

AGREEMENT TO ACQUIRE AGED CARE TECHNOLOGY COMPANY

HIGHLIGHTS

- ***Antilles has exercised an option to acquire aged care technology company HomeStay***
- ***HomeStay has developed an Internet of Things platform providing technology enabled care to the aged care industry***
- ***HomeStay's Intelligent Home integrates artificial intelligence and wearables through the HomeStay Hub***
- ***Intelligent Home pilots are currently underway for up to 750 homes between Australia and Singapore, including both government and private enterprise***

Further to the announcements released by Antilles Oil and Gas NL (**Antilles** or the **Company**) on 10 and 16 May 2018, Antilles is pleased to advise that it has exercised the option to acquire 100% of the issued capital of HomeStay Care Pty Ltd (ACN 612 594 475) (**HomeStay**), which is made up of 300,000,000 fully paid ordinary shares, and its subsidiary companies, HomeStay Care Solutions Pty Ltd (Singapore Company Registration No. 201706438K), HomeStay Care (Singapore) Pty Ltd (Singapore Company Registration No. 201804148K) and Home Service Solutions Pty Ltd (ACN 616 760 171) (**Acquisition**).

The key terms of the Acquisition are set out in Schedule 1 of this announcement. On completion, the Acquisition will amount to a significant change in the nature and scale of the Company's current activities and as such, the Company will be required to obtain approval from its shareholders and to re-comply with Chapters 1 and 2 of the ASX Listing Rules. As part of the Acquisition, the Company proposes to complete a capital raising of between \$3,000,000 and \$4,000,000 at an issue price of \$0.02 per share.

the Company notes that ASX takes no responsibility for the contents of this announcement.

OVERVIEW OF HOMESTAY

The HomeStay group provide technology enabled care to the aged care industry. Through its proprietary Internet of Things (**IoT**) platform (**HomeStay IoT Platform** or **Platform**), HomeStay assists seniors and the elderly to live independently in their homes for a longer period of time.

The HomeStay IoT Platform is a unified technology care platform offering on demand care services, healthcare data management and lifestyle monitoring via its “**Intelligent Homes**”.

HomeStay was founded in Australia in 2016 after identifying a need for the provision of better, smarter, more efficient and consistent care to senior adults to enable them to stay in their homes longer through the use of technology. In addition, HomeStay provides families peace of mind through participation, communication and transparency to ensure that their loved ones are being looked after. HomeStay operates primarily in Australia with operations also in Singapore that are operated through its Singaporean subsidiaries.

The HomeStay IoT Platform connects with various sensors, including wearables and sensors on home appliances, to provide ongoing monitoring to assist in the care of elderly users. The Platform is driven by artificial intelligence, machine learning and predictive analytics that provide real time alerts and preventative interventions that allow senior adults to stay in their homes longer.

HOMESTAY IOT PLATFORM

The HomeStay IoT Platform is operated via an app available on both tablet and mobile on Android and iOS (**HomeStay App**). The HomeStay App currently incorporates three core offerings:

- (a) **Aged Care On Demand Services (HomeStay ODS)** – a market place for aged care services utilising the HomeStay booking system via the HomeStay App, enabling clients, family and vendors the ability to search, book, schedule and pay for services, which provides flexibility and convenience for individuals wanting to stay at home longer.

The HomeStay ODS connects users to a database of service providers that can assist users with everyday jobs for which users may require assistance. Service providers are sourced in a number of ways, based on demand (i.e. as HomeStay continues to roll out its Intelligent Homes, it actively identifies service providers in locations where rollouts are underway, or about to commence). Users can access a list of services and service providers available in their area and use the HomeStay ODS to schedule a date and time for the service provider to provide the services. The HomeStay ODS provides a secure payment portal through which payments can be made for services. The payment portal ensures that users of HomeStay ODS receive their services prior to them paying the service provider, as a payment cannot be made to the service provider until the client confirms that they have received the relevant service that was contracted through the HomeStay App. This payment process ensures that HomeStay ODS service users are protected.

The services currently available through the HomeStay ODS include, cleaning, gardening, meal preparation, home visits, hairdressing, home maintenance, handy man, laundry, transportation and caregivers.

HomeStay offers clinical services through its platform via third party suppliers such as Allied Health Service providers who are responsible for delivering services to HomeStay clients.

All service providers made available through the HomeStay App have been police and reference checked (and any future service providers will be subject to a police and reference check). To pass a police and reference check, a service provider must submit all relevant documentation prior to being allowed on the platform, including police checks with at least two years' validity, and a short list of references, which are contacted. Following a service providers provision of services, each client is able to provide feedback and rate the service they have received from the service provider. This ensures that HomeStay (through its clients) can exercise another level of quality control in relation to service providers engaged through HomeStay ODS.

- (b) **HealthCare Data Management** – permits users to monitor important health information (and keep patients on track to meet health goals). Central to the HealthCare Data Management functionality is an online health portal accessed through the HomeStay IoT Platform (**Health Portal**).

The Health Portal allows users to securely store their personal medical records, test results and upcoming appointments. Users can then permit third party access to this information for the user's doctor and other authorised health care professionals or the user's families or friends, which ensures that important third parties are able to monitor users on an ongoing basis, without the additional costs incurred in attending medical appointments. This ability for electronic engagement means health care plans can be reviewed and healthcare goals can be monitored at a lower cost.

The Health Portal also provides secure channels of communications between users, health care providers and carers, with doctors being able to upload test results and send secure messages. Through this platform, users are able to discuss test results, establish care plans, and review progress from the comfort of their own homes. HomeStay also plans to update the Health Portal to enable secure audio and video connections.

The Health Portal also enables connections to wearable devices. The data collected from these personal health monitors include activity, movement and sleep patterns with options to also include blood pressure, blood sugar, pulse oximetry, heart rate and ECG readings. This information is automatically transmitted to the Health Portal and added to users' electronic health record. This creates a current and accurate reflection of a user's health. The HomeStay IoT Platform is able to connect to home monitors, smartphones, and tablets, so users are able to easily review their own health trends. Any reminders and alerts from your monitoring devices are also integrated into the platform.

The health data collected will be used to develop artificial intelligence (**AI**) alerts to families via the HomeStay App. In order to develop AI alerts, HomeStay collects data from the various abovementioned devices (i.e., home sensors and wearables). The data is then combined and used to determine patterns that are not in line with a client's daily activity. These anomalies in daily activities (which are determined through data monitoring and mining) form the basis of alert generation. The AI being developed is based on outcomes (such as a fall occurring, an abnormal heartbeat, failure to move for extended periods, etc.). Once an outcome occurs, the data leading up to that outcome can be analysed and used to create algorithms (which are intended to be proprietary). As more

and more data is collected and analysed, more accurate algorithms can be developed, which in turn, will result in more accurate and meaningful alerts being developed, which will assist to prevent negative outcomes, and assist clients to continue living at home independently, for longer. HomeStay is using the assistance of consultants and strategic partners to assist with the development, and continuing improvement of its AI (i.e., in one instance, the consultant is providing all data analytics and artificial intelligence in relation to the data collected by HomeStay's Intelligent Home).

- (c) **HomeStay Intelligent Home ("Intelligent Home")** – integrating various in-home AI sensors, including movement/activity monitoring, bed sensor, door/window sensors, hot water sensor, incontinence devices and wearable smart watches as a single modular package.

Data from the various sensors is collected at a user's home wirelessly through a "hub" which is central to Intelligent Home technology. The main outcome is to provide preventative interventions and care to the elderly by utilising advanced AI and predictive analytics to alert family, friends and caregivers to a potential incident via an alert system, so the situation can be immediately attended to. Actions include calling an ambulance in the case of an emergency, or a caregiver to attend the next day if the situation is not so immediate.

The HomeStay IoT Platform collects data across the HealthCare Data Management and the Intelligent Homes using artificial intelligence, machine learning and predictive analytics to provide alerts to family, friends and caregivers who are then able to triage the situation depending on the severity of the alert.

This type of unique solution is a significant advance on how care is delivered today. In most cases, triage is only delivered after an incident. By using HomeStay Intelligent Home and IoT devices, HomeStay targets accurate predication of an incident before an incident occurs, based on the data collected over time on the individual. The technology can potentially also be applied to the disability sector and HomeStay anticipates extending its offering later in 2018.

HomeStay has a number of strategic partnerships and collaborations in place in Australia and Singapore (details of the collaborations are set out below).

As at the date of this announcement, HomeStay has formal agreements with each of BICG Pty Ltd (trading as AI Sydney) (**BICG**), LVELY Pte Ltd (**LVELY**), and Home Care Holdings Pty Ltd (**HCH**). The formal binding agreements are in the form of collaboration agreements (each, a **Collaboration Agreement**), and each Collaboration Agreement is on near identical terms and conditions.

Each Collaboration Agreement has a term of two years and may be terminated by either party by thirty days written notice. Each Collaboration Agreement sets out: the obligations of each party and their respective operations; dealings with IP, enhancements to IP, and joint development of new IP; warranties; indemnities; and other provisions typical for agreements of this type. In relation to ownership of IP:

- (a) each party retains full ownership of all its IP held prior to entering into the relevant Collaboration Agreement (**Background IP**);

- (b) any enhancements, changes, or modifications made to a parties Background IP whilst a Collaboration Agreement is in effect will be the property of the party who owned, or held that Background IP prior to entering into the relevant Collaboration Agreement;
- (c) the parties to a Collaboration Agreement acknowledge that a collaboration between them may result in the joint development of new technology, products, and services, and where it is anticipated that such development will occur, the parties will negotiate the terms of any new patent and technology ownership prior to the research and development of any new technology; and
- (d) subject to the paragraph directly above, any new IP created pursuant to a Collaboration Agreement will be owned by, and vest in both parties immediately upon creation, and each party must grant the other party a non-exclusive, perpetual, non-transferable, royalty free and worldwide licence to use the new IP for the purpose of providing services and undertaking other activities pursuant to, or in connection with the relevant Collaboration Agreement.

Pursuant to each Collaboration Agreement, each new project requires a party to deliver to the other party a “**Collaboration Order**” (which is in an agreed form as an annexure to each Collaboration Agreement). The Collaboration Order sets out: the details of each project and related activities; relevant fees and payments; project time period; and equipment to be provided by each party.

Collaboration Orders have been executed between HomeStay, and each of BICG, LVELY, and HCH.

- (a) **BICG** is a Sydney based group that specialise in artificial intelligence, data and analytics. BICG is uniquely positioned to ensure its clients get the most powerful insights out of everyday information using future-focused artificial intelligence agent. BICG has been operating for more than 20 years.
- (b) **LVELY** is a Singapore based entity that works with volunteer groups who work with the elderly with the purpose of helping them live independently in their homes for longer.
- (c) **HCH** is a national aged care and allied health provider.

