

Dear Mr. Smith,

Actcelerate International Group Limited (the "Company" or "ACT")

Periodic Disclosure Query

National Stock Exchange of Australia ("NSX") refers to the 2018 Annual Financial Report¹ lodged on 30 March 2019 in which the Independent Auditor's Report states:

"Report on the Audit of the Financial Report

Disclaimer of opinion

We were engaged to audit the financial report of Actcelerate International Group Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the declaration by directors.

We do not express an opinion on the accompanying financial report of the Company. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for disclaimer of opinion

(i) During the year ended 31 December 2017, the Company acquired a 30% interest in Eyeport Sdn Bhd and accounted for the interest as an investment in associate. As disclosed in note 9 to the financial report, the investment in associate is carried at \$773,984 on the statement of financial position as at 31 December 2018. As the audit of Eyeport Sdn Bhd is incomplete at the date of our report, we were unable to obtain access to the audited financial records of the associate. Due to the matters described above, we are unable to determine whether adjustments might have been necessary to the carrying value of the investment and the share of net income/loss for the period.

(ii) As disclosed in note 5 to the financial report, the convertible preference shares receivable is carried at \$260,160 on the statement of financial position as at 31 December 2018. As the audit of Eyeport Sdn Bhd is incomplete at the date of our report, we were unable to obtain access to the audited financial records of the associate. Due to the matters described above, we were unable to determine whether adjustments might have been necessary to the carrying amount of the convertible preference shares as at 31 December 2018, and the accuracy of fair value movements in the statement of profit or loss and other comprehensive income."

In relation to the above observations please respond to the following questions.

- a) Given the Disclaimer Opinion relates to the Auditor's inability to obtain sufficient appropriate audit evidence to determine the existence, accuracy and valuation of various items in relation to the investment in Eyeport Sdn Bhd ("Eyeport"), please explain on what basis the Company believes the values recorded in the Annual Financial Report to be appropriate. In your response, please address specifically the following items:
 - i. Carrying value of the investment in Eyeport
 - ii. Carrying value of the share of net income/loss for the period
 - iii. Carrying amount of the convertible preference shares as at 31 December 2018
 - iv. Fair value movements in the statement of profit or loss and other comprehensive income
- b) Please confirm whether the audit of Eyeport's 2018 Annual Accounts is complete as at the date of this letter. If yes, please confirm when the audited financial information of Eyeport was available to the Company. If not, please explain why not and provide the date when the audit is due to complete.

¹ <https://www.nsx.com.au/ftp/news/021736707.PDF>

29 July 2019

Mr. Daniel Smith
Company Secretary
Actcelerate International Group
Limited
C/- Minerva Corporate
Level 8, 99 St Georges
Terrace
Perth - WA Australia 6000

- c) Please provide a copy of any correspondence between the Company and Eyeport which relates to the Auditor of the Company being unable to obtain access to the audited financial records of Eyeport. This information will not be released to the market.
- d) Please explain what steps the Company has taken or will take to obtain an unqualified audit report for future financial periods.

This request is made under, and in accordance with, Listing Rule 2.7. It goes to whether ACT is in compliance with Listing Rules Section IIA 6.4, 6.5 and 6.5A.

Your response should be sent to me directly via email no later than 4pm on 31 July 2019. Your response will be released to the market along with a copy of this letter. If you wish to discuss the content of your response, please do not hesitate to contact me as soon as possible.

Yours sincerely

Ingrid Wei
Market Surveillance Analyst