These factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. There is the risk of loss of all of an investor’s capital with no dividends or other returns.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.
8.

FINANCIAL INFORMATION AND INDEPENDENT LIMITED ASSURANCE REPORT
8. FINANCIAL INFORMATION AND INDEPENDENT LIMITED ASSURANCE REPORT

8.1 INTRODUCTION

The Company was incorporated on 28 September 2017 for the primary purpose of acquiring Keytone Enterprises (NZ) Company Limited (Keytone), as well as managing and conducting Keytone's business. The principal activities of Keytone are the manufacture and export of dairy and nutrition blended products.

The financial information in this Section includes:

> Statutory Historical Financial Information, being the:
  - statutory historical income statements of Keytone for the financial years ended 31 March 2016, 31 March 2017 and half year ended 30 September 2017;
  - statutory historical statements of cash flows of Keytone for the financial years ended 31 March 2016, 31 March 2017 and half year ended 30 September 2017;
  - statutory historical statements of financial position of Keytone as at 31 March 2016, 31 March 2017 and 30 September 2017;

> Pro Forma Historical Financial Information, being the pro forma historical statement of financial position of the Company as at 30 September 2017;

> Forecast Financial Information, being the:
  - pro forma forecast income statement and pro forma forecast net cash flows of the Company for the financial year ended 31 March 2018;
  - statutory forecast income statement of the Company for the financial year ended 31 March 2018.

The Statutory Historical Financial Information, the Pro Forma Historical Financial Information and the Forecast Financial Information are collectively the Financial Information.

Keytone has a 31 March financial year end. As such, any references in this Section to "FY" refer to a 31 March financial year end.

Also summarised in this Section 8 are:

> the basis of preparation and presentation of the Financial Information (see Section 8.2); and

> the Company’s proposed dividend policy (see Section 8.10).

The Financial Information has been reviewed and reported on by HLB Mann Judd Corporate (NSW) Pty Ltd whose Independent Limited Assurance Report is contained in this Section 8. Investors should note the scope and limitations of the report.

The information in this Section 8 should also be read in conjunction with the risk factors set out in Section 7 and other information contained in this Prospectus.

All amounts disclosed in the tables are presented in Australian dollars unless otherwise stated.

8.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

8.2.1 Overview

The Statutory Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the New Zealand Generally Accepted Accounting Practice (NZ GAAP) and Keytone’s adopted accounting policies in New Zealand.

Keytone is based in New Zealand, resulting in the use of NZ GAAP in the preparation of its financial information, including the financial information presented in this Prospectus. NZ GAAP accounting standards have some differences to the International Financial Reporting Standards (IFRS), which are required to be used for the preparation of Financial Information used in a Prospectus by the ASX (Listing Rule 1.3.5). A reconciliation has been prepared between the Financial Information prepared under NZ GAAP and the Financial Information if prepared under IFRS. While no material differences were noted between the presentation of the information under NZ GAAP and IFRS, this reconciliation is included in Section 8.8.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by NZ GAAP or IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Keytone’s key accounting policies have been consistently applied throughout the periods and are set out in Section 8.7.
8. FINANCIAL INFORMATION AND INDEPENDENT LIMITED ASSURANCE REPORT

8.2.2 Preparation of Statutory Historical Financial Information

The Statutory Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus and is a summarised version of the audited statutory financial statements of Keytone for the financial years ended 31 March 2016, 31 March 2017 and half year ended 30 September 2017. The statutory financial statements were audited by PKF Goldsmith Fox Audit.

8.2.3 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Historical Financial Information is based on the audited statutory financial statements of Keytone for the period ended 30 September 2017 after adjusting for certain pro forma transactions and/or other adjustments.

8.2.4 Preparation of Pro Forma and Statutory Forecast Financial Information

The Pro Forma and Statutory Forecast Financial Information (the Forecast Financial Information) has been prepared for the purposes of inclusion in this Prospectus. The Forecast Financial Information is based on the Company’s best-estimate assumptions of anticipated future transactions and events based on the information and documents available at the issue of this Prospectus.

8.2.5 Foreign currency conversion

Keytone’s functional currency is New Zealand dollars due to the current operations being located in New Zealand. For each table within the financial information section of this Prospectus the relevant information has been restated in Australian dollars. To translate the financial information into Australian dollars ($AUD) we have used the following conversion rates based on the Reserve Bank of Australia’s (RBA) published foreign exchange rate tables:

<table>
<thead>
<tr>
<th>Foreign Currency Conversion Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZ$ to AUS exchange rate</td>
</tr>
<tr>
<td>31 March 2016</td>
</tr>
<tr>
<td>Average rate used in translating the statutory historical (and forecast) income statement and statement of cash flows</td>
</tr>
<tr>
<td>Exchange rate used in translating the statutory historical (and pro forma historical) statement of financial position</td>
</tr>
</tbody>
</table>

<sup>25</sup> Being the average conversion rate for the period from 1 April 2017 to 31 January 2018.
8. FINANCIAL INFORMATION AND INDEPENDENT LIMITED ASSURANCE REPORT

8.3 STATUTORY HISTORICAL INCOME STATEMENTS

8.3.1 Overview

The table below sets out the statutory historical income statements for the periods ended 31 March 2016, 31 March 2017 and 30 September 2017, the pro forma forecast income statement and the statutory forecast income statement for the period ended 31 March 2018. The statutory historical, pro forma forecast and statutory forecast income statements are presented in Australian dollars (AUD).

<table>
<thead>
<tr>
<th></th>
<th>Statutory historical FY2016</th>
<th>Statutory historical FY2017</th>
<th>Pro forma forecast 1H2018</th>
<th>Statutory forecast FY2018</th>
<th>Statutory forecast FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>1,986,951</td>
<td>1,568,005</td>
<td>635,454</td>
<td>1,945,907</td>
<td>1,945,907</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(1,058,870)</td>
<td>(589,642)</td>
<td>(295,327)</td>
<td>(831,879)</td>
<td>(831,879)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>928,081</td>
<td>978,363</td>
<td>340,127</td>
<td>1,114,028</td>
<td>1,114,028</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(390,376)</td>
<td>(366,796)</td>
<td>(194,881)</td>
<td>(413,275)</td>
<td>(2,099,688)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>537,705</td>
<td>611,567</td>
<td>145,246</td>
<td>700,753</td>
<td>(985,660)</td>
</tr>
<tr>
<td><strong>Other expenses</strong></td>
<td>(44,167)</td>
<td>(28,027)</td>
<td>(18,022)</td>
<td>(48,483)</td>
<td>(48,483)</td>
</tr>
<tr>
<td><strong>Operating profit before shareholders remuneration</strong></td>
<td>493,538</td>
<td>583,540</td>
<td>127,224</td>
<td>652,270</td>
<td>(1,034,143)</td>
</tr>
<tr>
<td><strong>Shareholder salary</strong></td>
<td>(250,068)</td>
<td>(94,122)</td>
<td>(2,662)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net profit before tax</strong></td>
<td>243,470</td>
<td>489,418</td>
<td>124,562</td>
<td>652,270</td>
<td>(1,034,143)</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>–</td>
<td>(108,855)</td>
<td>(38,140)</td>
<td>(182,636)</td>
<td>289,560</td>
</tr>
<tr>
<td><strong>Net profit after tax</strong></td>
<td>243,470</td>
<td>380,563</td>
<td>86,422</td>
<td>469,634</td>
<td>(744,583)</td>
</tr>
</tbody>
</table>

Notes:

1. Pro forma forecast income statement differs from the statutory forecast income statement because the statutory forecast income statement includes expenses of the Offers and the Company’s estimate of the incremental costs that it will incur as a consolidated group, which are recognised on a pro rata basis in the FY2018 statutory forecast financial information. The pro forma forecast income statement for the financial year ended 31 March 2018 is reconciled to the statutory forecast income statement for the financial year ended 31 March 2018 in Section 8.6.1.

2. Keytone owns a purpose-built packing and blending facility located in Christchurch, New Zealand. The facility has had a production capacity of approximately 1,500 tonnes per annum throughout the reported historic and forecast periods detailed above. Revenue decreased in the FY2017 period due to changes to a customer supply arrangement which resulted in a decrease in the volume/ pricing of product sales achieved in that period. Production volumes have returned to near full capacity of the facility during FY2018 as the lost customer has been replaced.

3. Sales revenue for 1H2018 and 2H2018 represents approximately 33% and 67% of the FY2018 forecast sales revenue, respectively. Sales revenue during the first 6 months of the Company’s financial year is generally lower than revenue during the remainder of the financial year, this trend has been consistent over the historical period and is largely driven by customer demand. Based on actual customer orders and forecast customer demand, the FY2018 pro forma forecast sales revenue is expected to be achieved.
### 8.4 STATUTORY HISTORICAL STATEMENTS OF CASH FLOWS

#### 8.4.1 Overview

The table below sets out the statutory historical statements of cash flows for the periods ended 31 March 2016, 31 March 2017 and 30 September 2017. The statutory historical statements of cash flows are presented in Australian dollars (AUD).

<table>
<thead>
<tr>
<th>Statutory historical statement of cash flows</th>
<th>FY2016</th>
<th>FY2017</th>
<th>HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>2,281,487</td>
<td>1,723,477</td>
<td>568,090</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(1,621,730)</td>
<td>(1,252,114)</td>
<td>(634,703)</td>
</tr>
<tr>
<td>Net cash provided by/(used in) operating activities</td>
<td>659,757</td>
<td>471,363</td>
<td>(66,613)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for property, plant and equipment</td>
<td>(9,677)</td>
<td>(159,293)</td>
<td>(46,633)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(9,677)</td>
<td>(159,293)</td>
<td>(46,633)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received</td>
<td>–</td>
<td>–</td>
<td>1,490,593</td>
</tr>
<tr>
<td>Repayment of shareholders current account</td>
<td>(659,062)</td>
<td>(223,071)</td>
<td>(125,634)</td>
</tr>
<tr>
<td>Net cash (used in)/provided by financing activities</td>
<td>(659,062)</td>
<td>(223,071)</td>
<td>1,364,959</td>
</tr>
<tr>
<td><strong>Net (decrease)/increase in cash</strong></td>
<td>(8,982)</td>
<td>88,999</td>
<td>1,251,713</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>49,223</td>
<td>40,241</td>
<td>129,240</td>
</tr>
<tr>
<td>Cash, end of year</td>
<td>40,241</td>
<td>129,240</td>
<td>1,380,953</td>
</tr>
</tbody>
</table>
8. STATUTORY AND PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

8.5.1 Overview

The tables below set out the audited statutory historical statements of financial position as at 31 March 2016, 31 March 2017 and 30 September 2017.

<table>
<thead>
<tr>
<th>Statutory historical statements of financial position</th>
</tr>
</thead>
<tbody>
<tr>
<td>$AUD FY2016 FY2017 HY2018</td>
</tr>
</tbody>
</table>

### Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2016</th>
<th>FY2017</th>
<th>HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>40,241</td>
<td>129,240</td>
<td>1,380,953</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>143,093</td>
<td>48,175</td>
<td>154,013</td>
</tr>
<tr>
<td>Inventories</td>
<td>85,659</td>
<td>86,674</td>
<td>134,645</td>
</tr>
<tr>
<td>Other current assets</td>
<td>11,844</td>
<td>–</td>
<td>77,325</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>280,837</td>
<td>264,089</td>
<td>1,746,936</td>
</tr>
</tbody>
</table>

### Non-Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2016</th>
<th>FY2017</th>
<th>HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>255,667</td>
<td>376,070</td>
<td>362,826</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td>255,667</td>
<td>376,070</td>
<td>362,826</td>
</tr>
</tbody>
</table>

### TOTAL ASSETS

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL ASSETS</td>
</tr>
</tbody>
</table>

### Current Liabilities

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
</tr>
<tr>
<td>Other current liabilities</td>
</tr>
<tr>
<td>Revenue received in advance</td>
</tr>
<tr>
<td>Shareholder’s current accounts</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
</tr>
</tbody>
</table>

### Non-Current Liabilities

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured convertible notes</td>
</tr>
<tr>
<td>Total Non-Current Liabilities</td>
</tr>
</tbody>
</table>

### TOTAL LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL LIABILITIES</td>
</tr>
</tbody>
</table>

### NET (LIABILITIES)/ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2016</th>
<th>FY2017</th>
<th>HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET (LIABILITIES)/ASSETS</td>
<td>(136,588)</td>
<td>230,789</td>
<td>440,471</td>
</tr>
</tbody>
</table>

### Equity

<table>
<thead>
<tr>
<th>Description</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>–</td>
<td>–</td>
<td>122,671</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(136,588)</td>
<td>230,789</td>
<td>317,800</td>
</tr>
<tr>
<td>TOTAL EQUITY</td>
<td>(136,588)</td>
<td>230,789</td>
<td>440,471</td>
</tr>
</tbody>
</table>
8.5.2 Commentary on major items included in the historical statements of financial position for Keytone

The key items included in the historical statement of financial position of Keytone as at 30 September 2017 are:

> Cash and cash equivalents – these funds are held by local financial institutions in interest bearing accounts and are readily available for use by Keytone;

> Property, plant and equipment – primarily relates to plant and equipment utilised in the production and packaging of dairy and nutrition products by Keytone. The value of the assets is recognised at cost less accumulated depreciation;

> Trade and other payables – relates to amounts payable to third parties in relation to goods and services provided to Keytone;

> Secured convertible notes:
  - First Convertible Note – On 22 September 2017, Keytone entered into an agreement for the initial interest-free Senior Secured Convertible Promissory Note with a face value of NZ$1,600,000 (the First Convertible Note), with Long Hill Capital IV, LLC maturing on 22 September 2020 (the Maturity Date), if not converted into equity prior to the Maturity Date. The First Convertible Note is Convertible into common stock constituting 40% of the common stock outstanding of Keytone, determined as of the time immediately following such conversion of the Convertible Note and on a fully-diluted basis. The First Convertible Note is recorded at the fair value of NZ$1,600,000 and was drawn in full as of 30 September 2017. The terms of the First Convertible Note provide for its mandatory conversion in the event of the Company’s initial public offering (Public Offer), prior to the Public Offer. The First Convertible Note has been converted into common stock of Keytone.