The material terms and conditions of each Collaboration Order are set out below:

Collaboration Order – BICG

The material terms of the Collaboration Order between HomeStay and BICG (**BICG Collaboration Order**) are as follows:

- (a) **(Project)**: A pilot project for the delivery of the Murrumbidgee Primary Health Network (**MPHN**), and Murrumbidgee Local Health District (**MLHD**) (each abovementioned party being a client of BICG) fragility and mobility project (**BICG Pilot Project**), whereby HomeStay will provide a minimum of 300 Intelligent Homes.

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- (b) **(Project Activities)**: HomeStay providing its Intelligent Home for use in the BICG Pilot Project, and BICG providing the data analytics and artificial intelligence in relation to the data to be collected by Intelligent Home.
- (c) **(Time Period)**: Now until 1 January 2019 (or as otherwise extended by mutual agreement) with initial roll-out scheduled to commence in August 2018 following detailed scoping and scheduling of the program currently underway.
- (d) **(Fees)**: At the end of the Time Period, BICG has agreed to acquire, or lease the HomeStay Hub including Intelligent Home equipment and accompanying IoT sensors from HomeStay. HomeStay anticipates that any revenue to be derived via either lease or acquisition of the equipment will be similar to the fees referred to under the paragraph below titled "Business Model Overview" (this is based on BICG electing for a lease period of 24 months).

Collaboration Order - LVELY

The material terms of the Collaboration Order between HomeStay and LVELY (**LVELY Collaboration Order**) are as follows:

- (a) **(Project)**: The collaboration on an Intelligent Home pilot project in Singapore for 150 homes (**LVELY Pilot Project**).
- (b) **(Project Activities)**: LVELY is to recruit participants for the LVELY Pilot Project, and HomeStay is to install the Intelligent Home units in the recruited participants homes.
- (c) **(Time Period)**: The collaboration activities will be undertaken over a period of three years (the period commenced on 23 February 2018).
- (d) **(Fees)**: Each Intelligent Home shall have a fee attaching to it (with each fee becoming payable after the first 12 months of an Intelligent Home being installed). Fees will be in accordance with the business model outlined under the paragraph below titled "Business Model Overview".

Collaboration Order – HCH

The material terms of the Collaboration Order between HomeStay and HCH (**HCH Collaboration Order**) are as follows:

- (a) **(Project)**: The provision of Intelligent Home units to an estimated 300 homes located within Australia and New Zealand that are serviced by HCH's affiliate companies (**HCH Pilot Project**).
- (b) **(Project Activities)**: HomeStay has agreed to install Intelligent Home units to homes within Australia and New Zealand; provide training to HCH and its affiliates personnel in relation to the Intelligent Home and any of its components; and provide hardware and software support to HCH and its affiliates (as required).
- (c) **(Time Period)**: The HCH Pilot Project commenced on 27 February 2018, and the end date is yet to be determined by the parties. The overarching Collaboration Agreement has a term of two years.

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- (d) **(Fees):** Each Intelligent Home shall have a fee attaching to it. Fees will be in accordance with the business model outlined under the paragraph below titled “Business Model Overview”.

To date, HomeStay have delivered a total of 20 Intelligent Homes (10 in Australia, and 10 in Singapore), and intend to continue this rollout as aggressively as possible.

BUSINESS MODEL OVERVIEW

The business model for HomeStay is to generate revenue from two main categories, namely via “Subscription Services” and “On-Demand Services”.

The HomeStay App is free to download, and revenue is generated when:

- (a) **An on-demand service is provisioned from a vendor.** HomeStay takes a fee of 15% of the total cost of the service. For example: A caregiver is booked for 2 hours for a total cost of \$100, HomeStay will charge a fee of \$15 from the vendor for using the booking service.
- (b) **Subscription services for the Intelligent Homes.** There are 3 charges, the initial cost of hardware, a monthly monitoring and alert system fee, and a one-off installation fee. Generally, the total cost of having an Intelligent Home is payable over 18 to 24 months (similar to a mobile phone plan).

As at the date of this announcement, HomeStay anticipates that it will generate small amounts of revenue pursuant to the Collaboration Orders with each of BICG, LVELY, and HCH in the next 12 – 24 months (based on each party’s contractual obligations relating to fees) and HomeStay ODS. HomeStay will keep the market updated with respect to its ongoing revenue generating activities and will consider release of forecast financial information once it considers that it has a reasonable basis on which to make such forecasts.

GROWTH STRATEGY

HomeStay has experienced rapid growth since commencement of operations and roll-out of the HomeStay IoT Platform, with encouraging industry engagement and commitment to commercial pilots for the HomeStay Intelligent Home. HomeStay intends to grow its business by converting the commercial pilots to long term commercial contracts and cross-selling its ODS. HomeStay has identified the need for scalable, reliable, and predictive care that enables those with ‘care in the home needs’ to live with dignity, independence, choice and control. When considering solutions to this situation, HomeStay has taken an approach that is assisted via cross-industry collaboration. Cross-industry collaboration refers to HomeStay’s intended collaboration with parties that have shared attitudes towards health providers, insurers, technology companies and government.

HomeStay has invested in making both collaborations and partnerships a business development cornerstone. By curating and aggregating fit-for-purpose and best-of-breed products and services, HomeStay has given itself an opportunity to expand and scale its offerings and commercial constructs, as well as leverage its first-mover / first-improver opportunities. In addition to the agreements HomeStay has on foot as set out

above, HomeStay currently has two HomeStay led collaboration proof of concepts on foot:

- (a) **The Enabled Lifestyle Blueprint** is a collaboration between HomeStay, St John of God Healthcare and a range of market leaders, movers, and innovators. The parties aim is to develop an end-to-end residential technology solution which will enable increased levels of independence, choice and control for those with intellectual disabilities.
- (b) **The Telstra Operations Collaboration** – HomeStay is working with Telstra on 150 Intelligent Home installations in New South Wales as part of a pilot program to test the potential to utilise the telecommunications company's field workforce to install HomeStay products.

HomeStay has focused its operations in NSW and targets expansion to a national platform and is also commencing commercial operations in Singapore. HomeStay continues to engage with potential private and government partners to undertake further commercial projects and continue to develop and expand its offerings under the three core areas. In relation to HomeStay ODS, HomeStay intends to focus on ongoing digital marketing campaigns to grow the HomeStay ODS business.

CHANGE OF NAME

Following completion of the Acquisition, the Company will change its name to "HomeStay Care Limited".

AGED CARE INDUSTRY

Australia's Aging Population and funding aged care in Australia

In 2016, 3.7 million Australians or 15% of the population were aged 65 years or over. This proportion is projected to grow steadily over the coming decades.¹

The aged care sector makes a significant contribution to the Australian economy, representing almost 1% of gross domestic product.² Total Australian Government expenditure on aged care in 2015-16 was \$16.2 billion, up from \$15.2 billion in 2014-15.³ Funding for aged care included:

- (a) \$3.7 billion for home support and home care services (over 1,600 government approved providers); and
- (b) \$11.4 billion for residential care.⁴

¹ Australian Government, Australian Institute of Health & Welfare, 2017, Older Australia at a Glance

² Australian Government Department of Health, 2017

³ Australian Government Department of Health, 2017

⁴ Australian Government Department of Health, 2017

Federal Budget 2018

In his budget speech, Treasurer, Scott Morrison announced the government would spend \$1.6 billion over four years to create more home care places to support the choice of older Australians who wish to stay at home and avoid going in to residential care. In addition to this he also announced \$146 million to improve access to aged care services in rural and regional areas, \$83 million for increase support to mental health services and added that \$20 million over four years is being ear marked for a pilot project targeting “loneliness” and those at risk of isolation.⁵

The Aged Care Reform 2017, Increasing Choice in Home Care

In the 2015-16 Budget, the Australian Government announced significant reforms to home care to improve how home care services are delivered to older Australians. From 27 February 2017, funding for a home care package will follow the consumer, allowing them to:

- (a) choose their own provider; and
- (b) change their provider as and when needed.

These changes enable a more consumer-driven, market-based and less regulated aged care system, one that supports independent living and in-home care later in life. The two main tenants of this system are:

- (a) Home Care and Home Support
- (b) Flexible Care Services

What is Home Care and Home Support

Government provides services to help older people remain in or return to independent living. Carers can also access respite care through home care and home support programs, including the Commonwealth Home Support Program, and Home and Community Care services. These programs provide basic maintenance and support services (including centre-based day care, domestic assistance and social support) to people in the community whose independence is at risk. A limited number of home care packages are also available for people requiring higher levels of help to stay at home, with levels of care ranging from low level care needs (Level 1) to high care needs (Level 4). Services under these packages are tailored to the individual, with services including personal care (e.g. showering), support services (e.g. cleaning) and/or clinical care (e.g. nursing and allied health support). As at 30 June 2017, 71,423 older individuals were recipients of a home care package.⁶

What is Flexible Care Services

Where mainstream residential or home care services are unable to cater for an older person's specific needs, the following flexible care options are available:

⁵ Australian Federal Government, Budget 2018

⁶ Australian Government Department of Health 2016

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- (a) Transition Care – assists older individuals to regain physical, and psychosocial, functioning following an episode of in-patient hospital care to help maximise independence and avoid premature entry to residential aged care.
- (b) Short-term restorative care – similar to Transition Care but is provided to people who have had a setback or decline in function without having been in hospital.

The recently released Federal Budget included increased funding to support elderly Australians who wish to receive care at home, through the Government providing \$1.6 billion to support 14,000 additional high-level home care packages by 2021–22. This adds to the 6,000 places the Government has provided since the last Federal Budget.

There is presently no obligation for HomeStay to obtain any licenses or other regulatory approvals to undertake its business. However, providers of aged care services are able to receive Australian Government aged care subsidies if they are registered as approved providers. As HomeStay is not responsible for providing services itself, this is not directly relevant to the HomeStay business.

HomeStay is a unique offering that provides a unified technology care platform offering: on demand care services; healthcare data management; and lifestyle monitoring. The aged care industry consists of many providers and is undergoing digitisation. HomeStay offers a transparent platform that can be used to optimise operations, as well as collect data and use artificial intelligence to identify behaviour patterns and introduce early-stage preventive action.

HomeStay is aware that there are competitors in this market offering similar products and / or offerings to HomeStay, however, as far as HomeStay is aware, these competitors operate in different jurisdictions to those in which HomeStay is rolling out its offerings or have insignificant current presence so as to not interfere with HomeStay's current operations. HomeStay believes that, in addition to having a suite of products and offerings that are of a high quality, it also has a first-to-market advantage over its competitors. This statement can be supported by HomeStay's current binding contracts (**Collaboration Orders**), all of which are with parties whom can be considered as major aged care industry and allied health affiliates.

