

Greentech Flagship Limited

ABN 73 153 972 626

Annual Financial Report
30 June 2012

CONTENTS

Financial Statements

Directors' Report	2
Corporate Governance Statement	7
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Accumulated Funds	14
Statement of Cash Flows	15
Notes to the Financial Statements	16
Directors' Declaration	17
Independent Audit Report	18
Additional Information for Listed Public Companies	20

Directors' Report

Your Directors submit their report of Greentech Flagship Limited ("Company") for the period ended 30 June 2012.

Directors

The names and particulars of the Directors at any time during, or since the end of, the financial period are:

Name	Period as Director and/or Company Secretary
------	--

Richard Sharp – Executive Chairman and Company Secretary	27 October 2011 to present
---	-----------------------------------

Qualifications:

Business Administration, China

Experience:

Richard has a long and successful track record in establishing and growing leading businesses in China and Australia. He has had success in businesses directly involved in the solar industry as well as a business empire in Beijing during the 1980's that included a real estate development company, a private hospital and a series of highly regarded restaurants and clubs that at its peak employed over 7,000 people. During the 1990's Richard was heavily involved in the resort development industry. Richard also played a key role in establishing the Company which is listed on SIM Venture Securities Exchange (stock exchange market which offers opportunity for clean energy companies worldwide to raise fund in Australia).

Interest in shares and options:

Shares: 3,250,000, Options: N/A

Other current directorships in listed entities:

None

Linna Ma – Executive Director	27 October 2011 to 10 March 2012
--------------------------------------	---

Qualifications:

Bachelor of Business, Sydney

Experience:

Linna Ma held senior financial and operational roles in various international finance companies and established a close relationship with a range of multinational corporate clients in Australia and overseas. Linna has broad knowledge and experience in many aspects of corporate finance and business management with a strong commercial acumen.

Interest in shares and options:

Shares: 0, Options: 0

Other current directorships in listed entities:

None

Xiao Chuan Zhu – Non Executive Director	27 October 2011 to present
--	-----------------------------------

Qualifications:

Experience:

Mr Zhu was previously the Economic and Commercial Counsellor in the Chinese Consulate General in Australia between 2005 and 2008. In his more than 30 year diplomatic career he was successively the Economic and Trade Attache in Norway and Economic and Commercial Counsellor in the Chinese Embassies in Malaysia and Kenya. He was previously the Deputy Director General of the Ministry of Foreign Economic Relations and Trade of China and President of International Business daily and International Business Monthly.

Directors' Report (Cont.)

Interest in shares and options:
Shares: 0, Options: 0

Other current directorships in listed entities:
None

John Walker – Non Executive Director

10 March 2012 to present

Qualifications:
Business Management and Administration, Melbourne

Experience:

John Walker is a highly experienced and successful Senior Executive. For the last 3 years he has been Chairman and CEO of Planet Power Energy Ltd, a national retailer of energy efficient and solar products. Previously John has served as the CEO or Senior Executive at companies operating in transport and logistics, banking, fast food, leisure and entertainment and local government. He is an experienced Director and Chairman in listed and private companies as well as community organisations.

Interest in shares and options:
Shares: 10,000, Options: 0

Other current directorships in listed entities:
None

Meetings of Directors

During the financial period, attendances by each Director at meetings were as follows:

	Number eligible to attend	Number attended
R Sharp	1	1
L Ma	1	1
X C Zhu	1	-
J Walker	1	-

Dividends

No dividends have been paid or declared since the incorporation on 27 October 2011 and the Directors do not recommend the payment of a dividend.

Principal Activity

The principal activity of the Company during the period was to engage in activities to develop the production of the next generation of solar cells.

Review of Operations

The Company has acquired the world wide rights to intellectual property and know-how related to the production of the next generation solar cells.

The Company listed on 18 November 2011.

Operating Results

The loss of the Company for the period, after providing for income tax amounted to \$205,558.

Review of financial conditions

The Company has \$342,566 in cash assets which the Directors believe puts the Company in an adequate financial position to pursue its objectives.

Directors' Report(Cont.)

Significant Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company during the period under review not otherwise discussed in this Annual Financial Report.

Events after balance date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Environmental Regulations

The Company's operations are not subject to any significant environmental regulations under Australian Law.

Indemnification and Insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related entity) that may arise from their position as a Director of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial period the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring legal proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 4 and forms part of this Directors' report for the period ended 30 June 2012.