  - Second Convertible Note – On 22 September 2017, Keytone entered into an agreement for a second interest free Senior Secured Convertible Promissory Note with a face value of NZ$400,000 (the Second Convertible Note), with Long Hill Capital IV, LLC maturing on the Maturity Date, if not converted into equity prior to the Maturity Date. The Second Convertible Note is convertible into Common Stock constituting 9% of the common stock of Keytone, determined as of the time immediately following such conversion of the Second Convertible Note on a fully-diluted basis. As of 30 September 2017, $0 has been advanced under the Second Convertible Note. The terms of the Second Convertible Note provide for its mandatory conversion in the event of the Company’s Public Offer, prior to the Public Offer. The Second Convertible Note has also been converted into common stock of Keytone.
### 8.5.3 Pro Forma consolidated statement of financial position

The table below sets out the pro forma historical statement of financial position as at 30 September 2017. The pro forma historical statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company’s view of its future financial position.

<table>
<thead>
<tr>
<th></th>
<th>Audited</th>
<th>Minimum Subscription</th>
<th>Full subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SAUD</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>As at 30 September 2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents*</td>
<td>1,380,953</td>
<td>10,789,404</td>
<td>12,170,357</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>154,013</td>
<td>154,013</td>
<td>154,013</td>
</tr>
<tr>
<td>Inventories</td>
<td>134,645</td>
<td>134,645</td>
<td>134,645</td>
</tr>
<tr>
<td>Other current assets</td>
<td>77,325</td>
<td>77,325</td>
<td>77,325</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>1,746,936</td>
<td>10,789,404</td>
<td>12,536,340</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>362,826</td>
<td>362,826</td>
<td>362,826</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td>362,826</td>
<td>362,826</td>
<td>362,826</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>2,109,762</td>
<td>10,789,404</td>
<td>12,899,166</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>102,566</td>
<td>102,566</td>
<td>102,566</td>
</tr>
<tr>
<td>Revenue received in advance</td>
<td>92,291</td>
<td>92,291</td>
<td>92,291</td>
</tr>
<tr>
<td>Shareholder’s current accounts</td>
<td>2,628</td>
<td>2,628</td>
<td>2,628</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>197,485</td>
<td>197,485</td>
<td>197,485</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured convertible notes</td>
<td>1,471,806</td>
<td>(1,471,806)</td>
<td>–</td>
</tr>
<tr>
<td>Total Non-Current Liabilities</td>
<td>1,471,806</td>
<td>(1,471,806)</td>
<td>–</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>1,669,291</td>
<td>(1,471,806)</td>
<td>197,485</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>440,471</td>
<td>12,261,210</td>
<td>12,701,681</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>122,671</td>
<td>12,225,757</td>
<td>12,348,428</td>
</tr>
<tr>
<td>Share options reserve</td>
<td>–</td>
<td>1,527,000</td>
<td>1,527,000</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>317,800</td>
<td>(1,491,547)</td>
<td>(1,173,747)</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>440,471</td>
<td>12,261,210</td>
<td>12,701,681</td>
</tr>
</tbody>
</table>
8.5.4 Notes on the pro forma consolidated statement of financial position

The pro forma statement of financial position as at 30 September 2017 is based on the consolidated statements of financial position of Keytone and the Company as at 30 September 2017 after allowing for the following adjustments:

- Exchange Deed – the acquisition of 100% of the equity interests in Keytone by the Company in consideration for the issue of an aggregate of 75,000,000 Shares and 49,500,000 Performance Shares in the Company to the current shareholders of Keytone.
- Conversion of the First Convertible Note at face value totalling NZ$1,600,000 into common stock of Keytone.
- Conversion of the Second Convertible Note at face value totalling NZ$400,000 into common stock of Keytone.
- Cash and cash equivalents* – the pro forma balance includes a receipt and repayment of an unsecured non-interest bearing loan in the aggregate maximum amount of $250,000 which was made available by Long Hill Capital IV, LLC to the Company. This loan was used to pay the expenses of the Offers, the salaries of the Company’s employees and for such other purposes as are agreed in writing between the parties. The loan shall become repayable in cash by the Borrower to the Lender as follows:
  - in the event the Company is admitted to the Official List of ASX, from the proceeds of the Public Offer within 14 days of the date the Company is admitted to the Official List;
  - in the event the Borrower is not admitted to the Official List of ASX by 1 August 2018, within 14 days of such date; or
  - immediately in the event an Event of Default has occurred.

A receipt and repayment of this loan was not included in Section 8.5.5 because it has a nil effect on the pro forma cash balance. This loan was received not long before the date of this Prospectus and will be repaid in full shortly after the Company is admitted to the Official List of ASX using the proceeds of the Public Offer.

- The pro forma statement of financial position reflects the net impact of the proposed capital raising under the Public Offer. These include the following:
  - A minimum subscription of $12,000,000 (60,000,000 shares at $0.20 each) under the Public Offer, and the full oversubscription of $15,000,000 (75,000,000 shares at $0.20 each) under the Public Offer respectively;
  - Expenses of the Offers totaling $1,578,547 (Minimum Subscription) and $1,761,697 (Oversubscription) respectively (refer to Section 11.10). These represent the gross expenses of the Offers which are split between equity portion, being $720,000 (Minimum Subscription) and $900,000 (Oversubscription) and represent the expenses payable to the Lead Manager (Section 5.11), and earnings portion, being $858,547 (Minimum Subscription) and $861,697 (Oversubscription) of other expenses (Section 11.10);
  - 12,000,000 Lead Manager Options to be issued to the Lead Manager (as remuneration for services). The Lead Manager Options have an exercise price of $0.30 each within 36 months of the issue date (refer to Section 11.4). The Lead Manager Options have been valued at $894,000 ($0.07 per Option) using the Black-Scholes method utilising inputs that are relevant at the date of this Prospectus. However, in line with Australian accounting standards, an option’s value can only be measured using inputs relevant at the time of the option’s issue. As such, this value is purely indicative and may change at the date the Company is admitted to the Official List;
  - 8,500,000 Options to be issued to Directors and Management. The Options have an exercise price of $0.30 each within 36 months of the vesting date (refer to Section 11.3). The Options in this category have been valued at $633,000 ($0.07 per Option) using the Black-Scholes method, utilising inputs that are relevant at the date of this Prospectus. However, in line with Australian Accounting Standards, an option’s value can only be measured using inputs relevant at the time of the option’s issue. As such, this value is purely indicative and may change at the date the Company is admitted to the Official List.
8. FINANCIAL INFORMATION AND INDEPENDENT LIMITED ASSURANCE REPORT

8.5.5 Pro forma cash reconciliation

The table below details the reconciliation of the pro forma cash balance of Keytone as 30 September 2017, reflecting the actual cash at bank at the date and reflecting the impact of the pro forma adjustments as set out in Section 8.5.4:

<table>
<thead>
<tr>
<th>Pro forma historical cash reconciliation</th>
<th>Minimum Subscription</th>
<th>Full subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$AUD</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash reconciliation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at 30 September 2017</td>
<td>1,380,953</td>
<td>1,380,953</td>
</tr>
<tr>
<td>Proceeds from Second Convertible Note</td>
<td>367,951</td>
<td>367,951</td>
</tr>
<tr>
<td>Capital raising</td>
<td>12,000,000</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Expenses of the Offers</td>
<td>(1,578,547)</td>
<td>(1,761,697)</td>
</tr>
<tr>
<td>Pro forma cash balance</td>
<td>12,170,357</td>
<td>14,987,207</td>
</tr>
</tbody>
</table>

8.5.6 Pro forma issued capital reconciliation

The table below details the reconciliation of the pro forma issued capital balance of Keytone as at 30 September 2017, reflecting the actual issued capital balance at the date and reflecting the impact of the pro forma adjustments as set out in Section 8.5.4:

<table>
<thead>
<tr>
<th>Pro forma historical issued capital reconciliation</th>
<th>Minimum Subscription</th>
<th>Full subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$AUD</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued capital reconciliation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued capital balance at 30 September 2017</td>
<td>122,671</td>
<td>122,671</td>
</tr>
<tr>
<td>Conversion of Convertible Note</td>
<td>1,471,806</td>
<td>1,471,806</td>
</tr>
<tr>
<td>Conversion of Second Convertible Note</td>
<td>367,951</td>
<td>367,951</td>
</tr>
<tr>
<td>Subscription of new capital</td>
<td>12,000,000</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Expenses of the Offers (equity portion)</td>
<td>(720,000)</td>
<td>(900,000)</td>
</tr>
<tr>
<td>Lead Manager options granted</td>
<td>(894,000)</td>
<td>(894,000)</td>
</tr>
<tr>
<td>Pro forma issued capital balance</td>
<td>12,348,428</td>
<td>15,168,428</td>
</tr>
</tbody>
</table>
8.5.7 Pro forma retained earnings reconciliation

The table below details the reconciliation of the pro forma retained earnings balance of Keytone as at 30 September 2017, reflecting the actual retained earnings balance at the date and reflecting the impact of the pro forma adjustments as set out in Section 8.5.4:

<table>
<thead>
<tr>
<th>Retained earnings reconciliation</th>
<th>Pro forma historical retained earnings reconciliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$AUD</td>
<td>Minimum Subscription</td>
</tr>
<tr>
<td>Retained earnings balance at 30 September 2017</td>
<td>317,800</td>
</tr>
<tr>
<td>Options expense</td>
<td>(633,000)</td>
</tr>
<tr>
<td>Expenses of the Offers (P&amp;L portion)</td>
<td>(858,547)</td>
</tr>
<tr>
<td>Pro forma retained earnings balance</td>
<td>(1,173,747)</td>
</tr>
</tbody>
</table>

8.6 PRO FORMA FORECAST FINANCIAL INFORMATION

8.6.1 Reconciliation of the pro forma and statutory forecast income statements

The table below set out the reconciliation of the pro forma forecast income statement to the statutory forecast income statement for the financial year ended 31 March 2018. The Pro Forma Forecast Financial Information is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company’s view of its future financial activity.

<table>
<thead>
<tr>
<th>$AUD</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro forma forecast net profit after tax</td>
<td>469,634</td>
</tr>
<tr>
<td>Expenses of the Offers (P&amp;L portion)</td>
<td>(858,547)</td>
</tr>
<tr>
<td>Options expense</td>
<td>(633,000)</td>
</tr>
<tr>
<td>Corporate overhead costs</td>
<td>(194,866)</td>
</tr>
<tr>
<td>Tax adjustment</td>
<td>472,196</td>
</tr>
<tr>
<td>Statutory forecast net profit after tax</td>
<td>(744,583)</td>
</tr>
</tbody>
</table>

Notes:
1. Expenses of the Offers (P&L portion) represent one off Public Offer costs including legal, accounting and other fees.
2. Options expense relates to the issue of 8,500,000 options to Directors and Management.
3. Corporate overhead costs include the payroll expenses of CFO and supporting staff employed by the Company.
4. Tax adjustment relates to the deductible expenses included in the statutory forecast income statement. This adjustment is required to reflect the notional income tax expense for the period at the marginal rate of 28% of the calculated profit before tax, being the corporate tax rate of New Zealand.
8.6.2 Pro forma forecast net cash flows

The table below sets out the pro forma forecast net cash flows for the financial year ended 31 March 2018. The Pro Forma Forecast Financial Information is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company’s view of its future financial activity.