KEY DEPENDENCIES

The key dependencies influencing the viability of the Acquisition are:

- (a) the Company's capacity to re-comply with Chapters 1 and 2 of the Listing Rules to enable re-admission to quotation of the Company's securities;
- (b) completion of the Acquisition;
- (c) the progression of pilot programs into ongoing commercial arrangements;
- (d) continual development and updates to HomeStay's AI technology and the HomeStay IoT Platform;
- (e) continued availability of service providers for HomeStay ODS;

- (f) continued access to technology underpinning the AI offering and access to wearables / sensors;
- (g) provision of suitable training to elderly users and service providers; and
- (h) raising sufficient funds to: develop its technology further; roll-out its committed Intelligent Homes; and pursue business growth opportunities.

NEW BOARD AND MANAGEMENT TEAM

Upon completion of the Acquisition, Mr David Wheeler and Mr Ranko Matic will resign from the Board of the Company, and Ms Shannon Robinson and Ms Sara Kelly will be appointed as directors of the Company (**New Directors**). Ms Robinson's and Ms Kelly's qualifications and experience are set out below. Mr Damian Black will remain a director of the Company following completion of the Acquisition.

Shannon Robinson (LLB, B.Comm, GAICD, GIAC(cert))

Executive Director and Chairman.

Shannon has over 10 years' international experience acting as a director or officer of ASX listed companies, more recently focusing on emerging technology companies. Shannon specialises in providing corporate and strategic advice in relation to transaction structuring, business development, acquisitions and mergers, capital raisings and listing of companies on stock exchanges (ASX & AIM). Shannon is currently a director of Fastbrick Robotics Limited (ASX: FBR), Spookfish Limited (ASX: SFI) and Yojee Limited (ASX: YOJ) and has also been a director of several ASX and AIM listed companies. Shannon is an associate of the Australian Institute of Company Directors (AICD), an associate of the Governance Institute of Australia. Shannon is also admitted to practice in Western Australia and the High Court.

Sara Kelly (LLB)

Non-Executive Director

Ms Sara Kelly is a corporate lawyer and Partner at Edwards Mac Scovell Legal (a Perth based law firm). Ms Kelly has significant transactional and industry experience having worked both in private practice as a corporate adviser and as in-house counsel. Ms Kelly's experience includes the administration of regulatory frameworks and processes in a listed company environment, acquisitions, takeovers, capital raisings and listing of companies on ASX an AIM. Ms Kelly is currently a director of Drake Resources Limited (ASX:DRK).

Senior Management

Agostinho (Aga) Manhao (MBA (Finance))

CEO

Aga is an executive with extensive experience running global businesses, has been the CEO of HomeStay since December 2016, and has been instrumental in: rolling out HomeStay's business model; developing their Internet of Things (**IoT**) platform; and building the HomeStay team. Aga recently completed his MBA, majoring in Finance. His final dissertation was on the "True Value of Being a Big Data Driven Organisation", an empirical case study of a Fortune 250 company. This paper lead to his current role with HomeStay, where the company plans to provide meaningful insights by collecting and analysing the

data collected using Artificial Intelligence and Machine Learning across HomeStay's IoT Platform.

Aga started his career as an Accountant in Australia and has over 20 years' experience running global multinational businesses and sales teams in Japan, Singapore, Australia, London and Switzerland. Aga was heavily involved in the restructure and turnaround of his last company in Australia and Singapore, taking the company from being a loss maker to being acquired and then subsequently IPO on the Singapore stock exchange.

Prior to joining HomeStay, Aga worked in the Oil & Gas industry for 10 years, in the United Kingdom, Switzerland and Australia. While in London he worked on upstream oil exploration projects in the North Sea, Middle East, Africa and Kazakhstan. During his time in Switzerland he worked in the LNG sector where he helped establish several LNG trading desks for Swiss based commodity trading houses and hedge funds.

Amanda Sweeney (BA Commerce, MBA, CPA)

Chief Operations Officer

Amanda has a background in Business Intelligence and Accounting and has held Senior Management positions within several industries including Aged Care, Education and Training and Energy Retail. Amanda is experienced in Strategic, Financial and Operations Management in dynamic and fast paced environments and has focussed on delivering business improvement projects throughout her career. Amanda is a Certified Practicing Accountant and has held Senior Financial Management positions before moving into Operations Management and Business Intelligence. Amanda's Aged Care Industry experience includes the management of a large Residential Aged Care facility where she delivered technology and data analytics solutions to improve business performance and stakeholder outcomes.

Amanda's career began in Education and Training where she held Chief Financial Officer and Operations Management roles. During this time, she was responsible for establishing an Independent School and Registered Training Organisation and for taking this start up business from a Government funded organisation to a commercial venture.

Prior to joining HomeStay, Amanda led major business transformation projects at one of Australia's largest Energy Companies, Energy Queensland. At Energy Queensland, Amanda was responsible for the development and implementation of the Energy Retailers Business Intelligence Strategy before moving to Operational Management of the Customer Care and Revenue Assurance functions.

Amanda is a certified practicing accountant with well-developed financial modelling and analytical skills.

Sherry Swanson

Chief Innovation Officer

With a background in computer engineering, Sherry has held vendor and customer leadership roles across many industries: health, telecommunications, logistics, professional services, advertising, agriculture and manufacturing (automotive, industrial chemicals, explosives and blasting, steel, petroleum). This has afforded excellent exposure to bold strategies and diverse business drivers, and enabled breadth and depth of experience with 2 very different lenses.

Sherry has gained a reputation for achieving sustainable business results in ambiguous settings, particularly where strong professional subcultures exist. Frequently her appointments include a Trusted Advisor position allowing Sherry to support large organisational change programs to crystallise diverse information, identify common ground and shared vision, and harnessing and uniting: people, technology, security, and processes, in essence making the complex simple.

Sherry is committed to building and or aggregating and integrating curated solutions that demonstrate how technology can improve outcomes for consumers, families, health providers, indigenous affairs and government, and simplify an overly complex health system.

Sherry's twenty-five years' experience include the following roles:

- (a) Telstra: National Business Development Executive & Strategic Business Partner for Private Hospitals and Community Care.
- (b) NTT Data Solutions: Business Engagement Partner.
- (c) OAMPS Insurance Brokers: Client Service Standards Partner.
- (d) Incitec Pivot Ltd: ICT Procurement Manager.
- (e) REA Group: Business Transformation Manager.
- (f) Sensis: Application Sustain Principal Consultant.
- (g) EDS / Hewlett-Packard: Managed Services Pre-Sales Consultant.
- (h) General Motors Holden: Managed Services and Technology Manager.
- (i) Australian Wheat Board: ICT Manager.
- (j) Hewlett-Packard: Senior Engineer and Customer Account Manager.

Rama Kumble (BSc (1st Class Hon), BA & Masters Engineering)

Chief Technology Consultant

Rama has extensive commercial and technical experience within the health and wellness industry. He is responsible for delivering all technical aspects of the HomeStay IoT Platform, including 3rd party IoT product and service. Before he joined HomeStay, Rama was responsible for Research & Development, Technical Delivery as well as overseeing the Australian Operations and Global delivery for Medtech, in particular Manage My Health (a Healthcare Solutions company). He has contributed to the establishment of several technology companies including Majoris, Paymate Value Chain.

Rama has over 25 years of experience in various senior positions in the IT industry including Infosys Australia, Asst. General Manager Telephony and Mobile Products for NEC, Country Head and Founder of Majoris Ltd, and Chief Designer/Architect Unisys Australia. Rama specialises in managing large Global IT Teams to deliver outstanding Products and Services to International markets. The size of projects has varied from half-million to \$33 million.

Rama holds a Bachelor of Science, First Class, and a Bachelor and Master's Degree in Electronics and Communication Engineering from the Indian Institute of Science in Bangalore, India.

Dr Sara Balsamini (PhD, BSc)

Artificial Intelligence Analyst Consultant

Sara is an Artificial Intelligent Analyst, with extensive experience in the Aged Care and Disability sector.

Sara graduated in neuropsychology at Parma University, Italy, specialising in cognitive science, the science that studies the Nervous System and the Neural Basis of Human cognition. Cognitive science has been defined as the foundation of Artificial Intelligence, helping to understand how computer systems can simulate human intelligence processes, including, learning (the acquisition of information and rules for using the information), reasoning (using the rules to reach approximate or definite conclusions), and self-correction.

Sara has doctorate in Psychopathology of Criminal Behaviour and geographical profiling, researching how specific patterns on the scene crime can predict the geographical area of the offender.

In the past 4 years, Sara has worked closely with NSW based Service Providers in Aged Care, Supported Independent Living, Disability, and Home Modifications. She supported service providers in the recent industry revolution, moving from a bulk funding system to individually funded packages and person-centred care, which required all parties involved to reshape their business models, re-tool and reorganise in the new market-style. Sara's most recent projects involved the implementation of business solutions to support the transition to Consumer Directed Care (**CDC**) and National Disability Insurance Schema (**NDIS**).

Kthryn Bondoc (BA, Psychology, Masters of Health Services Management)

Business Development Manager

Kthryn is an experienced business development manager working across the ageing, health and disability services for the last 10 years. Armed with a Masters in Health Service Management she specialises in maximising opportunities to improve the community through strategic partnerships, sales and outcomes oriented projects.

Supporting General Practitioners through the Health reform, she worked through funding and mandate changes transforming the Division of General Practice in Western Sydney to the Medicare Locals then to the Primary Health Networks to create better health outcomes for the community including supporting the early development of the Personally Controlled Electronic Health Records trailed in Western Sydney.

Kthryn has also worked through significant industry changes for the Aged Care Reform and roll out of the National Disability Insurance Scheme. Her operational supports for 2 major state-wide services have resulted in several internal restructures, transformative projects and technology trials and roll outs.

Kthryn is has a keen interest in property development projects impacting social, aged and disability housing and is also a member of the Blacktown Council Interagency Committee.

Kthryn's passion is to make a positive difference to communities through strategic partnerships to solve major problems in health, ageing and disability.