Remuneration Report – Subject to Audit

The remuneration policy of the Company has been designed to align Key Management Personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best KMP to run and manage the Company, as well as create goal congruence between Directors and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the Company is as follows:

- The remuneration policy has been developed by the Board.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on key performance indicators (KPIs).
- The Board review KMP packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed bi-annually with each executive and is based in part on the forecast growth of the Company's profits and shareholder's value. All bonuses and incentives must be linked to performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options.

Directors' Report(Cont.)

Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

KMP receive a superannuation guarantee contribution required by the law, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement.

All remuneration paid to KMP is valued at the cost to the Company and expensed.

The Board's policy is to remunerate non-executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align their interests with shareholder's interests.

Options granted under these arrangements do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share and is valued using the Black-Scholes methodology.

KMP who are subject to these arrangements are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, i.e. put options, on unvested shares and options which form part of their remuneration package. Terms of employment signed by such personnel contain details of such restrictions.

Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. The method applied to achieve this aim is a performance-based bonus based on KPIs. The Company believes this policy has been effective in increasing shareholder wealth.

Performance Conditions Linked to Remuneration

The KPIs are set annually, with a certain level of consultation with KMP to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Company expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Company and respective industry standards.

Performance in relation to KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Company's goals and shareholders wealth before the KPIs are set out for the following year.

The satisfaction of the performance conditions are based on a review of the audited financial statements of the Company, as such figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with factors external of the Company at this time.

Directors' Report(Cont.)

Employment Details of Members of KMP and other Executives

The following table provides employment details of persons who were, during the financial year, members of KMP of the Company, and to the extent different, among the Company executives receiving the highest remuneration.

Service Agreements

On appointment to the Board, all non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

The remuneration and other terms of employment for the Managing Director and senior executives are set out in formal service agreements as summarised below.

All service agreements are for an unlimited duration.

In cases of resignation, no separation payment is made to the executive, except for amounts due and payable up to the date of ceasing employment, including accrued leave entitlements.

Remuneration Details for the Period Ended 30 June 2012

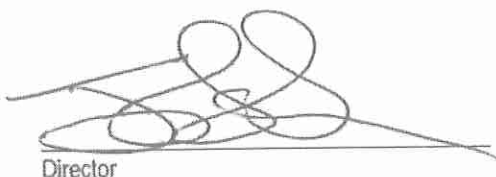
The following table of benefits and payment details, in respect to the financial period, outlines the components of remuneration for each member of the KMP of the Company:

Directors	Salary \$	Consulting Fees \$	Long Term Benefits – Superannuation \$	Total \$
R Sharp	-	53,790	-	53,790
L Ma	-	36,850	-	36,850
X C Zhu	-	-	-	-
J Walker	-	52,250	-	52,250

Securities Received that are not Performance Related

No members of KMP are entitled to receive securities which are not performance-based as part of their remuneration package.

Signed in accordance with a resolution of the Directors



Director

Dated: 26 September 2012.

Corporate Governance Statement

This statement on the corporate governance of the Company is based on the principles of corporate governance set out in the ASX Principles of Corporate Governance and Recommendations.

Principle 1: Laying Solid Foundations for Management of Oversight

The role of the Board of Directors is to set goals and policies for the operation of the Company, to oversee the Company's management, to regularly review performance and to generally monitor the Company's affairs in the best interests of shareholders.

The Board of Directors comprises:

R Sharp (Executive Chairman)	Appointed 27 October 2011
L Ma	Appointed 27 October 2011. Resigned 10 March 2012
X C Zhu	Appointed 27 October 2011
J Walker	Appointed 10 March 2012

The composition of the Board is determined by the shareholders.

The specific role of the Board and Directors is to:

- Ensure compliance in legal, statutory, and other ethical matters;
- Monitor the business environment;
- Identify business risk areas;
- Identify business opportunities; monitor systems established to ensure prompt responses to shareholders complaints and enquires.

Principle 2: Structuring the Board to Add Value

Board Composition

The Board is comprised of a Chairman and two Directors. All Directors have a personal financial interest in the Company. The Company is small and the Board considers that a financial interest is desirable and does not compromise independence. The Board considers this composition is appropriate for a Company of this size. Details of the skills, experience and expertise of the Directors is set out in the Directors Report.