<table>
<thead>
<tr>
<th>Pro forma forecast net cash flows</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit before tax</td>
<td>652,270</td>
</tr>
<tr>
<td>Depreciation</td>
<td>48,483</td>
</tr>
<tr>
<td>Changes in Working Capital</td>
<td>(283,660)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(182,636)</td>
</tr>
<tr>
<td>Operating cash flows</td>
<td>234,457</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(93,342)</td>
</tr>
<tr>
<td>Net cash flow before financing</td>
<td>141,115</td>
</tr>
</tbody>
</table>

Notes:
1. Changes in working capital are impacted by changes in trade and other receivables, trade and other payables, inventory levels and other current assets and liabilities.
2. Forecast capital expenditure is based on the actual payments made to acquire property, plant and equipment in the half year period ended 30 September 2017 extrapolated for the full financial year ended 31 March 2018.
3. Income tax paid amount is based on the corporate tax rate of 28% in New Zealand.

8.6.3 Notes on the Forecast Financial Information

The Forecast Financial Information is based on an assessment of present economic and operating conditions and on a number of assumptions, including the general assumptions and the Directors’ best estimate specific assumptions set out in Sections 8.6.4 and 8.6.5.

The Company believes that it has prepared the Forecast Financial Information with due care and attention, and considers all best estimate assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned to not place undue reliance on the Forecast Financial Information.

Accordingly, none of the Company, its Directors or any other person can give any assurance that the Forecast Financial Information contained in this Prospectus will be achieved.

The Directors have no intention to update or revise the Forecast Financial Information or other forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.
8.6.4 General Assumptions

In preparing the Forecast Financial Information, the following general assumptions have been adopted:

> No significant change in the competitive environment in which the Company operates occurs;
> The Company holds appropriate insurance arrangements to mitigate operational risks during the forecast period;
> No significant asset acquisitions or sales other than those set out in this Section 8 of the Prospectus;
> No further issue of Shares during the forecast period other than those anticipated in this Prospectus;
> No material changes in the government regulatory environment;
> No material changes in general economic and business conditions including levels of inflation, employment and interest rates;
> No changes to the statutory, legal or regulatory environment which would be detrimental to the Company in any of the jurisdictions in which it operates;
> No changes in current income tax legislation in Australian and New Zealand;
> No material changes in Australian Accounting Standards, other mandatory professional reporting requirements, or the accounting policies of the Company which would have a material impact on the financial results of the Company;
> No material impact from the loss of key personnel;
> No material impact from contingent liabilities, litigation or other legal claims to which the Company is a party;
> No material disruptions to the continuity of operations of the Company or other material changes in its business;
> No material amendment to, or termination of, any material contract or arrangement referred to in this Prospectus; and
> The Public Offer proceeds in accordance with the timetable set out in Section 3.9 of this Prospectus.

8.6.5 Specific Assumptions

In preparing the Forecast Financial Information, the following best estimate specific assumptions have been made in relation to the performance of Keytone:

> Revenue:
  - Average price and volume of sales have been based on historical trends, expected market conditions and Keytone's future view for both own branded products and contract manufacturing for private labels;
  - Production capacity remains similar to previous financial periods;
  - Organic growth in the number of inbound inquiries and request for proposals for contract manufacturing of third party private labels;
  - Continued investment in the sales distribution network and marketing in order to achieve growth in sales volume; and
  - Sales mix between own products, ingredient trading and contract manufacturing based on historical trends and forward sales pipeline.

> Cost of sales:
  - Raw material costs per tonne, both ingredients and packaging, are consistent with recent historical levels across the major suppliers;
  - Raw materials volume and estimated consumption is consistent with historical levels and consumer requirements;
  - Packaging materials are purchased in bulk to achieve economies of scale and are held on site for up to 3 months at a time; and
  - For certain ingredients purchased in United States Dollars, foreign exchange rate is assumed to remain in line with the average spot rate for FY18.
> Operating expenses:
  - Forecast operating expenses are based on the historic level of expense incurred by Keytone;
  - One off expenses of the Offers of $858,547 have been included in the statutory forecast income statement for FY2018 (with the remaining costs directly applicable to the Offers offset against equity);
  - the Company’s estimate of the incremental costs that it will incur as a consolidated group of companies are recognised on a pro rata basis in the statutory forecast income statement for FY2018; and
  - The Public Offer closing date and subsequent listing date of the Company group is expected to be after the end of the financial year ended 31 March 2018, as such administrative costs attributable to operating as a public entity are considered to be insignificant in FY2018. Therefore the statutory forecast income statement does not include compliance costs attributable to operating as a public entity.

> Forecast cash flows:
  - Changes in Working Capital assumes the timing of receipts from customers and expense payments to be consistent with historical trends; and
  - Capital expenditure reflects assumed investment in property, plant and equipment expected to support current operations of the Company.

### 8.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 8.7.1 Basis of Preparation

The historical financial statements of Keytone have been prepared in accordance with NZ GAAP under the External Reporting Board (XRB) Accounting Standards Framework. The Directors have elected for Tier 2 For-Profit Accounting Standards to apply on the basis that the Company complies with the Tier 2 criteria under paragraph 20 External Reporting Board Standard A1.

**Critical Accounting Estimates and Judgements**

In the process of applying the Company’s accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily available from direct sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about areas of estimation uncertainty that have a significant risk of resulting in a material adjustment in the next year and critical adjustments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are described in the following accounting policies and notes in respect of Impairment and Deferred Tax.

#### 8.7.2 Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has passed to the buyer, usually on shipment of the goods regardless of when payment is received.

#### 8.7.3 Foreign currency

Foreign currency transactions are translated using the exchange rate at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at balance date.

Any resulting foreign exchange gain and losses are recognised in the income statement.

#### 8.7.4 Repairs and maintenance

Repairs and maintenance costs are accounted for in the period they are incurred.
8. FINANCIAL INFORMATION AND INDEPENDENT LIMITED ASSURANCE REPORT

8.7.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impaired losses, if any.

Where an item of property, plant and equipment is disposed of or when no further economic benefits are expected from its use; the gain or loss (calculated as the difference between net sales price and the carrying amount of the asset) is recognised in the income statement.

The asset residual values, useful lives and depreciation methods are reviewed annually and adjusted if appropriate at each financial year end.

8.7.6 Depreciation

Depreciation was provided for in the income statement on a diminishing value basis over the estimated useful life of each asset in the line with the recommended rates of the Inland Revenue Department. The principal rates in use were:

- Plant and Equipment: 10% to 40%
- Motor Vehicles: 20% to 30%
- Furniture & Fittings: 10% to 20%
- Office Equipment: 40% to 67%

8.7.7 Impairment

The carrying amounts of the Company's assets other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amounts are estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the income statement. Any reversal of the impairment loss is recognised as income immediately.

8.7.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

8.7.9 Trade and other receivables

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

8.7.10 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The amounts are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature their carrying value is assumed to approximate their fair value.

8.7.11 Income tax

The income tax expense recognised for the year includes both the current year provision and the income tax effects of timing differences, being deferred income tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current year provision is the expected tax payable on the taxable profit for the year based on tax rates enacted at balance date. Current tax for the year and prior years is recognised as a liability or asset in the Balance Sheet to the extent that it is not yet paid or refunded.

Deferred tax is provided, using the liability method, for temporary difference arising between the tax bases of liabilities and their carrying amounts in the Financial Statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit. Deferred income tax is provided for using tax rates expected to apply in the period of settlement, based on tax rates enacted or substantively enacted at balance date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.
8.7.12 Goods and services tax
Revenue, expenses, assets and liabilities are recognised net of GST except where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority in which case the GST is recognised as part of the cost of acquisition or as part of the expense as applicable. Receivables and payables are stated inclusive of GST.

8.7.13 Inventories
Inventories are stated at the lower of cost, determined on a first in, first out basis, and net realisable value.

The cost of finished goods comprises direct material and labour costs as well as a proportion of fixed and variable production overheads, based on normal operating capacity.

8.8 RECONCILIATION BETWEEN NZ GAAP AND IFRS
The Directors have performed an assessment of the variances between the application of NZ GAAP and IFRS in the preparation of Keytone’s audited financial statements for the periods ended 31 March 2016, 31 March 2017 and 30 September 2017. Following this review the Directors have not identified any material differences in the value or presentation of assets and liabilities recognised in the pro-forma statement of financial position in Section 8.5.3, nor in the value of the net profit or net cash flows disclosed for the periods ended 31 March 2016, 31 March 2017 and 30 September 2017 in NZ GAAP or IFRS.

8.9 FUNDING
The funding for the Keytone’s short to medium term activities will be generated from the Public Offer under this Prospectus (see Section 3.11).

8.10 DIVIDEND POLICY
Depending on available profits and the financial position of the Company, it is not the current intention of the Board to declare dividends in respect of the year ended 31 March 2018. The payment of a dividend by the Company is at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
30 April 2018

Board of Directors
Keytone Dairy Corporation Limited
Suite 2, Level 10
70 Phillip Street
SYDNEY NSW 2000

Dear Board of Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON KEYTONE DAIRY CORPORATION LIMITED’S HISTORICAL, PRO FORMA AND FORECAST FINANCIAL INFORMATION

Introduction
HLB Mann Judd Corporate (NSW) Pty Ltd ("HLBMJC") has been engaged by Keytone Dairy Corporation Limited (the "Company") to prepare this report for inclusion in the prospectus to be dated on or around 30 April 2018 ("Prospectus"), and to be issued by the Company in respect of the initial public offering of shares in the Company (the "Offer") and the listing of the Company on the Australian Securities Exchange.

It is proposed that the Company will simultaneously acquire the issued shares in Keytone Enterprises (NZ) Company Limited ("Keytone") at the time of the Offer.

HLB Mann Judd Corporate (NSW) Pty Ltd holds the appropriate Australian Financial Services licence (AFSL: 253134) under the Corporations Act 2001 for the issue of this report.

Expressions defined in the Prospectus have the same meaning in this report.

Scope
Statutory Historical Financial Information
You have requested HLBMJC to review the following historical financial information of the Company and controlled entities included in the Prospectus:

- Statutory historical income statements of Keytone for the years ended 31 March 2016, 2017 and half year ended 30 September 2017;
- Statutory historical statements of cash flows of Keytone for the years ended 31 March 2016, 2017 and half year ended 30 September 2017; and
- Statutory historical statements of financial position as at 31 March 2016, 2017 and 30 September 2017, (collectively, the “Statutory Historical Financial Information”).

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in New Zealand Equivalents to International Financial Reporting Framework Reduced Disclosure Regime and the company's adopted accounting policies. The Statutory Historical Financial Information has been extracted from the financial report of Keytone for the years ended 31 March 2016, 2017 and half year ended 30 September 2017, which was audited by PKF Goldsmith Fox Audit in accordance with the International Standards on Auditing (New Zealand). PKF Goldsmith Fox Audit issued a modified audit opinion on the financial report for the year ended 31 March 2016 in relation to the opening balances and on the financial report for the period ended 30 September 2017 in relation to the non-disclosure of prior period comparative information. An unmodified opinion was issued on the financial report for the year ended 31 March 2017.

The Statutory and Pro Forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.
Pro Forma Historical Financial Information
You have requested HLBMJC to perform limited assurance procedures in relation to the Pro Forma Historical Financial Information of the Company (the responsible party) included in the Prospectus.

The Pro Forma Historical Financial Information consists of the Company’s and Keytone’s historical statement of financial position as at 30 September 2017 and related notes as set out in sections 8.5.3 and 8.5.4 of the Prospectus issued by the Company (collectively the “Pro Forma Historical Financial Information”).

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of the Company and Keytone, after adjusting for the effects of pro forma adjustments described in sections 8.5.3 and 8.5.4 of the Prospectus.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the New Zealand Equivalents to International Financial Reporting Framework Reduced Disclosure Regime applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in sections 8.5.3 and 8.5.4 of the Prospectus. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position.

Forecast Financial Information
You have requested HLBMJC to perform limited assurance procedures in relation to:

- The pro forma forecast income statement and the pro forma forecast net cash flows of the Company for the year ended 31 March 2018 as set out in sections 8.6.1 and 8.6.2 of the Prospectus (collectively the “Pro Forma Forecast Financial Information”). The Directors’ best estimate assumptions underlying the Pro Forma Forecast Financial Information are described in sections 8.6.4 and 8.6.5 of the Prospectus. The stated basis of preparation used in the preparation of the Pro Forma Forecast Financial Information is the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards; and
- The statutory forecast income statement of the Company for the year ended 31 March 2018 as set out in section 8.3.1 of the Prospectus (the “Statutory Forecast Financial Information”). The Directors’ best estimate assumptions underlying the Statutory Forecast Financial Information are described in sections 8.6.4 and 8.6.5 of the Prospectus. The Statutory Forecast Financial Information has been derived from the Pro Forma Forecast Financial Information after adjusting for the effects of the statutory adjustments described in section 8.6.1 of the Prospectus. The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information is the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards.