DIRECTOR INTERESTS

The interests of the current and proposed directors of the Company following completion of the Acquisition are set out in the table below:

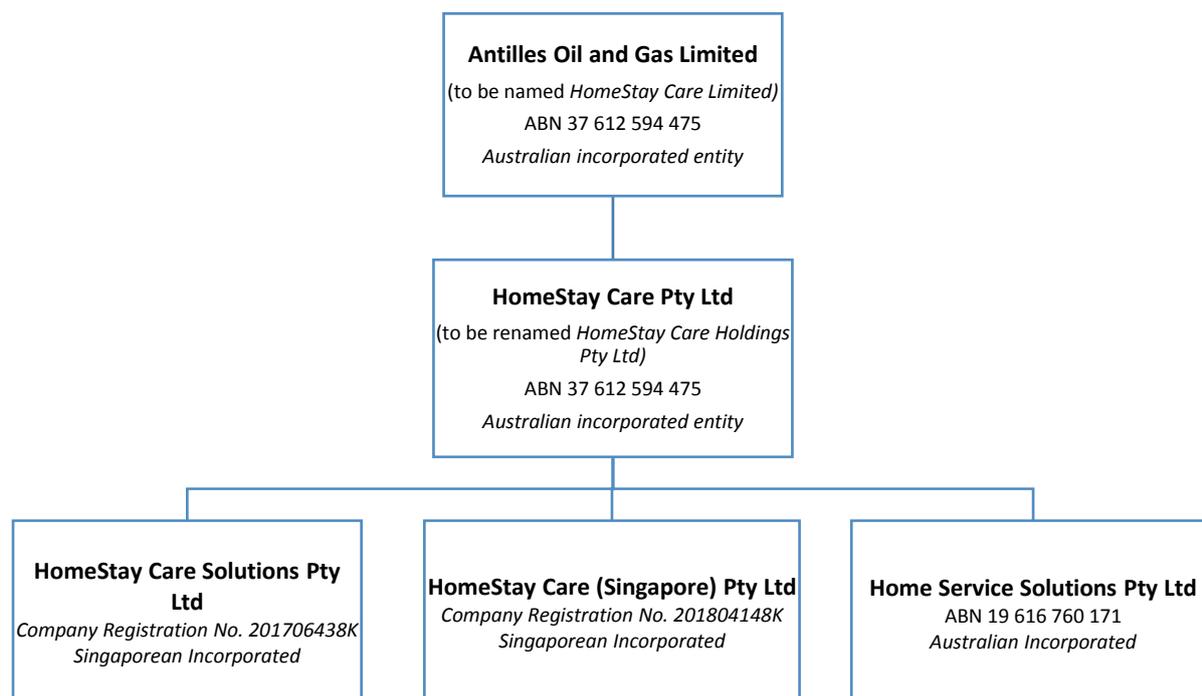
Director/Proposed Director	Remuneration	Shares ⁴	Deferred Consideration Shares	Options ³
Damian Black ¹	\$30,000 per annum	1,802,286	Nil	2,000,000
David Wheeler	\$30,000 per annum	207,184	Nil	2,000,000
Ranko Matic	\$30,000 per annum	129,490	Nil	2,000,000
Shannon Robinson ²	\$50,000 per annum	18,000,000	12,000,000	2,000,000
Sara Kelly	\$30,000 per annum	2,500,000	1,666,665	2,000,000

Notes:

1. Mr Black also holds 3,000,000 partly paid shares (paid to \$0.01 with \$0.19 at call). The cancellation of the partly paid shares has been approved by Shareholders at the annual general meeting held on 31 May 2018 and will be completed prior to settlement of the Acquisition .
2. Ms Robinson will receive a \$25,000 bonus upon completion of the Acquisition and the Company being reinstated to trading on ASX.
3. Exercisable at \$0.03 on or before the date that is 5 years following the date of issue. To be issued upon completion of the Acquisition and the Company being reinstated to trading on ASX.
4. Securities are stated on a post-Consolidation basis.
5. The issue of the Deferred Consideration Shares is subject to the Company achieving the relevant milestones set out in Schedule 1.

CORPORATE STRUCTURE

Upon completion of the Acquisition, the corporate structure of the Company is set out below:



The Company currently has a number of subsidiaries associated with its current operations as an oil & gas exploration company. These subsidiaries are in the process of being wound up and the Company therefore does not consider them relevant to the Company's ongoing activities following completion of the Acquisition.

CAPITAL RAISING

To assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules (**Listing Rules**) and to support the proposed international roll-out strategy following completion of the Acquisition (as further described below), the Company plans, subject to the approval of the Company's shareholders (**Shareholders**), to conduct a capital raising under a full form prospectus to raise a minimum of \$3,000,000 and a maximum of \$4,000,000 through the issue of fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.02 per Share (**Public Offer**).

The Company will appoint 708 Capital Pty Ltd (ACN 142 319 202) AFSL 386279 as the lead manager to the Public Offer. The Public Offer will not be underwritten.

CONVERTIBLE LOAN

HomeStay has entered into a convertible loan facility with unrelated third parties (**Lenders**) under which HomeStay has the ability to draw down up to \$1,000,000 to fund its operating expenses and working capital prior to the completion of the Acquisition (**Facility**).

Upon Settlement, the Facility will automatically convert into Shares at a conversion price of \$0.02 per Share, being the same price per Share as all other Shares issued under the Public Offer (**Convertible Loan Shares**).

If Settlement does not occur, the Company will have no liability in respect of the Facility. However, HomeStay will be liable to repay the Lender any outstanding amount advanced under the Facility.

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PROPOSED 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 the ASX as follows:

Use of Funds	Minimum Subscription	%	Maximum Subscription	%
Existing cash reserves of the Company plus funds raised under the Facility*	\$2,000,000	40.00%	\$2,000,000	33.33%
Funds raised under the Public Offer	\$3,000,000	60.00%	\$4,000,000	66.67%
TOTAL	\$5,000,000	100%	\$6,000,000	100%
Enhancement of platform, including security updates and IoT devices integration	\$700,000	14.00%	\$800,000	13.33%
Business development	\$250,000	5.00%	\$370,000	6.17%
Sales and marketing	\$250,000	5.00%	\$370,000	6.17%
Intelligent Home installation, hardware, on-going monitoring services, data management and analytics	\$1,450,000	29.00%	\$1,700,000	28.33%
Operations	\$300,000	6.00%	\$300,000	5.00%
Identification of new opportunities and markets	\$100,000	2.00%	\$100,000	1.67%
Working capital**	\$1,500,000	30.00%	\$1,800,000	30.00%
Expenses associated with the Public Offer	\$450,000	9.00%	\$560,000	9.33%
TOTAL	\$5,000,000	100%	\$6,000,000	100%

Notes:

* Cash reserves of the Company and HomeStay at completion of transaction assuming completion by 31 August 2018 and assuming expenditure by the entities of approximately \$2,230,000 in addition to payment of exclusivity fee of \$100,000 and loan of \$300,000 was made by the Company to HomeStay prior to 31 May 2018.

** Includes administration cost of running the business, including cost of paying salaries to staff as well as general corporate costs including rent and the provision of service to the company

*** Anticipated revenues have not been included in the table above on the basis that HomeStay does not consider that it has a reasonable basis on which to include financial forecasts.

PRO FORMA CAPITAL STRUCTURE

The indicative capital structure of Antilles post-Acquisition of HomeStay, based on the current Antilles securities on issue and including the Public Offer, will be as follows:

	Shares	Deferred Consideration Shares	Convertible Preference Shares	Options	Partly Paid Shares ¹
Current ²	162,898,654	-	9	3,000,000	15,000,000
<u>Restructuring General Meeting¹</u>	750,000	-	(9)	-	(15,000,000)
<u>Sub-Total</u>	163,648,654	-	-	3,000,000	-
<u>Post-Consolidation</u>	135,000,000	-	-	2,474,814	-
Public Offer	150,000,000 ³	-	-	-	-
Consideration Shares	300,000,000	200,000,000 ⁴	-	-	-
Convertible Loan Shares	50,000,000				
Facilitation Shares ⁵	10,000,000	-	-	-	-
Transaction Options to be issued to 708 Capital (or nominees)	-	-	-	70,000,000 ⁵	-
Transaction Options to be issued to Directors ⁶	-	-	-	10,000,000 ⁵	-
TOTAL	645,000,000	200,000,000	-	82,474,814	-

Notes:

1. The cancellation of the partly paid shares has been approved by Shareholders at the annual general meeting held on 31 May 2018 and will be completed prior to settlement of the Acquisition. The Company sought Shareholder approval for a selective capital reduction of all convertible preference shares on issue for nil consideration, however the quorum requirements for the general meeting of preference shareholders were not met. The Company will seek Shareholder approval for a selective capital reduction of all convertible preference shares on issue for nil consideration at the next Shareholder meeting.
2. The Company will seek shareholder approval for the undertaking of a consolidation of its issued capital on such ratio as will result in it having 135,000,000 Shares on issue on a post-consolidation basis.

3. Assuming the Company raises the minimum subscription of \$3,000,000 under the Public Offer. In the event that the Company raises the maximum subscription of \$4,000,000 an additional 50,000,000 Shares will be issued. The Public Offer will not be underwritten.
4. The issue of the Deferred Consideration Share is subject to the Company achieving the milestones set out in Schedule 1.
5. The Shares have a value of \$200,000 at a deemed issue price of \$0.02 per Share, being the price at which Shares will be issued under the Public Offer.
6. Exercisable at \$0.03 on or before the date that is 5 years from the date of issue, subscribed for at \$0.0001 each (**Transaction Options**). Refer to Schedule 2 for the full terms and conditions of the Transaction Options.

TIMETABLE

A timetable for the Acquisition and associated events is set out below:

Event	Date*
Notice of Meeting for the Restructure General Meeting sent to Shareholders	2 May 2018
Execution of the Terms Sheet	10 May 2018
Restructure General Meeting	31 May 2018
Notice of Meeting for the Acquisition sent to Shareholders	23 July 2018
Lodgement of prospectus with the ASIC	3 August 2018
Opening date of Public Offer	3 August 2018
Shareholders meeting to approve acquisition	23 August 2018
Closing date of Public Offer	23 August 2018
Settlement of Acquisition and the Public Offer	27 August 2018
Re-quotations on ASX	7 September 2018

*Please note that this timetable is indicative only and the Directors of the Company reserve the right to amend the timetable as required.

KEY RISKS

The key risks to successful transformation of the Company can be summarised as:

(a) **Completion risk**

Pursuant to the binding share sale agreement, the key terms of which are summarised in Schedule 1, the Company has agreed to acquire 100% of the issued share capital of HomeStay, completion of which is subject to the fulfilment of certain conditions. There is a risk that the conditions for completion of the Acquisition cannot be fulfilled and, in turn, that completion of the acquisition of HomeStay does not occur.

If the Acquisition is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved.

(b) **Re-quotations of shares on ASX**

As part of the Company's change in nature and scale of activities, ASX will require the company to re-comply with Chapters 1 and 2 of the Listing Rules. It is anticipated that the Company's securities will be suspended from the date of the general meeting convened to seek Shareholder approval for the Acquisition until completion of the Acquisition, the Public Offer, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement.

There is a risk that the Company will not be able to satisfy one or more of those requirements and that its securities will consequently remain suspended from official quotation.