The Directors are subject to rotation in accordance with the Company's constitution.

The Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the Company.

Audit Committee

As the Company was not within the ASX top 500, an audit committee is not mandatory. The Board considers that a formal audit committee would not provide improved efficiencies.

The Board periodically reviews the Company's accounting policies; the content of financial statements; issues relating to the controls applied to the Company's activities, the content, effectiveness of the external audit; risk management issues; compliance issues and other related matters.

Remuneration Committee

The remuneration of the Directors is determined by the Board subject to the limits set by the Company's constitution and/or the shareholders in general meeting.

Corporate Governance Statement (Cont.)

The Company has a small Board of Directors. The Board considers that a formal remuneration committee would not provide improved efficiencies.

Nomination Committee

The Company has a small Board of Directors. The Board considers that a formal nomination committee would not provide improved efficiencies.

Independence of Directors

The Company does not have a majority of independent Directors on the Board.

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the Director's Report.

Consideration is also given to the issue of Director Independence in any situation where an individual Director may be a partner in, controlling shareholder of, or executive of any entity which has a material commercial relationship with the Company. The Board would consider whether the relevant Director remained independent in any situation where, as a result of the commercial relationship with the Company, an amount is paid or received and the Director had a direct or indirect material interest.

Principle 3: Promotion of Ethical and Responsible Decision-Making

The Company maintains high standards of ethical conduct to ensure all its activities are undertaken with efficiency, honesty and fairness.

Because of its size, the Company does not consider a written statement of the Principles of Conduct will provide greater efficiency.

Dealings by Directors and Officers in Company Securities

Specific policies have been adopted by the Board in relation to buying or selling by Directors and employees, of securities in the Company itself. Directors and officers must not buy or sell the Company's securities if they possess information which is not generally available and which may materially affect the value of the Company's securities until that information has been released to the market and adequate time has been given for this to be reflected in the securities prices.

Details of all securities transactions by Directors are publicly reported to its securities exchange within five business days of their occurrence.

Principle 4: Safeguarding Integrity in Financial Reporting

The Company is not required to establish an Audit Committee. (Refer to Principle 2).

The Board has obtained from the CEO and the Company Secretary/CFO written affirmation that to the best of their knowledge and belief the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operating results are in accordance with relevant accounting standards.

Principle 5: Timely and Balanced Disclosure

As a listed entity, the Company has an obligation under its Listing Rules to maintain an informed market respect to its securities. Accordingly, we keep the market advised of all information required to be disclosed under the Rules which we believe would have material effect on the price or value of the Company's securities.

Corporate Governance Statement (Cont.)

The Company Secretary has responsibility for compliance with Listing Rules.

Because of its size, the Company does not consider a written statement of policies and procedures designed to give affect to obligations under the Listing Rules will provide greater efficiency.

Principle 6: Respecting the Rights of Shareholders

Our shareholders own the Company, and the Board's primary responsibility to them is to do its utmost to meet the Company's objectives and so increase the Company's value for all shareholders. As owners of the Company, the Board maintains active communication with shareholders as often as is practicable.

Each year the Company asks its external auditor to attend the Annual General Meeting to answer any shareholders' questions regarding the audit.

Principle 7: Recognising and Managing Risk

The Company is committed to the establishment and maintenance of a sound system of risk oversight, management and internal control. The Company has recognised and addressed material risks to the business since its inception. The Company does not consider a formal statement of risk management procedures would result in improved efficiency.

The CEO and Company Secretary/CFO have stated in writing that the Company's risk management and internal compliance and control system is operating efficiently in all material respects and the statement given at Principle 4 is founded on a sound system of risk management and internal compliance and control.

Principle 8: Remunerate Fairly and Responsibly

The Company is small. The Board does not consider that formal performance procedures would improve efficiencies. An informal annual performance evaluation of the Board and all Board members was conducted by the Board for the financial period ended 30 June 2012. The Chairman also speaks to each Director individually regarding their role as a Director and to identify ways to improve performance.

The Board sets the remuneration of directors. The Board does not consider that a formal Remuneration Committee would improve efficiencies when the Company has a small Board of Directors.

The Constitution of the Company requires approval by the shareholders in general meeting of a maximum amount of remuneration to be allocated between Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Australian corporate Directors.

Directors do not receive any performance based remuneration. Directors' remuneration comprises solely of directors' fees and allowances plus payments pursuant to the Superannuation Guarantee Contribution.