For the purposes of preparing this report we have performed limited assurance procedures in relation to the Forecast Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Forecast Financial Information is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation.

Directors’ responsibilities
The directors of the Company are responsible for:

- the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information;
- the preparation of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information for the year ended 31 March 2018, including the best-estimate assumptions underlying the forecast. They are also responsible for the preparation of the pro forma forecast for the period ended 31 March 2018, including the selection and determination of the statutory adjustments made to the Pro Forma Forecast Financial Information and included in the Statutory Forecast Financial Information; and
- the information contained in the Prospectus.

The directors’ responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of the Statutory Historical Financial Information, the Pro Forma Historical Financial Information and the Forecast Financial Information that is free from material misstatement, whether due to fraud or error.
8. FINANCIAL INFORMATION AND INDEPENDENT LIMITED ASSURANCE REPORT

Our responsibility
Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information, the Pro Forma Historical Financial Information and the Forecast Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our limited assurance procedures consisted 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 reasonable 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.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions
Statutory Historical Financial Information
Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as described in sections 8.3.1, 8.4.1 and 8.5.1 of the Prospectus, and comprising:
• Statutory historical income statements of Keytone for the years ended 31 March 2016, 2017 and half year ended 30 September 2017;
• Statutory historical statements of cash flows of Keytone for the years ended 31 March 2016, 2017 and half year ended 30 September 2017; and
• Statutory Historical statement of financial position of Keytone as at 31 March 2016, 2017 and 30 September 2017, are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 8.2 of the Prospectus.

Pro Forma Historical Financial Information
Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information being the pro forma historical statement of financial position as at 30 September 2017 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 8.2 of the Prospectus.

Pro Forma Forecast Financial Information
Based on our limited assurance engagement, which is not an audit, nothing has come to our attention which causes us to believe that:
• the directors’ best-estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information for the year ended 31 March 2018 does not provide reasonable grounds for the Pro Forma Forecast Financial Information; and
• in all material respects, the Pro Forma Forecast Financial Information:
  o is not prepared on the basis of the directors’ best-estimate assumptions as described in sections 8.6.4 and 8.6.5 of the Prospectus; and
  o is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards, applied to the Statutory Forecast Financial Information and the pro forma adjustments as if those adjustments had occurred prior to 30 September 2017; and
• the Pro Forma Forecast Financial Information itself is unreasonable.
Statutory Forecast Financial Information

Based on our limited assurance engagement, which is not a reasonable assurance engagement, nothing has come to our attention which causes us to believe that:

- the directors’ best-estimate assumptions used in the preparation of the Statutory Forecast Financial Information of the Company for the year ended 31 March 2018 do not provide reasonable grounds for the Statutory Forecast Financial Information; and
- in all material respects, the Statutory Forecast Financial Information:
  - is not prepared on the basis of the directors’ best-estimate assumptions as described in sections 8.6.4 and 8.6.5 of the Prospectus; and
  - is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards; and
- the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma and Statutory Forecast Financial Information

The Pro Forma and Statutory Forecast Financial Information has been prepared by the Company management and adopted and disclosed by the directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the twelve-month period ended 31 March 2018. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Pro Forma and Statutory Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material. The directors’ best-estimate assumptions on which the Pro Forma and Statutory Forecast Financial Information is based relate to the events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the directors’ best-estimate assumptions on which the Pro Forma and Statutory Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors’ best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the Pro Forma and Statutory Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in section 7 of the Prospectus. We express no opinion as to whether the Pro Forma and Statutory Forecast Financial Information will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Pro Forma or Statutory Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Independence

HLBMJC does not have any interest in the outcome of the proposed initial public offering, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.
8. FINANCIAL INFORMATION AND INDEPENDENT LIMITED ASSURANCE REPORT

Restriction on use

Without modifying our conclusions, we draw attention to the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

Consent

HLBMJC has consented to the inclusion of this Investigating Accountant’s Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, HLBMJC makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully

Nicholas Guest
Director and Authorised Representative

Simon James
Director and Authorised Representative
1. HLB Mann Judd Corporate (NSW) Pty Ltd
HLB Mann Judd Corporate (NSW) Pty Ltd ABN 94 003 918 125 (“HMJC” or “we” or “us” or “our” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide
In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:
- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, No. 253134;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide
We hold an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, securities valuations or reports and to provide general financial product advice for the following classes of financial products:

(i) debentures, stocks or bonds issued or proposed to be issued by a government;
(ii) interests in managed investment schemes excluding investor directed portfolio services;
(iii) securities; and
(iv) superannuation;

to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General financial product advice
In our report we provide general financial product advice, not personal financial product advice, because it has been prepared for the shareholder group as a whole without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product and there is no statutory exemption relating to the matter, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive
We charge fees for providing reports, including this report. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis. In the preparation of this report HMJC will receive from the Company a fee of $40,500 excluding GST and reimbursement of out of pocket expenses.
8. FINANCIAL INFORMATION AND INDEPENDENT LIMITED ASSURANCE REPORT

Except for the fees referred to above, neither HMJC, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by us

HMJC has no employees. All personnel who complete reports for HMJC are either partners of, or personnel employed by, HLB Mann Judd’s New South Wales Partnership. None of those partners or personnel is eligible for bonuses directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

HMJC is wholly owned by HLB Mann Judd (NSW) Pty Limited. Also, all directors of HMJC are partners in HLB Mann Judd’s New South Wales Partnership. Ultimately the partners of HLB Mann Judd’s New South Wales Partnership own and control HMJC.

From time to time HMJC, HLB Mann Judd (NSW) Pty Ltd or HLB Mann Judd’s New South Wales Partnership may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of their business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints must be in writing, addressed to The Complaints Officer, HLB Mann Judd Corporate (NSW) Pty Ltd, Level 19, 207 Kent Street NSW 2000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 7 days and investigate the issues raised. As soon as practical, and not more than one month after receiving the written complaint, we will advise the complainant in writing of the determination.

9.2 Referral to external disputes resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service (“FOS”). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3, Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details at the foot of page 1 of this FSG.
9.

BOARD, MANAGEMENT AND CORPORATE GOVERNANCE
9. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

9.1 DIRECTORS AND KEY PERSONNEL

James Gong
**Executive Director and Chief Executive Officer**

Mr. Gong is a co-founder of Keytone. Prior to founding Keytone, Mr. Gong was the Sales and Marketing Manager at Westland Co-operative Dairy Company Limited (also known as Westland Milk Products), a major producer of dairy and infant nutrition ingredients in New Zealand, where he was responsible for sales and exports in Asia, for 11 years. This position enabled Mr. Gong to further develop his local sector knowledge and increase his sales network in both New Zealand and international markets.

Mr. Gong holds a Bachelor of Arts in English from Nanjing Normal University in China and a Masters in Business Administration from Massey University in New Zealand and has completed the ESCO Course Executive Staff Course at the New Zealand Institute of Management.

Bernard Kavanagh
**Non-Executive Chairman**

Mr. Kavanagh was formerly an Executive Director, Chief Financial Officer and General Manager – Corporate Development of Warrnambool Cheese and Butter Factory Co Ltd. Following Warrnambool being acquired by Saputo Inc of Canada in January 2014, Mr. Kavanagh was appointed General Manager – Corporate Development and Vice President in Saputo Dairy International division. During his career at Warrnambool, Mr. Kavanagh played a key role in a number of capital and equity transactions including Warrnambool’s capital re-construction, capital raising activities and listing on the ASX. Mr. Kavanagh has also been responsible for identifying and pursuing profitable growth opportunities that involved mergers, acquisitions, joint ventures, and strategic global supply arrangements.

Mr. Kavanagh has held non-executive directorships at Warrnambool Cheese and Butter Co – Japan (located in Tokyo, Japan) and also at Great Ocean Ingredients Pty Ltd (a joint venture company between WCB and Royal Friesland Campina of The Netherlands. He has also held industry non-executive directorships at Dairy Technical Services Ltd and Director of Dairy Innovation Australia Ltd.

Mr. Kavanagh holds a Bachelor of Commerce degree, is a Chartered Secretary (FCSA and FCIS) and holds a Fellow and Diploma of Australian Institute of Company Directors (FAICD).

Peter Hobman
**Non-Executive Director**

Mr. Hobman currently provides business development consulting services to dairy-related businesses and other organisations globally. He is a Director of NZ Food Innovation Waikato Ltd, NZ and Waikato Innovation Growth Ltd. He held the position of General Manager, MG Nutritional Ltd, Murray Goulburn Coop Dairy Co Ltd, Australia from 2002 to 2012 with responsibility for the creation and executive management of the new business unit. These activities covered R & D and marketing and sales of B2B and own-brand retail pediatric nutrition powders, sports nutrition (powders, bars and beverages), formulated meal replacers for hospital diets and specialised bioactive ingredients such as lactoferrin.

His additional experience includes senior and executive management roles with New Zealand Coop Dairy Company (1995 – 2001), New Zealand Dairy Board, Japan and its joint venture Nippon Proteins KK based in Tokyo, and the New Zealand Dairy Research Institute. Further, he is a Fellow of the New Zealand Institute of Food Science and Technology, and was the editor of the New Zealand Journal of Dairy Science and Technology.

He has also held non-executive directorships at Dairy Innovation Australia Ltd, Oral Health CRC, Oral Health Australia Ltd and sat on the advisory board of AusFoodTech, a division of AusBiotech. He has wide-ranging company governance experience in New Zealand, Australia and Japan.

Mr. Hobman holds a Bachelors of Technology with Honours (majoring in biotechnology) from Massey University in New Zealand, and was awarded a New Zealand Certificate in Engineering (Mechanical Engineering).
9. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

Robert Clisdell
Non-Executive Director

Mr. Clisdell is based in Sydney and is a non-executive director of DroneShield (ASX:DRO) and UUV Aquabotix Limited (ASX:UUV) and the head of Bergen Capital (Australia), LLC’s Australian office. Prior to Bergen, Mr. Clisdell gained over 15 years’ experience in the banking, finance and accounting sectors in the Australian market as an investment banker at Credit Suisse and Caliburn Partnership (now Greenhill & Co.) and worked in equity capital markets at Ord Minnett.

Mr. Clisdell began his career at Ernst & Young where he qualified as a Chartered Accountant. Mr. Clisdell has a Bachelor of Commerce degree from the University of Sydney (majoring in Finance & Accounting) and a Graduate Diploma in Applied Finance & Investment from FINSIA.

Jourdan Thompson
Chief Financial Officer

Mr. Thompson has over 15 years’ industry experience in investment banking, finance and restructuring both in Australia and Europe. Mr. Thompson has spent the last 10 years in investment banking, working most recently for Greenhill & Co, as a director, based in the Sydney office and prior to this for ING Investment Bank based in London. During his time at Greenhill, Mr. Thompson principally focussed on strategic and advisory mandates for ASX200 clients. Mr. Thompson began his career at KPMG in the Corporate Recovery and Restructuring team (now McGrathNicol), prior to moving to the Corporate Finance team at Ernst & Young.

Mr. Thompson is a qualified Chartered Accountant with Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce degree, majoring in Accounting and Finance, from the University of New South Wales.

Vivienne Cheung
Chief Operating Officer

Mrs. Cheung is a co-founder of Keytone and has served as a key employee since its inception. Mrs. Cheung has over 20 years of experience in finance and banking at Bank of China Shanghai and ASB Bank of New Zealand.

Mrs. Cheung holds a BS in civil engineering from Tongji University in China and a Postgraduate Diploma in Banking from Massey University in New Zealand.

Richard Fyers
General Counsel

Mr. Fyers is senior partner at the New Zealand commercial law firm Fyers Joyce. He was formerly a partner at national firm Buddle Findlay and is a current executive member and former chairman of the New Zealand China Trade Association. He has extensive experience with Chinese legal matters, having worked closely with King and Wood Mallesons, a leading Chinese law firm since 1993, including by serving as an editor of their English language legal bulletins. He has extensive merger and acquisitions and private equity experience. Mr. Fyers was formerly a director and co-investor with Bain Capital and Pacific Equity Partners in Fruocer Beverages, a leading Australasian drinks company, prior to its takeover by Danone and was also formerly a director of Australian headquartered Freshmax Pty Ltd. He provides strategic, governance and commercial legal advice to a wide range of enterprises including exporters to China and elsewhere.