(c) **Limited trading history**

HomeStay was incorporated in May 2016 and the business is yet to be fully commercialised. Therefore, there is greater uncertainty in relation to the business and its prospects considering its limited financial history. In addition, there is no guarantee that HomeStay will be able to successfully commercialise the HomeStay IoT Platform beyond its initial pilot programs, and if it is unable to do so, it will not be able to realise significant revenues in the future.

Whilst the New Directors have confidence in the future revenue-earning potential of HomeStay, there can be no certainty that HomeStay will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities. HomeStay's profitability may be impacted by, among other things, the success of its business strategies (such as the conversion of its current pilot programs into ongoing commercial relationships / sales channels, further development of the HomeStay IoT Platform, and sales and marketing), its ability to provide a high-quality product and level of service to customers, economic conditions in the markets in which it operates, competition factors, and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

(d) **Reliance on Key Management Personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of HomeStay depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of HomeStay or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner.

If such contracts with key management personnel are terminated or breached, or if the relevant personnel were no longer to continue in their current roles, HomeStay would need to engage alternative staff, and HomeStay's operations and business may be adversely affected.

(e) **Risks associated with updates to the HomeStay IoT Platform**

The industry in which HomeStay is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While HomeStay will undertake all reasonable due diligence in its business decisions and operations, HomeStay will have no influence or control over the activities or actions of any competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of HomeStay's business. For instance, new technologies could overtake the advancements made by HomeStay's products. In that case, HomeStay's revenues and profitability could be adversely affected.

The cost and time for a competitor to develop a competing technology may not be significant (particularly for a larger competitor with access to funding and resources). This may result in a heightened risk of competition to HomeStay. If a person or entity successfully develops and commercialises a competing product, this may have a materially adverse effect on the value and prospects of HomeStay.

(f) **Risks associated with the Intelligent Home programs not extending beyond initial contract periods**

There are a number of risks associated with contracts entered into by HomeStay, including the risk that those contracts may contain unfavourable provisions, or be terminated, lost or impaired, or renewed on less favourable terms. As noted above, a number of the existing revenue generating programs of HomeStay are pilot programs, many of which have been entered into on a fixed term basis. If such contracts are not renewed or are renewed on less favourable terms, HomeStay's revenues and profitability could be adversely affected.

(g) **Retention of existing subscribers and service providers**

The success of HomeStay's business depends in part on its ability to maintain its existing, and to grow new, relationships with subscribers and to increase the number of general practitioners (**GPs**), authorised healthcare professionals (**AHPs**), clinics, hospitals and other service providers, and patients, using its platforms and services. HomeStay's ability to retain subscribers will depend, in part, on its ability to continue to be competitive and offer systems, solutions and benefits which are attractive to GPs, AHPs, clinics, hospital other service providers, and patients. There is no guarantee that the number of subscribers or service providers on any of HomeStay's platforms will grow.

(h) **Third Party Relationship Risk**

The Company is dependent in part upon its relationships and alliances with industry participants and service providers. Some of the Company's partners do, or may in the future, assist the Company in the development of its products through testing, research and development, contract manufacturing, supplier or teaming arrangements or the provision of services. If any of the Company's existing relationships with partners were impaired or terminated, or if the Company was unable to implement additional partnering arrangements it may require from time to time, the Company could experience significant delays in the development of products or the provision of services and would incur additional costs or reputational damage. In the event of such parties failing to meet its

obligations to the Company on time or at all, the Company may be adversely affected.

(i) **Research and Development and Technical Risk**

HomeStay's products and services are the subject of continuous research and development and necessarily need to be substantially developed further in order to gain and maintain competitive and technological advantage, and in order to meaningfully improve the products' and services' usability, scalability and accuracy. There are no guarantees that HomeStay will be able to undertake such research and development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or timeframes accurately will adversely affect HomeStay's results and viability.

(j) **Technology Risk**

HomeStay's market involves rapidly evolving products and technological change. To succeed, HomeStay will need to research, develop, design, test, market and support (i) substantial enhancements to its existing products and (ii) new products, on a timely and cost-effective basis. HomeStay cannot guarantee that it will be able to engage in research and development at the requisite levels. HomeStay cannot assure investors that it will successfully identify new technological opportunities and continue to have the needed financial resources to develop new products in a timely or cost-effective manner. At the same time, products and technologies developed by others may render the Company's products and systems obsolete or non-competitive.

(k) **Data security risk**

HomeStay will provide its services online through the HomeStay IoT Platform which will include native mobile applications. Hacking or exploitation of some unidentified vulnerability in its website could lead to a loss, theft or corruption of data. HomeStay will collect sensitive data relating to user information, demographics, etc., which could be attractive to hacking or exploitation.

This could render the platform unavailable for a period of time, whilst data is restored. It could also lead to unauthorised disclosure of users' data with associated reputational damage, claims by users and regulatory scrutiny and fines. Although HomeStay has strategies and protections in place to mitigate security breaches and to protect data, these strategies might not be successful. In that event, disruption to the HomeStay IoT Platform and unauthorised disclosure of user data could negatively impact upon HomeStay's reputation, revenues and profitability.

(l) **Commercialisation risk**

There is a risk that HomeStay will not be able to successfully commercialise or sell its products (beyond its current material contractual arrangements) or be unable to attract sufficient customers to be sufficiently profitable to fund future operations.

HomeStay's ability to generate revenue depends on the sales it makes across its product offerings. As with any business, there is a risk that the marketing strategies may not be effective in generating the increased customer scale that HomeStay is targeting.

The price point of some of HomeStay's existing or proposed products may be too high compared to other solutions or may not be able to stay at the same or at competitive prices for an extended period. This may lead to difficulties in market acceptance and, if reductions in price are necessary to achieve market penetration, the potential for profit margins will be reduced.

(m) **Intellectual property risk**

The commercial value of HomeStay's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that HomeStay's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate HomeStay's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which HomeStay (or entities it deals with) may have an interest in now or in the future will afford HomeStay commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.

It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against HomeStay under copyright, trade secret, patent, or other laws. While HomeStay is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, HomeStay's business. If HomeStay is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in HomeStay's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.

(n) **Reliance on third party technology risk**

HomeStay intends to develop the HomeStay IoT Platform so that it can be utilised with a number of operating systems, internet platforms and other hardware devices. While HomeStay will therefore depend on its products being able to operate on a range of systems, platforms and devices, it is unable to control third party developers of such systems. Any changes to external platforms, systems or devices that give preference to competing products or adversely impact on the functionality of HomeStay's products may render consumers less likely to use HomeStay's products, which may have a detrimental impact on HomeStay's financial performance. Likewise, HomeStay's products are predicated on consumers being able to access the internet and cellular networks. If third party providers raise the cost of these networks or restrict the ability of consumers to

access these networks via HomeStay's products, this is likely to detrimentally affect HomeStay's financial performance.

(o) **Risks relating to future requirements for capital**

The funds raised under the Public Offer are considered sufficient to meet the immediate objectives of HomeStay. Further funding may be required by HomeStay in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed to develop new and existing products or acquire complementary businesses and technologies. Accordingly, HomeStay may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for HomeStay's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of HomeStay.

(p) **Contract Risk**

The operations of HomeStay will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, HomeStay is unable to completely avoid the risk of:

- (i) financial failure or default by a participant in any joint venture to which HomeStay may become a party;
- (ii) insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by HomeStay in its activities; or
- (iii) insolvency, default on performance or delivery, or any managerial failure by any other service providers used by HomeStay or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on HomeStay's operations and performance. Whilst best practice pre-contracting due diligence is undertaken for all third parties engaged by HomeStay, it is not possible for HomeStay to predict or protect itself completely against all such contract risks.

(q) **Regulatory risk**

While there is presently no obligation for HomeStay to obtain any licenses or other regulatory approvals to undertake its business, the introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern HomeStay's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of HomeStay and its shares. In addition, there is a

commercial risk that legal action may be taken against HomeStay in relation to commercial matters.

(r) **Foreign exchange risk**

HomeStay may operate in a variety of jurisdictions, including Singapore and Australia, and as such, expects to generate revenue and incur costs and expenses in more than one currency. Accordingly, the depreciation of the Australian dollar and/or the appreciation of the foreign currency relative to the Australian dollar could result in a translation loss on consolidation which is taken directly to shareholder equity.

Any depreciation of the foreign currency relative to the Australian currency may result in lower than anticipated revenue. HomeStay will be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the other foreign currencies and will have to monitor this risk.

(s) **Competition risk**

The industry in which HomeStay will be involved is subject to domestic and global competition. While similar offerings to those provided by HomeStay may exist internationally, HomeStay is not aware of any direct competitors operating in the jurisdictions targeted by HomeStay. Although HomeStay will undertake reasonable due diligence in its business decisions and operations, HomeStay will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of HomeStay.

(t) **Product liability risk**

HomeStay may be exposed to liability claims if its products or services are provided in fault and/or cause harm to its customers. As a result, HomeStay may have to expend significant financial and managerial resources to defend against such claims. If a successful claim is made against HomeStay, HomeStay may be fined or sanctioned, and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

(u) **Insurance risk**

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

(v) **Risks associated with failure to deal with growth**

There is a risk that management of the Company will not be able to implement HomeStay's growth strategy. The capacity of management to properly implement and manage the strategic direction of HomeStay may affect the Company's financial performance.

(w) **Credit risks**

HomeStay will be exposed to credit risks relating to delayed or non-payments from its customers. A failure by HomeStay to adequately assess and manage credit risk may result in credit losses potentially resulting in a material adverse effect on HomeStay's business, operating and financial performance, including decreased operating cash flows.

(x) **Liquidity risk**

On completion of the Acquisition, the Company proposes to issue securities to the shareholders of HomeStay (**HomeStay Shareholders**). The Company understands that ASX will treat some of these securities as restricted securities in accordance with Chapter 9 of the Listing Rules.

This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(y) **Litigation**

HomeStay may in the ordinary course of business become involved in litigation and disputes, for example with its contractors or clients. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, clients or other stakeholders. Any such outcomes may have an adverse impact on HomeStay's business, market reputation and financial condition and financial performance. Neither the Company nor HomeStay are currently engaged in any litigation.

(z) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above 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 Company's securities.

ACCOUNTS

The Company's pro forma statement of financial position as at 31 December 2017, based on audited annual accounts for the Company and HomeStay is set out in Schedule 3.

HomeStay's financial statements from incorporation (being, 24 May 2016) to 31 December 2017 are set out in Schedule 4.