Further information of Directors' remuneration is set out in the Financial Report.

The amounts of remuneration for all KMP, including all monetary and non-monetary components are detailed in the Financial Report.

The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to run the Company. It will also provide executives with the necessary incentives to work to grow long term shareholder value.

Corporate Governance Statement (Cont.)

The payment of bonuses and other incentive payments are reviewed by the Directors annually as part of the review of remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to performance criteria.

Explanations for Departures from Best Practice Recommendations

The Board has adopted corporate governance practices that are commensurate with the size and scope of the Company and its activities. The Company has therefore adopted policies, procedures and structures which have been designed with the best interests of the Company and its shareholders in mind, and which are practical and efficient to implement, notwithstanding that these are not in all instances consistent with the specific recommendations of the ASX Corporate Governance Council. To the extent that the Company's practices did not conform with the ASX Principles and Recommendations during the reporting period, explanation for departure from the respective Principles and Recommendations is provided below:

Principle – Ref/Notification of Departure – Explanation for Departure

Principle 1

1.1 Formalise the functions reserved to the Board and those delegated to management

As the Company currently has limited numbers of fulltime employees it is not possible to delegate any functions to management. The Company's business is controlled by the Directors.

Principle 2

2.3 The roles of the Chairman and Chief Executive Officer should not be the same person

Given the size and scope of the Company's operations the Board considers that there is no real benefit to be gained by appointing a Chief Executive Officer in addition to the Chairman.

2.4 A Separate Nomination Committee has not Been Formed

The role of the Nomination Committee is carried out by the full Board. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.

Principle 4

4.1 to 4.4 The Board Should Establish an Audit Committee

The Company is not required to establish an Audit Committee. (Refer to Principle 2).

The Board has obtained from the CEO and the Company Secretary/CFO written affirmation that to the best of their knowledge and belief the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operating results are in accordance with relevant accounting standards.

Principle 7

7.1 The Board Should Establish Policies on Risk Oversight and Management

Due to the size and scope of the Company's operations the full Board is responsible for the risk oversight and management issues. All acquisitions and disposals are approved by the Board.

Principle 8

8.1 The Board Should Establish a Remuneration Committee

The Company has a small Board of Directors. The Board considers that a formal remuneration committee would not provide improved efficiencies.

AUDITOR'S INDEPENDENCE DECLARATION

Declaration of independence to the Directors of Greentech Flagship Limited

As lead auditor of Greentech Flagship Limited for the period ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of Greentech Flagship Limited during the period.

KS Black & Co
Chartered Accountants



Faizal Ajmat
Partner

Sydney, 26 September 2012

Statement of Comprehensive Income
 For the Period Ended 30 June 2012

	Note	27 October 2011 to 30 June 2012 \$
Interest income		10,170
		<u>10,170</u>
Depreciation		133
Administration costs		214,307
Interest expense		1,288
Loss before income tax expense		<u>(205,558)</u>
Income tax expense		-
Net loss for the period attributable to the owners of Greentech Flagship		<u>(205,558)</u>
Other comprehensive income		-
Total comprehensive income loss for the period attributable to the owners of Greentech Flagship		<u>(205,558)</u>
Loss per share		
- basic earnings per share (cents)		(.04)
- diluted earnings per share (cents)		(.04)

The above should be read in
 conjunction with the accompanying notes

Statement of Financial Position
 As at 30 June 2012

	Note	2012 \$
ASSETS		
Current assets		
Cash and cash equivalents		342,567
Receivables		13,858
Total current assets		<u>356,425</u>
Non-current assets		
Plant and equipment		1,667
Total non-current assets		<u>1,667</u>
Total Assets		<u>358,092</u>
LIABILITIES		
Current liabilities		
Trade and other payables		2,400
Total current liabilities		<u>2,400</u>
Total Liabilities		<u>2,400</u>
Net assets		<u>355,692</u>
Equity		
Issued capital		561,250
Accumulated losses		(205,558)
Total Equity		<u>355,692</u>

The above should be read in
 conjunction with the accompanying notes

**Statement of Changes in Equity
 For the Period Ended 30 June 2012**

2012	Share Capital \$	Accumulated Losses \$	Total \$
Balance opening	-	-	-
Issue of shares	561,250	-	561,250
Loss for period	-	(205,558)	(205,558)
Balance closing	561,250	(205,558)	355,692