Andrew Bursill
Company Secretary

Mr. Bursill is a Chartered Accountant with more than 20 years of accounting experience. He is a Principal at Franks & Associates Pty Ltd, where he has assisted publicly listed and unlisted companies since 1998 with capital raising activities, financial management, investor relations and company secretarial services and compliance. Mr. Bursill is a Company Secretary of numerous publicly listed entities and several unlisted public and private companies.
Management and Consultants
The Company is aware of the need to have sufficient management to properly supervise its operations, expansion and research and development, and the Board will continually monitor the management roles in the Company. As the Company’s projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company’s projects.

9.2 ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS
The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company’s needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations).

In light of the Company’s size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company’s activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company’s main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company’s full Corporate Governance Plan is available in a dedicated corporate governance information section on the Company’s website www.keytonedairy.com.

Board of directors
The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:
(a) maintain and increase Shareholder value;
(b) ensure a prudential and ethical basis for the Company’s conduct and activities; and
(c) ensure compliance with the Company’s legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:
(a) developing initiatives for profit and asset growth;
(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
(c) acting on behalf of, and being accountable to, the Shareholders; and
(d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors’ participation in the Board discussions on a fully-informed basis.

Composition of the Board
Election of Board members is substantially the province of the Shareholders in general meeting.

Identification and management of risk
The Board’s collective experience will enable accurate identification of the principal risks that may affect the Company’s business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards
The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice
Subject to the Chairman’s approval (not to be unreasonably withheld), the Directors, at the Company’s expense, may obtain independent professional advice on issues arising in the course of their duties.
9. BOARD, MANAGEMENT 
AND CORPORATE GOVERNANCE

Remuneration arrangements
The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating 
in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board 
and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the 
Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors’ remuneration within 
that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions 
by each non-executive Director. The current amount has been set at an amount not to exceed $500,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash 
performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise 
performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about 
the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors 
who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of 
its size and level of activity as well as the relevant Directors’ time, commitment and responsibility. The Board is also responsible 
for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total 
payments proposed.

Trading policy
The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key 
management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The policy 
generally provides that the written acknowledgement of the Chair (in the case of Directors and other key management personnel) 
and the Board (in the case of the Chairman) or the Board (in all cases) must be obtained prior to trading.

External audit
The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board 
from time to time will review the scope, performance and fees of those external auditors.

Audit committee
The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the 
Company’s operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, 
the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference 
for that committee, including but not limited to, monitoring and reviewing any matters of signiﬁcance affecting ﬁnancial reporting 
and compliance, the integrity of the ﬁnancial reporting of the Company, the Company’s internal ﬁnancial control system and risk 
management systems and the external audit function.

Diversity policy
The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a 
diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, 
improved employment and career development opportunities for women and a work environment that values and utilises the 
contributions of employees with diverse backgrounds, experiences and perspectives.
9. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

9.3 DEPARTURES FROM RECOMMENDATIONS

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. The Company’s departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
<td>Due to the Company’s stage of development and number of employees, the Company may face particular issues in relation to setting, reviewing, assessing and reporting on certain diversity measures. Consequently, the Company will not comply with Recommendation 1.5 (diversity) in full.</td>
</tr>
<tr>
<td>2.1, 4.1, 7.1, 7.3 &amp; 8.1</td>
<td>Due to the size and nature of the existing Board and the magnitude of the Company’s current operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas. The Board is of the view that at this stage, the experience and skill set of the current Board is sufficient to perform these roles. As such, the Company does not currently have a Nomination Committee, an Audit and Risk Committee, an internal audit function or a Remuneration Committee as required by Recommendations 2.1, 4.1, 7.1, 7.3 and 8.1 respectively. Pursuant to the Company’s Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination, Audit and Risk and Remuneration Committees. The roles and responsibilities of these Committees are outlined in the relevant Committee Charters contained in the Company’s Corporate Governance Plan which is available on the Company’s website. The roles and responsibilities associated with both maintaining the Company’s internal audit function and arrangements with external auditors and with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. Further, all members of the Board are involved in the Company’s audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting. The Company’s Board Charter also outlines the monitoring, review and assessment of a range of internal audit functions and procedures of the Company. The Company will establish separate Nomination, Audit and Risk and Remuneration Committees once the Company’s operations are considered to be of sufficient magnitude to warrant such Committees.</td>
</tr>
<tr>
<td>2.4</td>
<td>As at the date of this Prospectus, two of the four Board members (i.e. exactly half and not a majority) are independent Directors. James Gong is not considered to be an independent director due to his executive role on the Board and due to the fact he will be a substantial shareholder of the Company upon completion of the Exchange Deed. Robert Clisdell is not considered to be an independent director due to his association with Long Hill Capital IV, LLC, a substantial shareholder of the Company. Bernard Kavanagh and Peter Hobman are considered to be independent directors of the Company. The Board, having regard to the Company’s stage of development and the collective experience and expertise of the Directors, considers the current composition of the Board is appropriate. The Board will also look to appoint additional independent Non-Executive Directors once the Company’s operations are considered to be of sufficient magnitude to warrant such appointments.</td>
</tr>
</tbody>
</table>
10. MATERIAL CONTRACTS
10. MATERIAL CONTRACTS

10.1 EXCHANGE DEED – ACQUISITION OF KEYTONE

The Company, Keytone and the shareholders of Keytone (the Keytone Shareholders) are parties to an Exchange Deed dated 1 April 2018 in respect of the acquisition by the Company of 100% of the issued share capital of Keytone (the Exchange) (the Exchange Deed). Pursuant to the Exchange Deed, the Exchange is to be effected by an issue by the Company of 75,000,000 Shares and 49,500,000 Performance Shares to be allocated among the Keytone Shareholders pro rata based on their respective shareholdings in Keytone. This issue will occur concurrently with the issue by the Company of the Shares under the Public Offer the subject of this Prospectus and in any event no later than 31 December 2018.

Completion of the Exchange Deed is conditional upon the fulfilment of the following conditions precedent:

(a) each of the representations and warranties made by each party under the Exchange Deed being true and correct in all material respects on and as at the date of completion as though such representation or warranty was made on and as of the date of completion;

(b) each party performing and complying with, in all material respects, each agreement, covenant and obligation required by the Exchange Deed to be so performed or complied with by such party at or before completion; and

(c) the Company issuing the Shares the subject of the Public Offer to applicants under this Prospectus.

Under the Exchange Deed, each Keytone Shareholder waives any and all pre-emptive (or similar) rights with regard to its shareholding in Keytone and Keytone authorises the use by the Company of Keytone’s corporate name and trademarks including its logo and domain name. The Exchange Deed also contains other representations, warranties and conditions considered standard for an agreement of this nature, including those related to securities law compliance.

10.2 LEAD MANAGER MANDATE – PELOTON CAPITAL PTY LTD

The Company has entered into a mandate letter with Peloton Capital Pty Limited (ACN 149 540 018) (AFSL 406040) (Peloton) (the Lead Manager), pursuant to which Peloton has agreed to act as lead manager to the Public Offer (Peloton Mandate).

The Company has agreed to pay the Lead Manager the following fees and issue the following Options:

(a) (Selling Fee): a selling fee equal to 6.0% of the total funds raised under the Public Offer;

(b) (Lead Manager Fee): a lead manager fee of $200,000 payable at the completion of the Public Offer;

(c) (Success Equity Fee): 12,000,000 Options exercisable at $0.30 within three years of their date of issue on the terms and conditions set out in Section 11.4;

(d) (Reimbursement of Expenses): all reasonable out of pocket expenses incurred by the Lead Manager in performing its services under the Peloton Mandate, subject to consent from the Company being required prior to any single expense greater than $2,000 being incurred.

Any broker fees payable to the Co-Manager, other brokers or intermediaries (including those overseas) will be paid from the fees payable to the Lead Manager. The Peloton Mandate may be terminated by either party at any time, with or without cause, upon written notice to the other.

Under the Peloton Mandate, the Company has also agreed to engage Peloton as lead manager in any further equity capital raising or acquisition or disposition transaction undertaken in connection with the Company within 12 months of completion of the Public Offer, subject to competitive terms relative to market practices at the time. The Peloton Mandate contains other standard indemnities, terms and conditions expected to be included in a mandate of this nature.

10.3 DEED OF LEASE – 5 PARAGON PLACE

On 1 April 2014, Keytone entered into a commercial tenancy agreement with an unrelated third party (Lessor), to lease Unit 1, 5 Paragon Place, Sockburn, Christchurch (Deed of Lease). The material terms of the Deed of Lease are as follows:

(a) (Rent): Keytone has agreed to pay NZ$28,804 (inclusive of GST) per annum to the Lessor (approximately $26,500), with annual reviews on 14 April, whereby rent will be renegotiated but not for an amount less than the rent paid for the prior rental period;

(b) (Term): The term of the lease commenced on 14 April 2014, and continues until 14 April 2019, with an option to extend for another 5 years commencing on 14 April 2019.
10. MATERIAL CONTRACTS

(c) **Termination**: subject to relevant legislation, the Lessor may cancel the lease if any of the following occurs:
   
   (i) rent falls into arrears 10 working days after any due payment date and Keytone fails to remedy that breach;
   
   (ii) Keytone breaches any obligation under the Deed of Lease and Keytone fails to remedy that breach;
   
   (iii) Keytone becomes insolvent or enters into voluntary administration, receivership or liquidation or endeavours to enter or enters into an agreement or arrangement to the benefit of its creditors; or
   
   (iv) the Lessor effects judgement against Keytone in any court for an amount equal to or greater than NZ$5,000.

The Deed of Lease otherwise contains terms and conditions considered standard for an agreement of this nature.

10.4 DEED OF LEASE – 7 PARAGON PLACE

On 31 October 2012, Keytone entered into a deed of lease with an unrelated third party (Lessor), to lease 7 Paragon Place, Sockburn, Christchurch (Deed of Lease). On 13 February 2018, the Deed of Lease was renewed for an additional five year term. The material terms of the Deed of Lease (as renewed) are as follows:

(a) **Rent**: Keytone has agreed to pay NZ$48,500 (exclusive of GST) (approximately $45,000) per annum to the Lessor, with the rent to be reviewed every two years on 1 February (with the next review date being 1 February 2019).

(b) **Term**: The term of the renewed lease commenced on 1 February 2018 and continues until 31 January 2023. The lease includes a right of renewal for an additional five years to 31 December 2028.

The Deed of Lease (as renewed) otherwise contains terms and conditions considered standard for an agreement of this nature.

10.5 AGREEMENT FOR SALE AND PURCHASE OF REAL ESTATE – LOT 9, IZONE, ROLLESTON

On 29 August 2017, Keytone entered into an agreement to purchase Lot 9, Izone, Rolleston, New Zealand for cash consideration of NZ$440,000 (plus GST) (approximately $400,000) (Purchase Price). Keytone has already paid a deposit of NZ$44,000 and the remaining NZ$396,000 of the Purchase Price is payable on 12 September 2018.

10.6 BUILDING CONTRACT – STEEL BUILDINGS CONSTRUCTION LIMITED

On 1 August 2017, Keytone entered into a standard Conditions of Contract for Building and Civil Engineering (Building Contract) with Steel Building Construction Limited (Steel Building) for the construction of a 900m² warehouse, 180m² lean to and a 100m² single storey office for a contract price of NZ$1,092,962 (excluding GST) (approximately $1,000,000). The Building Contract contains a number of indemnities, representations, warranties and other conditions that are considered standard for an agreement of this type.

10.7 SUPPLY AND DISTRIBUTION AGREEMENT

On 16 February 2018, Keytone entered into a distribution and supply agreement with a Swedish health retailer (Retailer), pursuant to which the Retailer was appointed as a non-exclusive distributor for the promotion and sale of Keytone’s products within Sweden, Norway, Denmark, Finland and Iceland (Territory) (Supply and Distribution Agreement).

A summary of the key terms and conditions of the Supply and Distribution Agreement is set out below:

(a) **Term**: The Supply and Distribution Agreement commenced on 16 February 2018 for a term of 12 months. The Term shall be renewed by successive 12 month periods upon agreement by both parties.

(b) **Appointment**: The Retailer is appointed as a non-exclusive distributor to import and distribute Keytone’s products in the Territory. Keytone has agreed to supply its products in priority to the Retailer for resale in the Territory and not to supply such products to any other users in the Territory without the acknowledgement of the Retailer.

(c) **Advertising and Promotion**: The Retailer is responsible for the advertising and promotion of the Keytone products in the Territory.