EFFECT OF THE ACQUISITION ON THE COMPANY'S CONSOLIDATED TOTAL ASSETS AND TOTAL EQUITY INTERESTS

The principal effects on the Company's consolidated statement of financial position will be:

- (a) Current assets will increase by approximately \$3,563,600 comprised of the net proceeds of the Public Offer, funds raised under the Facility and HomeStay's expected cash balance as at completion of the Acquisition; and
- (b) Total equity interests will increase by a corresponding amount.

EFFECT OF THE ACQUISITION ON THE COMPANY'S REVENUE, EXPENDITURE AND PROFIT BEFORE TAX

There will be no significant effect on the Company's consolidated statement of financial performance, other than revenues generated by HomeStay following completion of the Acquisition.

Given the current status of the HomeStay business, the Company do not consider it appropriate to forecast future earnings. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.

RECENT ISSUES OF HOMESTAY AND ANTILLES SECURITIES

In the last six months, HomeStay has issued 500,000 fully paid ordinary shares at an issue price of \$0.01 per share with respect to a final shortfall issue pursuant to previous seed raise.

Antilles has not issued any securities within the period of 6 months prior to the date of this announcement.

CONTROL ISSUES

Assuming completion of the Acquisition, it is not presently anticipated that any person will have a voting power of 20% or more in the Company.

RE-COMPLIANCE WITH ASX LISTING RULES CHAPTERS 1 AND 2

Since the Acquisition will amount to a significant change in the nature and scale of the Company's activities, the Company is required to obtain approval for its Shareholders for the Acquisition and must re-comply with Chapters 1 and 2 of the Listing Rules.

SHAREHOLDER APPROVALS

A notice of meeting seeking Shareholder approval for the resolutions required to give effect to the Acquisition will be sent to Shareholders in due course. It is expected that Antilles will convene a general meeting to be held in August 2018 to facilitate Shareholder approval for matters in respect of the Acquisition. Those approvals will include:

- (a) the change in nature and/or scale of the Company's activities;
- (b) the conversion of the Company from a no liability company to a public limited company at the Restructure General Meeting;

-
- (c) the consolidation of the Company's securities on such basis as will result in the Company having 135,000,000 Shares on issue on a post-consolidation basis (**Consolidation**);
 - (d) the issue of up to 50,000,000 Shares (on a post-Consolidation basis) to the Lenders upon the conversion of the Facility;
 - (e) the issue of 10,000,000 Shares (on a post-Consolidation basis) to Mr Michael Denny (or his nominees) for the introduction and facilitation of the Acquisition;
 - (f) the issue of 300,000,000 Shares (on a post-Consolidation basis) and 200,000,000 Deferred Consideration Shares (on a post-Consolidation basis) to the HomeStay Shareholders (or their nominees);
 - (g) the issue of and 70,000,000 Transaction Options (on a post-Consolidation basis) to 708 Capital Pty Ltd or its nominees in consideration for services provided by 708 Capital to the Company;
 - (h) the issue of 10,000,000 Transaction Options (on a post-Consolidation basis) to the New Directors and existing Directors;
 - (i) the issue of a minimum of 150,000,000 Shares and a maximum of 200,000,000 Shares under the Public Offer;
 - (j) the change of the Company's name to "HomeStay Care Limited"; and
 - (k) the appointment of the New Directors.

On the date of the general meeting for the Acquisition, the Company's securities will be suspended from quotation on ASX and, subject to Shareholder approval being obtained, will remain suspended until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and the Acquisition has completed.

ASX WAIVERS AND CONFIRMATIONS REQUIRED

The Company intends to seek a waiver from the requirements of Listing Rule 2.1 (Condition 2) to enable it to issue Shares at \$0.02 per Share and to enable it to have options on issue with an exercise price below \$0.20.

Further, the Company will seek a waiver from the requirements of Listing Rule 7.3.2 to permit the Company to issue, subject to satisfaction of the milestones, Deferred Consideration to the HomeStay Shareholders in accordance with the milestone periods, which will be outside of three months from the date of Shareholder approval.

APPROPRIATE ENQUIRIES

The Company has completed legal, financial and technical due diligence investigations with respect to HomeStay, which gives the Company confidence that the Acquisition is in the best interests of the Company and its shareholders.

The Company's opinion is based on the significant market opportunity the Acquisition presents, given the Acquisition presents an opportunity to enter the significant aged care

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market with a first mover advantage for the HomeStay IoT Platform. HomeStay's business has been endorsed and validated by a number of key industry partners through the commercial arrangements described above. HomeStay has also built a management team with significant experience in the aged care and technology markets.

REGULATORY REQUIREMENTS GENERALLY

The Company notes that:

- (a) the Acquisition requires Shareholder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming;
- (b) the Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Acquisition may not proceed if those requirements are not met;
- (c) ASX has an absolute discretion in deciding whether to re-admit the Company to the Official List and to quote its securities and therefore the Acquisition may not proceed if ASX exercises that discretion; and
- (d) investors should take account of these uncertainties in deciding whether to buy or sell the Company's securities.

Furthermore, the Company:

- (a) notes that ASX takes no responsibility for the contents of this announcement; and
- (b) confirms that it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

For further information, please contact:

Damian Black
Chairman
ANTILLES OIL AND GAS NL
Phone: +61 (0)8 6188 8181

SCHEDULE 1 – KEY TERMS OF BINDING TERMS SHEET

The key terms of the binding terms sheet to effect the Acquisition (**Agreement**) are as follows:

1. **Exclusivity:** Upon execution of the Agreement, the Company paid an exclusivity fee of \$100,000 to HomeStay, which will be refundable in the event that any of the conditions precedent are not satisfied within the period required due to the acts or omissions of HomeStay, HomeStay breaches the Agreement or HomeStay undertakes an alternative transaction to the Acquisition;

2. **Option:** Upon execution of the Agreement, HomeStay has granted the Company an option to undertake due diligence, and to procure that HomeStay compels its shareholders to undertake the Acquisition (procurement of which shall occur prior to completion) (**Option**). As announced on 16 May 2018, the Company has exercised the Option, and as such, has provided a \$300,000 loan (**Loan**) to HomeStay on the following terms:
 - (a) the Loan is interest free and unsecured;
 - (b) the Loan is repayable upon the earlier of 28 November 2018 or that date that is three months following any of the following occurring:
 - (i) a change of control occurs in respect of HomeStay
 - (ii) HomeStay applies for admission to listing on a stock exchange;
 - (iii) HomeStay completes a capital raising of an amount equal to or greater than 150% of the outstanding amount of the Loan; or
 - (iv) the Company disposes or agrees to dispose of a material part of its business.

3. **Conditions Precedent:** Completion of the Acquisition is subject to and conditional upon a number of conditions precedent, including:
 - (c) Antilles and HomeStay obtaining all necessary regulatory, shareholder and third party approvals required to complete the transactions contemplated by the Agreement;
 - (d) Antilles receiving conditional approval by ASX to reinstate its securities to trading on the ASX (after the Company re-complies with Chapters 1 and 2 of the Listing Rules) and those conditions being to the reasonable satisfaction of Antilles and HomeStay;
 - (e) Antilles undertaking a capital raising to raise at least \$3,000,000 through an issue of Shares at \$0.02 per Share, issued (on a post-Consolidation basis) (**Public Offer**). The Public Offer will not be underwritten;

- (f) all HomeStay Shareholders agreeing to transfer their HomeStay Shares to the Company and entering into any restriction agreements required under the ASX Listing Rules in relation to the Consideration Shares and Deferred Consideration Shares to be issued as consideration for the Acquisition; and
- (g) there being no material adverse change in the circumstances of HomeStay or the Company prior to completion,

(together, the **Conditions Precedent**).

4. **Consolidation:** The Company will undertake a consolidation of its securities on a ratio which results in the Company's current Shares on issue being consolidated to 135,000,000 Shares (**Consolidation**).

5. **Consideration:** In consideration for the Acquisition, the Company will issue:

- (a) 300,000,000 Shares (on a post-Consolidation basis) (**Consideration Shares**) to the HomeStay Shareholders (or their nominees) in proportion to their existing interest in HomeStay; and

- (b) 200,000,000 Deferred Consideration Shares, comprising of

- (i) 50,000,000 Shares (on a post-Consolidation basis) to be issued upon the HomeStay Group generating cumulative revenue of \$3,000,000 within 36 months of the date that the Company is re-admitted to the Official List and such revenue is confirmed by the signed attestation of a registered company auditor or properly included in the Company's audited financial statements (**First Milestone Shares**);

- (ii) 50,000,000 Shares (on a post-Consolidation basis) to be issued upon the HomeStay Group generating cumulative revenue of \$6,000,000 within 48 months of the date that the Company is re-admitted to the Official List and such revenue is confirmed by the signed attestation of a registered company auditor or properly included in the Company's audited financial statements (**Second Milestone Shares**);

- (iii) 50,000,000 Shares (on a post-Consolidation basis) to be issued upon the HomeStay Group generating cumulative revenue of \$9,000,000 within 54 months of the date that the Company is re-admitted to the Official List and such revenue is confirmed by the signed attestation of a registered company auditor or properly included in the Company's audited financial statements (**Third Milestone Shares**);

- (iv) 50,000,000 Shares (on a post-Consolidation basis) to be issued upon the HomeStay Group generating cumulative revenue of \$12,000,000 within 60 months of the date that the Company is re-admitted to the Official List and such revenue is confirmed by the

signed attestation of a registered company auditor or properly included in the Company's audited financial statements (**Fourth Milestone Shares**).

For the purpose of the above milestones, the **HomeStay Group** means HomeStay and its subsidiaries as at the date that the Company is reinstated to trading on the Official List following completion of the Acquisition.

Antilles will also issue (on a post-Consolidation basis) 70,00,000 Transaction Options to 708 Capital or its nominee in consideration for lead manager services, 10,000,000 Shares for the introduction and facilitation of the Acquisition, and 10,000,000 Transaction Options, being 2,000,000 Transaction Options to each of the New Directors and the existing Directors.

6. **Board composition:** On completion of the Acquisition, Antilles will appoint Ms Shannon Robinson and Ms Sara Kelly as directors of the Company. Current Directors Messrs Ranko Matic and David Wheeler will resign.
7. **Change of name:** Following successful completion of the Acquisition, Antilles proposes to change its name to "HomeStay Care Limited".

The agreement otherwise contains terms and conditions which are typical for an agreement of its nature.

SCHEDULE 2 – TERMS AND CONDITIONS OF TRANSACTION OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Issue Price**

Options shall have an issue price of \$0.0001 each.

(c) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(d) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 5 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

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

(f) **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.

(g) **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**).

(h) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 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.

If a notice delivered under (h)(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.