The above should be read in
 conjunction with the accompanying notes

Statement of Cash Flows
For the Period Ended 30 June 2012

	Note	27 October 2011 to 30 June 2012 \$
Cash from operating activities		
Interest received		10,170
Payments to suppliers		(225,765)
Finance costs		(1,288)
Net cash (used in)/provided by operating activities	a.	(216,883)
Cash flows from financing activities		
Proceeds from issue of shares		561,250
Net cash provided by/(used in) financing activities		561,250
Cash flows from investing activities		
Payment for plant and equipment		(1,800)
Net cash used in/(provided by) investing activities		(1,800)
Net increase/(decrease) in cash and cash equivalents		342,567
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		342,567
Note		
a. Loss for the Period		(205,558)
Add/(less); Depreciation		133
Increase in receivables		(13,858)
Increase in Trade and other payables		2,400
Net cash (used in)/provided by operating activities		(216,883)

The above should be read in
 conjunction with the accompanying notes

**Notes to the Financial Statements
For the Period Ended 30 June 2012**

1. Basis of Preparation

These general purpose financial statements for period ended 30 June 2012 have been prepared in accordance with requirements of the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Accounting Standards include Australian equivalents to International Financial Reporting Standards, ensuring the financial statements comply with IFRS's

These financial statements are prepared on the basis of historical cost convention, except for available for sale financial assets that have been measured at fair value.

2. Share Capital

	30 June 2012 \$
Issued Capital	
Ordinary Shares – 2,250,000 paid to .005 cents	11,250
– 2,750,000 paid to 20 cents	550,000
	<u>561,250</u>

On 18 November 2011 the Company closed its Initial Public Offer (IPO).

3. Events after the reporting period

Since the end of the half year the Directors are not aware of any matter or circumstance not otherwise dealt with within the financial report that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

4. Operating Segments

Segment information

Identification of reportable segments

During the period the Company operated principally in one business segment being solar cell production in one geographical segment being Australia.

5. Related Party Disclosures

a) The Directors during the financial period were R Sharp, L Ma, X C Zhu and J Walker.

b) Key management personnel compensation:

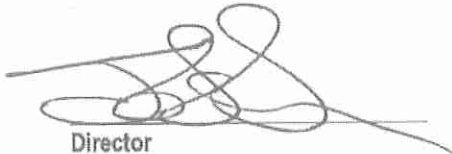
	Salary	Consulting Fees	Long Term Benefits	Total
R Sharp	-	53,790	-	53,790
L Ma	-	36,850	-	36,850
X C Zhu	-	-	-	-
J Walker	-	52,250	-	52,250

Directors' Declaration

In the opinion of the Directors of Greentech Flagship Limited, we state that:

1. In the opinion of the Directors, the financial statements and notes are in accordance with the Corporations Act 2011 and comply with Accounting Standards and the Corporations Regulations, and give a true and fair view of the financial position of the Company as at 30 June 2012 and of its performance for the period ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Director

Dated: 26 September 2012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREENTECH FLAGSHIP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Greentech Flagship Limited (the company) which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the period ended on that date, a summary of significant accompanying policies, other explanatory notes and the directors' declaration of the company.

We have also audited the remuneration disclosures contained in the Directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of Directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124: Related Party Disclosures, under the heading "Remuneration Report" in the Directors' report and not in the financial report.

Director's Responsibility for the Financial Report and the Remuneration Report contained in the Directors' Report

The Directors of Greentech Flagship Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report comprising the financial statement and notes, complies with IFRS. The Directors of the company are also responsible for the remuneration report contained in the Directors' Report in accordance with s300A of the Corporations Act 2001.

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. These Auditing 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 and that the remuneration report in the Directors' Report is in accordance with Australian Auditing Standards.

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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, 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 and the remuneration disclosures contained in the Directors' report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREENTECH FLAGSHIP LIMITED (Cont'd)

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Greentech Flagship Limited would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

- (a) the financial report of Greentech Flagship Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report of the company also comply with IFRS as disclosed in note 1.

Auditor's opinion on the Remuneration Report contained in the Directors' Report

In our opinion, the remuneration disclosures that are contained on pages 4 to 6 of the Directors' Report comply with S300A of the Corporations Act 2001.

KS Black & Co
Chartered Accountants



Faizal Ajmat
Partner

Sydney, 26 September 2012