(d) **Product Liability and Insurance**: Keytone indemnifies the Retailer against any liability incurred arising from any fault or defect in the material or workmanship of the Keytone products and any reasonable costs, claims, demands and expenses arising out of or in connection with that liability, except to the extent that the liability arises as a result of the action or omission of the Retailer.
10. MATERIAL CONTRACTS

(e) **Termination**: The Supply and Distribution Agreement can be terminated by either party without cause by giving six months’ written notice to the other party. Either party may also terminate the Supply and Distribution Agreement with immediate effect if:

(i) the other party commits any material breach of the Supply and Distribution Agreement and fails to remedy that breach within thirty (30) days of that party being notified of the breach;

(ii) there is a transfer of shares in the amount of 51% or more of the total voting power in the Retailer to a third party;

(iii) the other party becomes insolvent and cannot make payments as and when they become due, or is put into liquidation; or

(iv) the other party purports to assign its rights or obligations under the Supply and Distribution Agreement.

The Supply and Distribution Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

10.8 PROCESS AND SUPPLY AGREEMENT

On 9 March 2018, Keytone entered into a process and supply agreement with a major New Zealand retail dairy producer (Producer), pursuant to which the Producer has exclusively engaged Keytone to process and supply Keytone dairy products (Process and Supply Agreement).

A summary of the key terms and conditions of the Process and Supply Agreement is set out below.

(a) **Term**: The Process and Supply Agreement commenced on 9 March 2018 for a period of 12 months. The Term shall be renewed by successive 12 months periods upon notice given by the Producer to Keytone, not less than three months prior to the anniversary of the Process and Supply Agreement.

(b) **Supply of Products**: Keytone must supply the products provided for under the Process and Supply Agreement to the Producer, and the Producer must purchase those products exclusively from Keytone.

(c) **Supply of Ingredients**: the Producer will supply all raw ingredients required to process and supply the products back to the Producer in final form and deliver them to Keytone’s processing facility.

(d) **Termination**: Either party may terminate the Process and Supply Agreement by giving three months’ written notice to the other party if the following occurs:

(i) either party breaches any provision of the Process and Supply Agreement that is capable of remedy and fails to remedy the breach within 20 business days of notification; or

(ii) if the other party breaches any provision of the Process and Supply Agreement that is not capable of remedy and does not provide compensation that is reasonably acceptable to the terminating party within 20 business days of notification.

The Process and Supply Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

10.9 EXECUTIVE EMPLOYMENT AGREEMENT – JAMES GONG

The Company and Keytone have entered into an executive employment agreement (the CEO Executive Agreement) with Mr. Gong dated 22 September 2017 (as varied), pursuant to which Mr. Gong has been appointed as the Chief Executive Officer of both the Company and Keytone. The material terms and conditions of the CEO Executive Agreements are summarised below:

(a) **Term**: Mr. Gong commenced his employment as CEO of Keytone on 22 September 2017 and will commence his role as CEO of the Company on the date the Company is admitted the Official List. The CEO Executive Agreement may be terminated by either party with one month’s written notice to the other party. In the event of Mr. Gong’s serious misconduct or serious non-observance of the CEO Executive Agreement, Keytone or the Company may dismiss Mr. Gong without notice.

(b) **Remuneration**: For services rendered under the CEO Executive Agreement, Mr. Gong currently receives a base salary from Keytone of NZ$70,000 per annum (approximately $64,400) which will be increased to NZ$318,000 per annum (approximately $292,500) upon the Company’s admission to the Official List of ASX (with 66.67% of the base salary being paid by Keytone and 33.33% being paid by the Company) and will be reviewed each year.

The CEO Executive Agreement otherwise contains terms and conditions considered standard for agreements of this nature. Mr. Gong has also entered into an appointment letter with the Company to act as a Director of the Company for which he is not paid any additional remuneration.
10. MATERIAL CONTRACTS

10.10 EXECUTIVE EMPLOYMENT AGREEMENT – VIVIENNE CHEUNG

The Company and Keytone have entered into an executive employment agreement (the **COO Executive Agreement**) with Ms Cheung, dated 22 September 2017 (as varied), pursuant to which Ms Cheung has been appointed as the Chief Operating Officer of both the Company and Keytone. The material terms and conditions of the COO Executive Agreement are summarised below:

(a) **Term:**
Ms. Cheung commenced her employment as President of Keytone on 22 September 2017 and will transition to her roles as COO of Keytone and the Company on the date the Company is admitted to the Official List. The COO Executive Agreement may be terminated by either party with one month’s written notice to the other party. In the event of Ms. Cheung’s serious misconduct or serious non-observance of the COO Executive Agreement, Keytone or the Company may dismiss Ms. Cheung without notice.

(b) **Remuneration:**
For services rendered under the COO Executive Agreement, Ms Cheung currently receives a base salary from Keytone of NZ$60,000 per annum (approximately $55,000) which will be increased to NZ$217,000 per annum (approximately $200,000) upon the Company’s admission to the Official List of ASX (with 50% of the base salary being paid by Keytone and 50% being paid by the Company) and will be reviewed each year.

The COO Executive Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

10.11 EXECUTIVE EMPLOYMENT AGREEMENT – JOURDAN THOMPSON

The Company has entered into an executive employment agreement with Jourdan Thompson, dated 21 November 2017 (**CFO Employment Agreement**), pursuant to which the Company has engaged Mr. Thompson as Chief Financial Officer of the Company. The material terms and conditions of the CFO Employment Agreement are summarised below:

(a) **Term:**
Mr. Thompson’s employment commenced on 4 December 2017 and will continue until the CFO Employment Agreement is terminated.

(b) **Remuneration:**
Mr. Thompson will receive a salary of $280,000 per annum plus superannuation.

(c) **Incentive Programs:**
Mr. Thompson is eligible to participate in any incentive plan that the Company may introduce.

(i) **Short Term Incentive Program:** Mr. Thompson may be awarded a bonus in the form of cash or equity at the discretion of the Board.

(ii) **Long Term Incentive Program:** Upon (or prior to) the date the Company is admitted to the Official List of ASX (**IPO Date**), Mr. Thompson will be issued 4,000,000 Options on the terms and conditions set out in Section 11.3, 1,000,000 of which will vest on the IPO Date (or earlier at the discretion of the Company), 1,000,000 of which will vest 12 months after the IPO Date, 1,000,000 of which will vest 24 months after the IPO Date and 1,000,000 of which will vest 36 months after the IPO Date.

(d) **Termination:**
The Company may immediately terminate the CFO Employment Agreement by written notice if, among other termination events, Mr. Thompson commits a material breach of the agreement or engages in conduct that constitutes intentional disobedience, dishonesty or serious or persistent neglect or acts in a manner which, in the reasonable opinion of the Company will detrimentally affect the Company or its reputation.

The Company may at any time and for any reason terminate the CFO Employment Agreement by giving Mr. Thompson eight weeks’ notice and Mr. Thompson can terminate the CFO Employment Agreement by giving the Company four weeks’ notice.

The CFO Employment Agreement otherwise contains standard terms and conditions expected to be included in a contract of this nature.
10. MATERIAL CONTRACTS

10.12 LOAN AGREEMENT – LONG HILL CAPITAL IV, LLC

The Company has entered into a loan agreement with Long Hill Capital IV, LLC (the sole Shareholder of the Company at the date of this Prospectus) (Lender) dated 30 March 2018 pursuant to which the Lender has agreed to lend up to $250,000 to the Company (Long Hill Loan). The material terms of the Long Hill Loan are as follows:

(a) **Loan Amount**: the maximum amount which can be borrowed under the Long Hill Loan is $250,000;
(b) **Purpose**: the Long Hill Loan is to be used by the Company toward paying the expenses of the Offers and for payment of employees’ salaries;
(c) **Security**: the Long Hill Loan is unsecured;
(d) **Interest**: no interest is payable on the Long Hill Loan; and
(e) **Repayment**: the Long Hill Loan is repayable in cash upon the earlier of:
   (i) the date which is 14 days after the date the Company is admitted to the Official List of ASX (from the proceeds of the Public Offer);
   (ii) the date which is 14 days after 1 August 2018, in the event the Company is not admitted to the Official List of ASX by that date; or
   (iii) immediately in the event that a standard event of default has occurred.
11. ADDITIONAL INFORMATION
11. ADDITIONAL INFORMATION

11.1 LITIGATION
As at the date of this Prospectus, neither the Company nor Keytone is involved in any legal proceedings nor are the Directors aware of any legal proceedings pending or threatened against the Company or Keytone.

11.2 RIGHTS ATTACHING TO SHARES
The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company’s registered office during normal business hours.

(a) General meetings
Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights
Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder’s name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculating the proportion.

(c) Dividend rights
Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, grant shareholders or a class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares on the terms determined by the Board.

(d) Winding-up
If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) Shareholder liability
As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.
11. ADDITIONAL INFORMATION

(f) Transfer of Shares
Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Variation of rights
Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of Constitution
The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11.3 OPTIONS TO BE ISSUED TO DIRECTORS AND MANAGEMENT

(a) Entitlement
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price
Subject to paragraph (j), the amount payable upon exercise of each Option will be $0.30 (Exercise Price).

(c) Expiry Date
Each Option will expire at 5:00 pm (WST) on the third anniversary of the date of their vesting (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period
The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(e) Notice of Exercise
The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) Timing of issue of Shares on exercise
Within 15 Business Days after the Exercise Date, the Company will:
(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
11. ADDITIONAL INFORMATION

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise
If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital
If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues
There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price
An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Unquoted
The Company will not apply for quotation of the Options on ASX.

(n) Transferability
The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

11.4 OPTIONS TO BE ISSUED TO THE LEAD MANAGER (OR ITS NOMINEES)
The Options to be issued to the Lead Manager will be issued on the same terms and conditions set out in Section 11.3 above, except the expiry date will be the third anniversary of the date of their issue.

11.5 PERFORMANCE SHARES
The terms and conditions of the Performance Shares to be issued to the current shareholders of Keytone pursuant to the Exchange are summarised below.

(a) Performance Shares
Each Class A Performance Share, Class B Performance Share and Class C Performance Share (together and each being a Performance Share) is a share in the capital of the Company.

(b) General meetings
Each Performance Share confers on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of Shareholders.

(c) No voting rights
A Performance Share does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
11. ADDITIONAL INFORMATION

(d) **No dividend rights**
A Performance Share does not entitle the Holder to any dividends.

(e) **No rights to return of capital**
A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **Rights on winding up**
A Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(g) **Not transferable**
A Performance Share is not transferable.

(h) **Reorganisation of capital**
If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(i) **Application to ASX**
The Performance Shares will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Shares into Shares, the Company must within 10 Business Days apply for the official quotation of the Shares arising from the conversion on ASX.

(j) **Participation in entitlements and bonus issues**
A Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **No other rights**
A Performance Share gives the Holder no rights other than those expressly provided by their terms and those provided at law where such rights at law cannot be excluded by these terms.

(l) **Conversion on achievement of milestone**
Subject to paragraph (n), a Performance Share in the relevant class will convert into one Share upon achievement of:

(i) **Class A Performance Share**: each Class A Performance Share will convert into one Share upon the Company achieving, in relation to Keytone, $3,000,000 of earnings before interest, taxes, depreciation and amortisation (EBITDA) in any financial year occurring on or before the third anniversary of the last day of the financial year in which the Company is admitted to the Official List (Class A Milestone);

(ii) **Class B Performance Share**: each Class B Performance Share will convert into one Share upon the Company achieving, in relation to Keytone, $6,000,000 of EBITDA in any financial year occurring on or before the third anniversary of the last day of the financial year in which the Company is admitted to the Official List (Class B Milestone);

(iii) **Class C Performance Share**: each Class C Performance Share will convert into one Share upon (I) the Shares achieving a 30-day volume weighted average price per Share exceeding $0.30, and (II) the Company achieving, in relation to Keytone, $6,000,000 of revenue in any financial year occurring on or before the third anniversary of the last day of the financial year in which the Company is admitted to the Official List (Class C Milestone).
11. ADDITIONAL INFORMATION

(m) Conversion on change of control
Subject to paragraph (n) and notwithstanding the relevant milestone has not been satisfied, upon the occurrence of either:

(i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company having received acceptances for more than 50% of the Company’s Shares on issue and being declared unconditional by the bidder; or

(ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,
the Performance Shares shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company’s Shares on issue as at the date of conversion, then that number of Performance Shares that is equal to 10% of the Company’s Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(n) Deferral of conversion if resulting in a prohibited acquisition of Shares
If the conversion of a Performance Share under paragraph (l) or (m) would result in any person being in contravention of section 606(1) of the Corporations Act (General Prohibition) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition.
In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:

(i) Holders may give written notification to the Company if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition;

(ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (n)(i) within seven days if the Company considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

(o) Lapse of Performance Share
Each Performance Share shall expire on the date that is four months after the third anniversary of the last day of the financial year in which the Company is admitted to the Official List (Expiry Date) if the relevant milestone attached to that Performance Share has not been achieved, at which time the Company will redeem the relevant Performance Shares in accordance with paragraph (p) below. For the avoidance of doubt, a Performance Share will not lapse in the event the relevant milestone is met before the Expiry Date and the Shares the subject of a conversion are deferred in accordance with paragraph (n) above.