(i) **Shares issued on exercise**

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

(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) **Transferability**

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

SCHEDULE 3 – PRO-FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

MINIMUM SUBSCRIPTION

	AVD 31/12/17	HSC 31/12/17	Exclusivity fee	Purchaser loan	Acquisition entry adjustment	Elimination of HSC investment	Capital Raise	6% Costs of raise	Other Costs of transaction	70m Options Costs of raise	Facilitation fee	Director Options	Convertible Loan	Subsequent events	PRO-FORMA (at end of transaction)
ASSETS															
CURRENT ASSETS															
Cash and cash equivalents - AVD	2,663,785	-	(100,000)	(300,000)			3,000,000	(180,000)	(300,000)	7,000	1,000	600		5,000	4,827,385
Cash and cash equivalents - HSC	-	569,353	100,000	300,000									1,000,000		1,969,353
Receivables	8,161	24,455													32,616
TOTAL CURRENT ASSETS	2,671,946	593,808	-	-	-	-	3,000,000	(180,000)	(300,000)	7,000	1,000	600	1,000,000	5,000	6,829,354
NON-CURRENT ASSETS															
PPE	-	-													
Development assets	-	435,060	-	-	-	-	-	-	-	-	-	-	-	-	435,060
TOTAL NON-CURRENT ASSETS	-	435,060													435,060
TOTAL ASSETS	2,671,946	1,028,868	-	-	-	-	3,000,000	(180,000)	(300,000)	7,000	1,000	600	1,000,000	5,000	7,264,414
LIABILITIES															
CURRENT LIABILITIES															
Payables	(57,697)	(77,342)													(135,039)
Provisions	-	(2,832)													(2,832)
TOTAL CURRENT LIABILITIES	(57,697)	(80,174)	-	-	-	-	-	-	-	-	-	-	-	-	(137,871)
NON CURRENT LIABILITIES															
Borrowings	-	-											(1,000,000)		(1,000,000)
TOTAL NON CURRENT LIABILITIES	-	-											(1,000,000)		(1,000,000)

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TOTAL LIABILITIES	(57,697)	(80,174)	-	-	-	-	-	-	-	-	-	-	(1,000,000)	-	(1,137,871)
NET ASSETS	2,614,249	948,694	-	-	-	-	3,000,000	(180,000)	(300,000)	7,000	1,000	600	-	5,000	6,126,543
EQUITY															
Issued capital	(36,177,797)	(1,412,501)			(9,257,973)	36,177,797	(3,000,000)	180,000	300,000	924,000	(241,000)			(5,000)	(12,542,474)
Reserves	2,648,040	-				(2,648,040)				(931,000)		(80,400)			(1,011,400)
Retained earnings	30,915,508	463,807			6,643,724	(30,915,508)					240,000	79,800		250,000	7,677,331
TOTAL EQUITY	(2,614,249)	(948,694)	-	-	(2,614,249)	2,614,249	(3,000,000)	180,000	320,000	(7,000)	(1,000)	(600)	-	245,000	(6,126,543)

MAXIMUM SUBSCRIPTION

	AVD 31/12/17	HSC 31/12/17	Exclusivity fee	Purchaser loan	Acquisition entry adjustment	Elimination of HSC investment	Capital Raise	6% Costs of raise	Other Costs of transaction	70m Options Costs of raise	Facilitation fee	Director Options	Convertible Loan	Subsequent events	PRO-FORMA (at end of transaction)
ASSETS															
CURRENT ASSETS															
Cash and cash equivalents - AVD	2,663,785	-	(100,000)	(300,000)			4,000,000	(240,000)	(320,000)	7,000	1,000	600		5,000	5,717,385
Cash and cash equivalents - HSC	-	569,353	100,000	300,000									1,000,000		1,969,353
Receivables	8,161	24,455													32,616
TOTAL CURRENT ASSETS	2,671,946	593,808	-	-	-	-	4,000,000	(240,000)	(320,000)	7,000	1,000	600	1,000,000	5,000	7,719,354
NON-CURRENT ASSETS															
PPE	-	-													-
Development assets	-	435,060													435,060
TOTAL NON- CURRENT ASSETS	-	435,060	-	-	-	-	-	-	-	-	-	-	-	-	435,060
TOTAL ASSETS	2,671,946	1,028,868	-	-	-	-	4,000,000	(240,000)	(320,000)	7,000	1,000	600	1,000,000	5,000	8,154,414
LIABILITIES															
CURRENT LIABILITIES															

Payables	(57,697)	(77,342)													(135,039)
Provisions	-	(2,832)													(2,832)
TOTAL CURRENT LIABILITIES	(57,697)	(80,174)	-	-	-	-	-	-	-	-	-	-	-	-	(137,871)
NON CURRENT LIABILITIES															
Borrowings	-	-											(1,000,000)		(1,000,000)
TOTAL NON CURRENT LIABILITIES	-	-											(1,000,000)		(1,000,000)
TOTAL LIABILITIES	(57,697)	(80,174)	-	-	-	-	-	-	-	-	-	-	(1,000,000)	-	(1,137,871)
NET ASSETS	2,614,249	948,694	-	-	-	-	4,000,000	(240,000)	(320,000)	7,000	1,000	600	-	5,000	7,016,543
EQUITY															
Issued capital	(36,177,797)	(1,412,501)			(9,257,973)	36,177,797	(4,000,000)	240,000	320,000	924,000	(241,000)			(5,000)	(13,432,474)
Reserves	2,648,040	-				(2,648,040)				(931,000)		(80,400)			(1,011,400)
Retained earnings	30,915,508	463,807			6,643,724	(30,915,508)					240,000	79,800			7,427,331
TOTAL EQUITY	(2,614,249)	(948,694)	-	-	(2,614,249)	2,614,249	(4,000,000)	240,000	320,000	(7,000)	(1,000)	(600)		(5,000)	(7,016,543)

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HomeStay Care Pty Ltd

ABN 37 612 594 475

Financial Report

for the period 24 May 2016, date of incorporation, to 31 December 2016

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HomeStay Care Pty Ltd

Financial Report for the period 24 May 2016 to 31 December 2016

Contents

Statement of profit or loss and other comprehensive income
Statement of financial position
Statement of changes in equity
Statement of cash flows
Notes to the financial statements
Directors' declaration
Independent auditor's report to the members of HomeStay Care Pty Ltd

General information

The financial statements cover HomeStay Care Pty Ltd as a single entity. The financial statements are presented in Australian Dollars, which is HomeStay Care Pty Ltd's functional and presentation currency.

HomeStay Care Pty Ltd is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 9
25 Bligh Street
SYDNEY NSW 2000

Principal place of business

Level 9
25 Bligh Street
SYDNEY NSW 2000

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 February 2017. The Directors have the power to amend and reissue the financial statements.

HomeStay Care Pty Ltd
 Statement of profit or loss and other comprehensive income
 For the period 24 May 2016 to 31 December 2016

	Note	\$
Revenue		-
Expenses		
Legal expenses		(3,856)
Due diligence and acquisition expenses		(19,969)
Platform development expenses		(7,917)
Other expenses		(14,572)
Total expenses		<u>(46,314)</u>
Loss before income tax expense		(46,314)
Income tax expense		<u>-</u>
Loss after income tax expense for the period		(46,314)
Total comprehensive loss for the period		<u><u>(46,314)</u></u>

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

HomeStay Care Pty Ltd
Statement of financial position
As at 31 December 2016

	Note	\$
Assets		
Current		
Cash and cash equivalents	3	439,687
Total current assets		<u>439,687</u>
Total assets		<u>439,687</u>
Net assets		<u><u>439,687</u></u>
Equity		
Issued capital	4	486,001
Accumulated losses		<u>(46,314)</u>
Total equity		<u><u>439,687</u></u>

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

HomeStay Care Pty Ltd
Statement of changes in equity
For the period 24 May 2016 to 31 December 2016

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 24 May 2016 (date of incorporation)	-	-	-
Loss after income tax expense for the period	-	(46,314)	(46,314)
Total comprehensive loss for the period	-	(46,314)	(46,314)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs	486,001	-	486,001
Balance at 31 December 2016	<u>486,001</u>	<u>(46,314)</u>	<u>439,687</u>

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

HomeStay Care Pty Ltd
Statement of cash flows
For the period 24 May 2016 to 31 December 2016

	Note	\$
Cash flows from operating activities		
Payments to suppliers and employees		<u>(46,314)</u>
Net cash used in operating activities		<u>(46,314)</u>
Cash flows from financing activities		
Proceeds from issue of shares		<u>486,001</u>
Net cash from financing activities		<u>486,001</u>
Net increase in cash and cash equivalents		439,687
Cash and cash equivalents at the beginning of the financial period		<u>-</u>
Cash and cash equivalents at the end of the financial period	3	<u><u>439,687</u></u>

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

HomeStay Care Pty Ltd
Notes to the financial statements
For the period 24 May 2016 to 31 December 2016

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of distributing financial statements to the owners of HomeStay Care Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of HomeStay Care Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards.

Historical cost convention

The financial statements have been prepared under the historical cost convention, unless otherwise specified in these accounting policies.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 1. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Comparatives

There is no comparative information as the company was only incorporated on 24 May 2016.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the financial period ended 31 December 2016. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

HomeStay Care Pty Ltd
Notes to the financial statements
For the period 24 May 2016 to 31 December 2016

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. There are no judgements, estimates and assumptions in these financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 3. Cash and cash equivalents

	\$
Cash on hand	1
Cash at bank	439,686
	<u>439,687</u>

Note 4. Issued capital

	Shares	\$
Ordinary shares - fully paid	<u>162,000,000</u>	<u>486,001</u>

Movements in ordinary share capital

Details	Date	No of shares	\$
Balance at incorporation	24 May 2016	<u>1</u>	<u>1</u>
Balance	31 December 2016	<u>162,000,000</u>	<u>486,001</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 5. Reconciliation of loss after income tax to net cash used in operating activities

	\$
Loss after income tax expense for the period	(46,314)
	<u>(46,314)</u>
Net cash used in operating activities	<u>(46,314)</u>

Note 6. Contingent liabilities and assets

The Company has no contingent liabilities or assets as at 31 December 2016.

Note 7. Commitments

The Company has no commitments as at 31 December 2016.

Note 8. Events subsequent to reporting date

In February 2017, the company raised \$9,000 in equity by way of an issue of 3,000,000 shares at an issue price of \$0.003.

Other than the above, there are no matters or circumstances that have arisen since 31 December 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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**HomeStay Care Pty Ltd
Directors' Declaration
For the period 24 May 2016 to 31 December 2016**

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, the attached special purpose financial statements have been prepared in accordance with the accounting policies as described in Note 1;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the period 24 May 2016 to 31 December 2016 in accordance with the accounting policies as described in Note 1;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of directors.