(p) Redemption if Milestone not achieved
If the relevant milestone is not achieved by the relevant Expiry Date, then each Performance Share in the relevant class will be automatically redeemed by the Company for the sum of $0.00001 within 10 Business Days of that Expiry Date.

(q) Conversion procedure
The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Share within 10 Business Days following the conversion.

(r) Ranking upon conversion
The Share into which a Performance Share may convert will rank pari passu in all respects with existing Shares.
11. ADDITIONAL INFORMATION

11.6 EMPLOYEE SHARE OPTION PLANS

The Company has adopted two separate Incentive Option Plans to allow eligible participants to be granted Options to acquire Shares in the Company and to accommodate the differing taxation treatment of incentives issued to Australian resident Directors and employees to that of incentives issued to non-Australian resident Directors and employees. These are the Keytone Incentive Option Plan and the Keytone Concessional Incentive Option Plan. The principal terms of the Plans are summarised below.

11.6.1 Keytone Incentive Option Plan

(a) Eligibility and Grant of Options: The Board may grant Options to any Director, full or part time employee, or casual employee or contractor who falls within ASIC Class Order 14/1000, of the Company or an associated body corporate (Eligible Participant). The Board may also offer Options (Options Offer) to a prospective Eligible Participant provided the Options Offer can only be accepted if they become an Eligible Participant, Options may be granted by the Board at any time.

(b) Consideration: Each Option granted under the Plan will be granted for no more than nominal cash consideration.

(c) Conversion: Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

(d) Exercise Price and Expiry Date: The exercise price and expiry date for Options granted under the Plan will be determined by the Board prior to the grant of the Options.

(e) Exercise Restrictions: The Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (Vesting Conditions). Any restrictions imposed by the Directors must be set out in the offer for the Options.

(f) Lapsing of Options: An unexercised Option will lapse:
   (i) on its Expiry Date;
   (ii) if any Vesting Condition is unable to be met and is not waived, as determined by the Board; or
   (iii) subject to certain good leaver exceptions or a determination by the Board, where the Eligible Participant ceases to be an Eligible Participant.

(g) Disposal of Options: Options will not be transferable except to the extent the Plan or any offer provides otherwise.

(h) Quotation of Options: Options will not be quoted on the ASX, except to the extent provided for by the Plan or unless an offer provides otherwise.

(i) Trigger Events: The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.

(j) Participation generally: There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Reorganisation: The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.

(l) Limitations on Offers: The Company must have reasonable grounds to believe, when making an Options Offer, that the number of Shares to be received on exercise of Options offered under an Options Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Options Offer.
11. ADDITIONAL INFORMATION

11.6.2 Keytone Concessional Incentive Option Plan

The Keytone Concessional Incentive Option Plan contains standard terms to those set out in the Keytone Incentive Option Plan along with the following additional terms:

(a) **Leaver Provisions**: where an Eligible Participant ceases to be employed or contracted by the Company or an associated body corporate (Leaver), the Board may, in its absolute discretion:

(i) serve a notice on the Leaver advising that some or all the Leaver’s unvested Options have lapsed;
(ii) serve a notice on the Leaver requiring the Leaver to sell some or all of the Leaver’s vested Options for fair market value to any person nominated by the Board; or
(iii) allow the Leaver to retain some or all the Leaver’s Options.

(b) **Cashless Exercise**: The Plan also allows Eligible Participants to exercise vested Options by way of a ‘cashless exercise’. Where an Eligible Participant makes such an election, rather than the participant being required to pay the exercise price of each Option to be exercised, the Company will issue the Eligible Participant with a smaller number of Shares on the exercise of the Options representing the difference between the value of the Shares to be issued and the exercise price of the Option. Where the Options are exercised by a ‘cashless exercise’, the Company will only issue such number of Shares as is equivalent to the number of Options being exercised multiplied by the excess of the average Share price over the exercise price of the Options divided by the average Share price and then rounded down to a whole number of Shares.

(c) **Loan**: An Eligible Participant who is to be granted Options may request the Company to grant a loan up to the total amount payable in respect of the exercise price of the Options granted to the Eligible Participant (Loan), on the following terms:

(i) the Loan will be interest free;
(ii) the Loan will be deemed to have been made at the time the Company issues the Shares on exercise of the Options to the Eligible Participant;
(iii) the Loan shall be applied by the Company directly toward payment of the exercise price of the Options on exercise of such Options by the Eligible Participant;
(iv) the Company will apply any cash dividends in respect of Shares issued on exercise of the Options to repayment of any outstanding Loan amount;
(v) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the offer of Options;
(vi) an Eligible Participant must repay the Loan in full by the Loan repayment date but may elect to repay the Loan amount in respect of any or all of the exercised Options at any time prior to the Loan repayment date;
(vii) the Company shall have a lien over the Shares issued on exercise of the Options and in respect of which a Loan is outstanding and the Company shall be entitled to sell those Shares in the event the Eligible Participant does not repay the Loan by the repayment date;
(viii) the Loan is repayable in full where the Eligible Participant suffers an insolvency event or breaches any condition of the Loan or the Plan;
(ix) an Eligible Participant must not transfer, assign, encumber or otherwise deal with the Shares issued on exercise of the Options until the Loan has been fully repaid;
(x) a Loan will be non-recourse except against the Shares issued on exercise of Options issued under the Plan and which are held by the Eligible Participant to which the Loan relates; and
(xi) the Board may, in its absolute discretion, agree to forgive a Loan made to an Eligible Participant.
11. ADDITIONAL INFORMATION

11.7 INTERESTS OF DIRECTORS
Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

   (i) its formation or promotion; or

   (ii) the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

   (i) the formation or promotion of the Company; or

   (ii) the Offers.

11.8 INTERESTS OF EXPERTS AND ADVISERS
Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue, holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(d) the formation or promotion of the Company;

(e) any property acquired or proposed to be acquired by the Company in connection with:

   (i) its formation or promotion; or

   (ii) the Offers; or

(f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offers.

HLB Mann Judd Corporate (NSW) Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Section 8 of this Prospectus. The Company estimates it will pay HLB Mann Judd Corporate (NSW) Pty Ltd a total of $41,790 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd Corporate (NSW) Pty Ltd has not received fees from the Company.

Steinepreis Paganin has acted as the solicitors to the Company in Australia in relation to the Offers. The Company estimates it will pay Steinepreis Paganin $100,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

Flacks & Wong Limited has acted as the solicitors to the Company in New Zealand in relation to the Offers. The Company estimates it will pay Flacks & Wong Limited $50,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Flacks & Wong Limited has not received fees from the Company for any other services.
Peloton Capital Pty Ltd has acted as Lead Manager in relation to the Public Offer. The Company estimates it will pay the Lead Manager the fees set out in Section 10.2 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Lead Manager has not received fees from the Company for any other services.

Patersons Securities Limited has acted as Co-Manager in relation to the Public Offer. The Company estimates it will pay Patersons Securities Limited the fees set out in Section 10.2 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons Securities Limited has not received fees from the Company for any other services.

11.9 CONSENTS
Each of the parties referred to in this Section:
(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

HLB Mann Judd Corporate (NSW) Pty Ltd has given its written consent to being named as Investigating Accountant of the Company in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Section 8 of this Prospectus in the form and context in which the information and report is included. HLB Mann Judd Corporate (NSW) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the Australian solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Flacks & Wong Limited has given its written consent to being named as the New Zealand solicitors to the Company in this Prospectus. Flacks & Wong Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Peloton Capital Pty Ltd has given its written consent to being named as Lead Manager to the Public Offer. Peloton Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Patersons Securities Limited has given its written consent to being named as Co-Manager to the Public Offer. Patersons Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Link Market Services Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Link Market Services Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Richard Fyers has given his written consent to being named as General Counsel to the Company in this Prospectus. Richard Fyers has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

PKF Goldsmith Fox Audit has given its written consent to being named in this Prospectus as the auditor of Keytone and to the inclusion of the audited financial statements for Keytone for the financial years ended 31 March 2016 and 31 March 2017 and the half year ended 30 September 2017 (which financial statements have been incorporated by reference into this Prospectus as described in Section 3.15) and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.
11. ADDITIONAL INFORMATION

11.10 EXPENSES OF THE OFFERS
The total expenses of the Offers (excluding GST) are estimated to be approximately $1,578,547 for minimum subscription or $1,761,697 for full oversubscriptions and are expected to be applied towards the items set out in the table below:

<table>
<thead>
<tr>
<th>Item of Expenditure</th>
<th>Minimum Subscription ($)</th>
<th>Full Over-subscriptions ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIC fees</td>
<td>2,400</td>
<td>2,400</td>
</tr>
<tr>
<td>ASX fees</td>
<td>91,350</td>
<td>94,500</td>
</tr>
<tr>
<td>Broker Commissions</td>
<td>720,000</td>
<td>900,000</td>
</tr>
<tr>
<td>Lead Manager Fee</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>153,661</td>
<td>153,661</td>
</tr>
<tr>
<td>Investigating Accountant’s Fees</td>
<td>68,986</td>
<td>68,986</td>
</tr>
<tr>
<td>Miscellaneous¹</td>
<td>342,150</td>
<td>342,150</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,578,547</strong></td>
<td><strong>1,761,697</strong></td>
</tr>
</tbody>
</table>

¹ Including, but not limited to, investor and broker roadshow costs, marketing materials and agencies, promotional videos and production, new website and re-branding costs, typesetting and printing of this Prospectus and insurance costs.

11.11 CONTINUOUS DISCLOSURE OBLIGATIONS
Following admission of the Company to the Official List, the Company will be a “disclosing entity” (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

11.12 ELECTRONIC PROSPECTUS
If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.keytonedairy.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

11.13 CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM (CHESS) AND ISSUER SPONSORSHIP
The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.
11. ADDITIONAL INFORMATION

11.14 PRIVACY STATEMENT

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.
12. DIRECTORS’ AUTHORISATION
12. DIRECTORS’ AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Bernard Kavanagh
Chairman

For and on behalf of
Keytone Dairy Corporation Limited
13. GLOSSARY
13. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>means an Australian dollar.</td>
</tr>
<tr>
<td>AMF</td>
<td>has the meaning set out in Section 3.4.</td>
</tr>
<tr>
<td>Application Form</td>
<td>means the application form attached to or accompanying this Prospectus relating to the Public Offer or the Consideration Offer or the Lead Manager Offer (as the case may be).</td>
</tr>
<tr>
<td>ASIC</td>
<td>means Australian Securities &amp; Investments Commission.</td>
</tr>
<tr>
<td>ASX</td>
<td>means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.</td>
</tr>
<tr>
<td>ASX Listing Rules</td>
<td>means the official listing rules of ASX.</td>
</tr>
<tr>
<td>Board</td>
<td>means the board of Directors as constituted from time to time.</td>
</tr>
<tr>
<td>Closing Date</td>
<td>means the closing date of the Offers as set out in the indicative timetable in the Investment Overview in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offers early).</td>
</tr>
<tr>
<td>CMCA</td>
<td>has the meaning set out in Section 5.8.5.</td>
</tr>
<tr>
<td>CNCA</td>
<td>has the meaning set out in Section 3.3(d).</td>
</tr>
<tr>
<td>Co-Manager</td>
<td>means Patersons Securities Limited (AFSL No. 239052) of Level 23, The Exchange Tower, 2 The Esplanade, Perth WA 6000.</td>
</tr>
<tr>
<td>Company</td>
<td>means Keytone Dairy Corporation Limited (ACN 621 970 652).</td>
</tr>
<tr>
<td>Consideration Offer</td>
<td>means the offer of the Shares and Performance Shares in accordance with the Exchange Deed.</td>
</tr>
<tr>
<td>Constitution</td>
<td>means the constitution of the Company.</td>
</tr>
<tr>
<td>Corporations Act</td>
<td>means the Corporations Act 2001 (Cth).</td>
</tr>
<tr>
<td>CWUMP</td>
<td>has the meaning set out in Section 5.8.4.</td>
</tr>
<tr>
<td>Directors</td>
<td>means the directors of the Company at the date of this Prospectus.</td>
</tr>
<tr>
<td>EBITDA</td>
<td>means earnings before interest, taxes, depreciation and amortisation.</td>
</tr>
<tr>
<td>Exchange</td>
<td>has the meaning set out in Section 10.1.</td>
</tr>
<tr>
<td>Exchange Deed</td>
<td>has the meaning set out in Section 10.1.</td>
</tr>
<tr>
<td>Exposure Period</td>
<td>means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.</td>
</tr>
<tr>
<td>FIF</td>
<td>has the meaning set out in Section 5.9.2.</td>
</tr>
<tr>
<td>Forecast Financial Information</td>
<td>has the meaning set out in Section 8.2.4.</td>
</tr>
<tr>
<td>FPO</td>
<td>has the meaning set out in Section 5.8.2(a).</td>
</tr>
<tr>
<td>FSMA</td>
<td>has the meaning set out in Section 5.8.2.</td>
</tr>
<tr>
<td>Holder</td>
<td>has the meaning set out in Section 11.5(b).</td>
</tr>
</tbody>
</table>
## 13. GLOSSARY

<table>
<thead>
<tr>
<th>Included Documents</th>
<th>has the meaning set out in Section 3.15.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keytone</td>
<td>means Keytone Enterprises (NZ) Company Limited, a company incorporated in New Zealand, on 7 April 2011 and having a place of business at 7 Paragon Place, Sockburn, Christchurch, 8042, New Zealand.</td>
</tr>
<tr>
<td>Lead Manager</td>
<td>means Peloton Capital Pty Ltd (AFSL No. 406040) of Level 5, 56 Pitt Street, Sydney NSW 2000.</td>
</tr>
<tr>
<td>Lead Manager Application Form</td>
<td>means the application form attached to or accompanying this Prospectus relating to the Lead Manager.</td>
</tr>
<tr>
<td>Lead Manager Mandate</td>
<td>means the mandate between the Company and the Lead Manager summarised in Section 10.2.</td>
</tr>
<tr>
<td>Listing Approval</td>
<td>means ASX granting conditional approval for the Company to be admitted to the Official List and for Official Quotation of the Shares.</td>
</tr>
<tr>
<td>Listing Date</td>
<td>means the date that the Company is admitted to the Official List.</td>
</tr>
<tr>
<td>Long Hill Loan</td>
<td>has the meaning set out in Section 10.12.</td>
</tr>
<tr>
<td>MPI</td>
<td>has the meaning set out in Section 3.3(d).</td>
</tr>
<tr>
<td>Offers</td>
<td>means the Public Offer and the Consideration Offer.</td>
</tr>
<tr>
<td>Official List</td>
<td>means the official list of ASX.</td>
</tr>
<tr>
<td>Official Quotation</td>
<td>means official quotation by ASX in accordance with the ASX Listing Rules.</td>
</tr>
<tr>
<td>Option</td>
<td>means an option to acquire a Share.</td>
</tr>
<tr>
<td>Optionholder</td>
<td>means a holder of an Option.</td>
</tr>
<tr>
<td>Peloton</td>
<td>has the meaning set out in Section 10.2.</td>
</tr>
<tr>
<td>Performance Share</td>
<td>means a performance share in the Company with the terms and conditions set out in Section 11.5.</td>
</tr>
<tr>
<td>Plant One</td>
<td>has the meaning set out in Section 6.5.1.</td>
</tr>
<tr>
<td>Plant Two</td>
<td>has the meaning set out in Section 6.5.1.</td>
</tr>
<tr>
<td>Plant Three</td>
<td>has the meaning set out in Section 6.5.1.</td>
</tr>
<tr>
<td>PRC</td>
<td>has the meaning set out in Section 5.8.6.</td>
</tr>
<tr>
<td>Prospectus</td>
<td>means this prospectus.</td>
</tr>
<tr>
<td>Public Offer</td>
<td>means the public offer of Shares pursuant to this Prospectus as set out in Section 5 of this Prospectus.</td>
</tr>
<tr>
<td>Recommendations</td>
<td>has the meaning set out in Section 9.2.</td>
</tr>
<tr>
<td>Relevant Persons</td>
<td>has the meaning set out in Section 5.8.2(c).</td>
</tr>
<tr>
<td>Regulation S</td>
<td>has the meaning set out in Section 5.8.1.</td>
</tr>
<tr>
<td>RMP</td>
<td>has the meaning set out in Section 3.3(d).</td>
</tr>
</tbody>
</table>
13. GLOSSARY

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCM</td>
<td>has the meaning set out in Section 5.8.5.</td>
</tr>
<tr>
<td>Section</td>
<td>means a section of this Prospectus.</td>
</tr>
<tr>
<td>Securities</td>
<td>means Shares, Options and Performance Shares.</td>
</tr>
<tr>
<td>Securities Act</td>
<td>has the meaning set out in Section 5.8.1.</td>
</tr>
<tr>
<td>SFA</td>
<td>has the meaning set out in Section 5.8.3.</td>
</tr>
<tr>
<td>SFO</td>
<td>has the meaning set out in Section 5.8.4.</td>
</tr>
<tr>
<td>Share</td>
<td>means a fully paid ordinary share in the capital of the Company.</td>
</tr>
<tr>
<td>Shareholder</td>
<td>means a holder of Shares.</td>
</tr>
</tbody>
</table>
Public Offer Application Form

This is an Application Form for Shares in Keytone Dairy Corporation Limited under the Public Offer on the terms set out in the Prospectus dated 30 April 2018 (Prospectus). You may apply for a minimum of 10,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by 5.00pm (AEST) on 1 June 2018.

To make payment of your application monies by BPAY: Please apply online by following the instructions at www.keytone.com.au. Please note that BPAY is only available to Australian investors or overseas investors with an account held with an Australian Financial Institution.

To make payment of your application monies by Electronic Funds Transfer (EFT):
Please apply online by following the instructions at www.keytone.com.au. Please note that EFT is only available to Australian investors or overseas investors with an account held with an Australian Financial Institution.

All BPAY and EFT applications and payments and the associated completed Application Form must be received by the registry by 5.00pm (AEDT) on 1 June 2018. Applicants should be aware of their financial institution’s cut-off time. It is the Applicant’s responsibility to ensure funds are submitted correctly by the Closing Date and time.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

Shares applied for at A$0.20

TOTAL AMOUNT A$ , , , , .

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

Applicant #1
Surname/Company Name

Title First Name Middle Name

Joint Applicant #2
Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code
First Applicant Joint Applicant #2 Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box Company Partnership Trust Super Fund

PLEASE COMPLETE ADDRESS DETAILS

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Public Offer will be held on the issuer sponsored sub-register.

Telephone Number where you can be contacted during Business Hours Contact Name (PRINT)

Cheques or bank drafts should be made payable to “Keytone Dairy Corporation Limited Public Offer” in Australian currency and crossed “Not Negotiable”.

Cheque or Bank Draft Number BSB Account Number

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Public Offer will be held on the issuer sponsored sub-register.
Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Keytone Dairy Corporation Limited Shares. Further details about the shares are contained in the Prospectus dated 30 April 2018 issued by Keytone Dairy Corporation Limited. The Prospectus will expire 13 months after the date of this Prospectus. While the Prospectus is current, Keytone Dairy Corporation Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Keytone Dairy Corporation Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from Keytone Dairy Corporation Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Keytone Dairy Corporation Limited’s issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B. Make your cheque or bank draft payable to “Keytone Dairy Corporation Limited Public Offer” in Australian currency and cross it “Not Negotiable”. Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected. If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5.00pm (AEST) on 1 June 2018 at:

Mailing Address
Keytone Dairy Corporation Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery
Keytone Dairy Corporation Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the Personal Information Collection Notification Statement policy.

For details about Link Group’s personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account description using < > as indicated above in designated spaces at section C on the Application Form.

<table>
<thead>
<tr>
<th>Type of Investor</th>
<th>Correct Form of Registration</th>
<th>Incorrect Form of Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Mrs Katherine Clare Edwards</td>
<td>K C Edwards</td>
</tr>
<tr>
<td>Company</td>
<td>Liz Biz Pty Ltd</td>
<td>Liz Biz P/L or Liz Biz Co.</td>
</tr>
<tr>
<td>Joint Holdings</td>
<td>Mr Peter Paul Tranche &amp; Ms Mary Orlando Tranche</td>
<td>Peter Paul &amp; Mary Tranche</td>
</tr>
<tr>
<td>Trusts</td>
<td>Mrs Alessandra Herbert Smith</td>
<td>Alessandra Smith</td>
</tr>
<tr>
<td>Deceased Estates</td>
<td>Ms Sophia Gamet Post &amp; Mr Alexander Traverse Post</td>
<td>Estate of late Harold Post or Harold Post Deceased</td>
</tr>
<tr>
<td>Minor (a person under the age of 18 years)</td>
<td>Mrs Sally Hamilton</td>
<td>Master Henry Hamilton</td>
</tr>
<tr>
<td>Partnerships</td>
<td>Mr Frederick Samuel Smith &amp; Mr Samuel Lawrence Smith</td>
<td>Fred Smith &amp; Son</td>
</tr>
<tr>
<td>Long Names</td>
<td>Mr Hugh Adrian John Smith-Jones</td>
<td>Mr Hugh A J Smith Jones</td>
</tr>
<tr>
<td>Clubs/Unincorporated Bodies/Business Names</td>
<td>Mr Alistair Edward Lilley</td>
<td>Vintage Wine Club</td>
</tr>
<tr>
<td>Superannuation Funds</td>
<td>Mr Hugh Adrian John Smith-Jones</td>
<td>Vintage Wine Club</td>
</tr>
</tbody>
</table>

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.
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Please apply online by following the instructions at www.keytone.com.au. You will be required to include your application number generated through the online system as your EFT application number will allow us to match your EFT payment to your application.

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If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

 Shares applied for at Price per Share Application Monies
A (minimum 10,000, thereafter in multiples of 500) B A$0.20 C

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

Applicant #1 Surname/Company Name
Title First Name Middle Name
Joint Applicant #2 Surname
Title First Name Middle Name
Designated account e.g. <Super Fund> (or Joint Applicant #3)
TFN/ABN/Exemption Code
First Applicant Joint Applicant #2 Joint Applicant #3

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PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)
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CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

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Cheque or Bank Draft Number BSB Account Number

Total Amount A$
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F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Keytone Dairy Corporation Limited’s issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B. Make your cheque or bank draft payable to “Keytone Dairy Corporation Limited Public Offer” in Australian currency and cross it “Not Negotiable”. Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected. If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

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C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery
Keytone Dairy Corporation Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(donot use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the Personal Information Collection Notification Statement policy.

A Locked Bag A14 1A Homebush Bay Drive
C/- Link Market Services Limited
C/- Link Market Services Limited
Keytone Dairy Corporation Limited
Keytone Dairy Corporation Limited
Mailing Address  Hand Delivery

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<table>
<thead>
<tr>
<th>Type of Investor</th>
<th>Correct Form of Registration</th>
<th>Incorrect Form of Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Use given names in full, not initials</td>
<td>Mrs Katherine Clare Edwards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>K C Edwards</td>
</tr>
<tr>
<td>Company</td>
<td>Use Company’s full title, not abbreviations</td>
<td>Liz Biz Pty Ltd</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Liz Biz P/L or Liz Biz Co.</td>
</tr>
<tr>
<td>Joint Holdings</td>
<td>Use full and complete names</td>
<td>Mr Peter Paul Tranche &amp; Ms Mary Orlando Tranche</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Peter Paul &amp; Mary Tranche</td>
</tr>
<tr>
<td>Trusts</td>
<td>Use the trustee(s) personal name(s)</td>
<td>Mrs Alessandra Herbert Smith</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;Alessandra Smith A/C&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alessandra Smith Family Trust</td>
</tr>
<tr>
<td>Deceased Estates</td>
<td>Use the executor(s) personal name(s)</td>
<td>Ms Sophia Gamet Post &amp; Mr Alexander Traverse Post</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;Est Harold Post A/C&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Estate of late Harold Post or Harold Post Deceased</td>
</tr>
<tr>
<td>Minor (a person under the age of 18 years)</td>
<td>Use the name of a responsible adult with an appropriate designation</td>
<td>Mrs Sally Hamilton</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;Henry Hamilton&gt;</td>
</tr>
<tr>
<td>Partnerships</td>
<td>Use the partners’ personal names</td>
<td>Mr Frederick Samuel Smith &amp; Mr Samuel Lawrence Smith</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;Fred Smith &amp; Son A/C&gt;</td>
</tr>
<tr>
<td>Long Names</td>
<td>Use a variety of personal names</td>
<td>Mr Hugh Adrian John Smith-Jones</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mr Hugh A J Smith Jones</td>
</tr>
<tr>
<td>Clubs/Unincorporated Bodies/Business Names</td>
<td>Use office bearer(s) personal name(s)</td>
<td>Mr Alistair Edward Lilley</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;Vintage Wine Club A/C&gt;</td>
</tr>
<tr>
<td>Superannuation Funds</td>
<td>Use the name of the trustee of the fund</td>
<td>XYZ Pty Ltd</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;Super Fund A/C&gt;</td>
</tr>
</tbody>
</table>

Put the name(s) of any joint Applicant(s) and/or account description using <> as indicated above in designated spaces at section C on the Application Form.