On behalf of the directors



Shannon Robinson
Director

8 February 2017
Perth



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HOMESTAY CARE PTY LTD**

We have audited the accompanying financial report, being a special purpose financial report, of HomeStay Care Pty Ltd, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial period 24 May 2016 to 31 December 2016, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report in accordance with the basis of preparation described in Note 1. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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Independence

In conducting our audit, we have complied with the independence requirements of any applicable code of professional conduct in relation to the audit.

Opinion

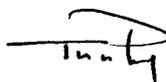
In our opinion, the financial report presents fairly, in all material respects, the company's financial position as at 31 December 2016 and of its performance for the financial period 24 May 2016 to 31 December 2016 in accordance with the basis of preparation described in Note 1.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting requirements. As a result, the financial report may not be suitable for another purpose.

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TUTU PHONG
Partner

Perth, WA
Dated: 8 February 2017

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Annual Report

HomeStay Care Pty Ltd

for the year ended 31 December 2017

ABN 37 612 594 475

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General information

The financial statements cover HomeStay Care Pty Ltd as the consolidated entity consisting of HomeStay Care Pty Ltd and the entities it controls at the end of, or during, the year. The financial statements are presented in Australian dollars, which is HomeStay Care Pty Ltd's functional and presentation currency.

HomeStay Care Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 9
25 Bligh Street
SYDNEY NSW 2000

Principal place of business

Level 9
25 Bligh Street
SYDNEY NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the director's report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of the director, on 22 March 2018. The director has the power to amend and reissue the financial statements.

Director's Report

HomeStay Care Pty Ltd

For the year ended 31 December 2017

The director presents the report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of HomeStay Care Pty Ltd (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the year ended 31 December 2017.

Directors

The name of the director in office at any time during or since the end of the year are:

- Shannon Robinson

The Director has been in office since the start of the financial year or from the start of incorporation to the date of this report unless otherwise stated.

Operating Result

The loss of the Group for the financial year amounted to \$417,493 (2016: \$46,314).

Review of Operations

A review of the Group's operations during the financial year, and the results of those operations, is as follows:

The Group's operations during the year performed as expected in the opinion of the director.

Significant Changes in the State of Affairs

During the year ended 31 December 2017, the Company formed two wholly owned subsidiaries, Home Service Solutions Pty Ltd (a company incorporated in Australia) and HomeStay Care Solutions Pte Ltd (a company incorporated in Singapore).

Likely developments and expected results of operations

The Company intends to seek admission to Australian Securities Exchange in 2018.

Principal Activities

The principal activities of the Group during the financial year were:

Development of aged care technology platform

No significant change in the nature of these activities occurred during the year.

Events subsequent to reporting date

On 1 February 2018, the Company formed a newly incorporated wholly owned subsidiary, HomeStay Care (Singapore) Pte. Ltd.

In February 2018, the Company raised \$5,000 for the shortfall to the seed raise and issued 500,000 shares at an issue price of \$0.01 each.

Other than the above, there are no matters or circumstances that have arisen since 31 December 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental Issues

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

Director's Report

HomeStay Care Pty Ltd

For the year ended 31 December 2017

Dividends

Dividends paid or declared by the Company since the start of the financial year are as follows:

- a) there were no dividends paid during the year.
- b) there were no dividends or distributions recommended or declared for payment to members during the year that have not been paid or credited to the member throughout the year.

Share Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifying Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Proceedings of Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this director's report.

This report is made in accordance with a resolution of the director, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Director:



Shannon Robinson
Director

Dated this 22nd day of March 2018.

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2 The Esplanade Perth WA 6000
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www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of HomeStay Care Pty Ltd for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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TUTU PHONG
Partner

Perth, WA
Dated: 22 March 2018

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

	NOTES	CONSOLIDATED 31 DECEMBER 2017 \$	COMPANY 31 DECEMBER 2016 \$
Income			
Sale of goods and services		30,354	-
Interest income		2,848	-
Total Income		33,202	-
Expenses			
Amortisation expense		18,925	-
Consulting fees		189,173	31,742
Cost of sales		20,075	-
Employee benefits expenses		69,676	-
Marketing expenses		34,414	-
Rental expenses		30,034	-
Other expenses		88,398	14,572
Total Expenses		450,695	46,314
(Loss) before Tax		(417,493)	(46,314)
Income tax expense		-	-
Net (loss) after Tax attributable to the owners of the Company		(417,493)	(46,314)
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive (loss) attributable to the owners of the Company		(417,493)	(46,314)

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

Consolidated Statement of Financial Position

HomeStay Care Pty Ltd
As at 31 December 2017

	NOTES	CONSOLIDATED 31 DECEMBER 2017 \$	COMPANY 31 DECEMBER 2016 \$
Assets			
Current Assets			
Cash and cash equivalents		569,353	439,687
Trade and other receivables		24,455	-
Total Current Assets		593,808	439,687
Non-Current Assets			
Intangible assets	3	435,060	-
Total Non-Current Assets		435,060	-
Total Assets		1,028,868	439,687
Liabilities			
Current Liabilities			
Trade and other payables		77,342	-
Provisions		2,832	-
Total Current Liabilities		80,174	-
Total Liabilities		80,174	-
Net Assets		948,694	439,687
Equity			
Issued capital	4	1,412,501	486,001
Accumulated losses		(463,807)	(46,314)
Total Equity		948,694	439,687

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

Consolidated Statement of Changes in Equity

HomeStay Care Pty Ltd

For the year ended 31 December 2017

	ISSUED CAPITAL \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
Company			
Balance at 24 May 2016 (date of incorporation)	1	-	1
Loss after income tax expense for the year	-	(46,314)	(46,314)
Total comprehensive loss for the year	-	(46,314)	(46,314)
<i>Transactions with owners in their capacity as owners</i>			
Contributions of equity (net of transaction costs)	486,000	-	486,001
Balance at 31 December 2016	<u>486,001</u>	<u>(46,314)</u>	<u>439,687</u>
Consolidated			
Balance at 1 January 2017	486,001	(46,314)	439,687
Loss after income tax expense for the year	-	(417,493)	(417,493)
Total comprehensive loss for the year	-	(417,493)	(417,493)
<i>Transactions with owners in their capacity as owners</i>			
Contributions of equity (net of transaction costs)	926,500	-	926,500
Balance at 31 December 2017	<u>1,412,501</u>	<u>(463,807)</u>	<u>948,694</u>

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

Consolidated Statement of Cash Flows

HomeStay Care Pty Ltd

For the year ended 31 December 2017

	CONSOLIDATED 31 DECEMBER 2017 \$	COMPANY 31 DECEMBER 2016 \$
Cash flows from Operating Activities		
Receipts from customers	23,992	-
Payments to suppliers and employees	(412,586)	(46,314)
Interest received	2,848	-
Total cash flows used in Operating Activities	(385,746)	-
Cash flows from Investing Activities		
Purchase of customer list	(45,000)	-
Payments for platform development expenditure	(366,088)	-
Total cash flows used in Investing Activities	(411,088)	-
Cash flows from Financing Activities		
Proceeds from capital raising	926,500	486,001
Total cash flows from Financing Activities	926,500	486,001
Net increase in cash and cash equivalents	129,666	439,687
Cash Balances		
Cash and cash equivalents at the beginning of the financial year	439,687	-
Cash and cash equivalents at the end of the financial year	569,353	439,687

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

HomeStay Care Pty Ltd

For the year ended 31 December 2017

1. Statement of Significant Accounting Policies

Basis of preparation

The director has determined that the Group is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The director has determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of HomeStay Care Pty Ltd. The director has determined that the accounting policies adopted are appropriate to meet the needs of the owners of HomeStay Care Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The accounting policies that have been adopted in the preparation of these financial statements are as follows:

Income Tax

The income tax expense for the year comprises current income tax expense. The Group does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 31 December 2017. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade and Other Receivables

Trade receivables and other receivables are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

1. Statement of Significant Accounting Policies (Cont.)

HomeStay Care Pty Ltd

For the year ended 31 December 2017

Intangibles

Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs, when available for use in the manner intended by management, are amortised on a straight-line basis over the period of their expected benefit.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at 31 December 2017. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to 31 December 2017. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of services is recognised upon the delivery of the services to customers.

Revenue from interest is recognised using the effective interest rate method.

Other revenue is recognized when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

1. Statement of Significant Accounting Policies (Cont.)

HomeStay Care Pty Ltd

For the year ended 31 December 2017

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2017. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

3. Intangible assets

	Consolidated	Company
	31 December 2017	31 December 2016
	\$	\$
Platform development expenditure - at cost	408,985	-
Less: Accumulated amortisation	-	-
Net carrying amount	408,985	-
Customer list - at cost	45,000	-
Less: Accumulated amortisation	(18,925)	-
Net carrying amount	26,075	-
Total	435,060	-

No amortisation has been charged to the Platform Development Expenditure as the asset is not yet available for use in the manner intended by management.

HomeStay Care Pty Ltd

For the year ended 31 December 2017

4. Issued Capital

	2017 Shares	2016 Shares	2017 \$	2016 \$
Ordinary shares – fully paid	229,500,000	162,000,001	1,412,501	486,001

Details

	No of shares	\$
Balance at incorporation (24 May 2016)	1	1
Issue of shares	162,000,000	486,000
Balance at 31 December 2016	162,000,001	486,001
Issue of shares	137,499,999	926,500
Balance at 31 December 2017	299,500,000	1,412,501

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

5. Contingent liabilities and assets

The Group has no contingent liabilities or assets as at 31 December 2017 (31 December 2016: nil).

6. Commitments

The Group has no commitments as at 31 December 2017 (31 December 2016: nil).

7. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the subsidiaries listed in the following table:

Name	Country of incorporation	Equity interest	
		31 December 2017 %	31 December 2016 %
Home Service Solutions Pty Ltd	Australia	100	-
HomeStay Care Solutions Pte Ltd	Singapore	100	-

8. Events subsequent to reporting date

On 1 February 2018, the Company formed a newly incorporated wholly owned subsidiary, Homestay Care (Singapore) Pte. Ltd.

In February 2018, the Company raised \$5,000 for the shortfall to the seed raise and issued 500,000 shares at an issue price of \$0.01 each.

Other than the above, there are no matters or circumstances that have arisen since 31 December 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Director's Declaration

HomeStay Care Pty Ltd

For the year ended 31 December 2017

The Director of the Company declares that:

1. The financial statements and notes are in accordance with the Corporations Act 2001:
 - a Comply with Accounting Standards to the extent described in Note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b Give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date of the Group in accordance with the accounting policies described in Note 1 to the financial statements; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Shannon Robinson
Director

Dated this 22nd day of March 2018.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HOMESTAY CARE PTY LTD**

Opinion

We have audited the financial report of HomeStay Care Pty Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Basis of Accounting

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 31 December 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

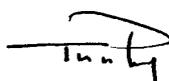
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 22 March 2018

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