SEADRAGON

2015-2016

ANNUAL REPORT

SEADRAGON

SUSTAINABLY PURE

SeaDragon is New Zealand's largest refiner and blender of high quality Omega-3 fish oils. We supply health supplement manufacturers and marketers around the world to meet the burgeoning demand for pure, high quality fish oils.

Contents

$10.0m Capital Raising

HIGHLIGHTS:

Sales for the 2016 financial year of

$5.6m

From $6.2m due to weakened Omega-2 markets

Normalised EBITDA[1] losses improve to

$0.39m

From a loss of $1.28m

Net loss after tax

$5.5m

From a loss of $2.8m in the prior year

SeaDragon transformed with the new refinery performing well

Omega-3

test sales made to customers

Omega-2

market exit underway

Refreshed board, new Interim Chief Executive, new Auditor and new systems establish a robust platform for growth

COMVITA®

Strategic alliance with Comvita delivers funding for transition to Omega-3 markets

[1] Earnings (or losses) before interest, tax, depreciation and impairments. Normalised EBITDA is a non-GAAP measure of financial performance and is defined and reconciled to GAAP measures of financial performance on page 15 of this report.

Chairman Colin Groves (left) and Interim Chief Executive Richard Alderton (below)

Chairman and Interim Chief Executive's report

SeaDragon has over the last financial year transformed itself into a company ready to capitalise on the strong market demand it sees for Omega-3 fish oils.

The company has been fundamentally reshaped with the commissioning of its new Omega-3 fish oil refinery in Nelson. It has lifted its total refining capacity to more than 5,200 tonnes per year[2], representing a quantum leap for the company.

The new refinery, completed for a final cost of $10.8 million, allows SeaDragon to produce new products, including sustainably-sourced Omega-3 fish oils. The company has sold small test quantities of Omega-3 oils refined at the plant and is enjoying strong enquiry for new products from potential customers, including large international food supplement and nutraceutical manufacturers.

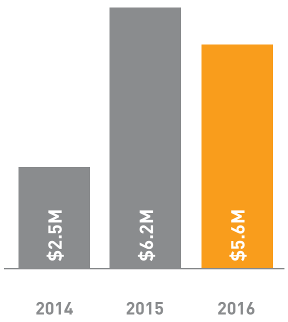
This is in sharp contrast to the Omega-2 operation, which we are now exiting. This legacy business was primarily focused on two main suppliers and two main customers, was limited to relatively small volumes of fish oil and subjected the company to long lead times and a highly variable supply chain. The exit from Omega-2 markets allows legacy facilities to be converted to handle low-volume boutique, specialised, higher-value Omega-3 fish oils, such as ocean-farmed New Zealand Salmon oil.

We now have a business that has many potential suppliers and many prospective blue-chip customers.

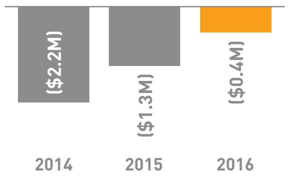
Meanwhile, SeaDragon has also secured a strategic partnership with global natural health products company

[2] Includes 5,000 tonnes per annum from the new Omega-3 refinery and 200 tonnes from the legacy Omega-2 refinery.

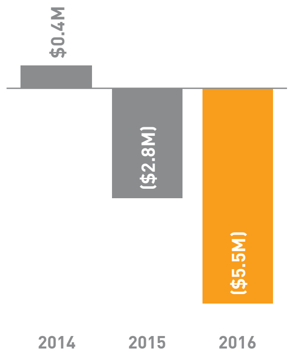
Revenue:



Normalised EBITDA:



Net Profit/(Loss):



Comvita and raised $10 million in new equity. It has put in place a new Interim Chief Executive and revised its operational disciplines, including the raw material sourcing and quality assurance infrastructure necessary to support its transition to Omega-3 markets.

It also has a refreshed Board and appointed a new Auditor, PwC, and reviewed the company's financial reporting systems and processes to strengthen the foundations of the business as it enters a new phase of growth.

However, weakness in Omega-2 markets during the third and fourth quarters, weighed on the company's financial performance, at a time when management were also focusing on the commissioning of the new Omega-3 refinery.

Sales for the year to 31 March 2016 were $5.6 million, compared to the prior year's $6.2 million (previously reported as $6.3 million, but restated to correct shortcomings related to the accounting treatment of sales contracted in foreign currencies).

Normalised EBITDA for the 2016 financial year improved to a loss of $0.39 million from a loss of $1.28 million in the prior year, but fell short of the $0.14 million profit forecast. Meanwhile, net loss after tax (NPAT) for the period was $5.5 million, compared to the loss of $2.8 million in the prior year.

NPAT reflected a $4.3 million write down in Omega-2 inventories due to the difficult trading environment.

Cash at year end was $195,000 excluding overdraft and was below forecast. Subsequent to year end, Comvita agreed to advance SeaDragon up to $3 million via a convertible loan to assist the company to make an orderly exit from Omega-2 markets and to assist the company's transition to Omega-3 markets. The convertible loan is subject to SeaDragon shareholder approval at the company's annual shareholder meeting.

OPERATIONAL REVIEW:

SeaDragon's new Omega-3 refinery has demonstrated its ability to deliver refined oil that meets industry standards, and news of this capability has generated significant interest from some of the world's major buyers. The company is working with a number of potential customers to attain preferred-supplier or vendor-endorsement status. Once achieved, the company anticipates commercial scale orders will follow.

In the 2016 financial year SeaDragon produced 77 tonnes of Omega-3 finished product from a variety of species, including 60 tonnes from the new refinery.

The new refinery's Risk Management Programme has been registered by the Ministry for Primary Industries and ongoing verification audits have produced acceptable outcomes to date. This and other certifications mean the company has approvals to export products to its key target markets including: Australia, South East and North Asia, Japan, the EU, China, the US and Canada.

SeaDragon has also obtained Marine Stewardship Council Chain of Custody certification for both the new Omega-3 and the old Omega-2 refineries.

Meanwhile, the exit from Omega-2 markets gives SeaDragon the opportunity to redevelop the Nayland Road Omega-2 refinery to manufacture premium Hoki and Salmon Omega-3 fish oils and produce high-quality Omega-3 concentrates.

OMEGA-3 SUPPLY

SeaDragon continues to work to establish supply arrangements for Omega-3 raw materials from a variety of sources, but at this early stage of development it has focused on securing supplies of Tuna oil and particularly those that meet EU provenance requirements.

The company has agreements in place for the supply of 700 tonnes of unrefined Tuna oil per annum and continues to explore alternative sources and species, including sustainably-sourced New Zealand Salmon.

OMEGA-3 FRACTIONATION

SeaDragon intends, subject to availability of funding, to install a fractionation plant at its new Omega-3 refinery and is now targeting commissioning in 2017 rather than this year.

We are continuing discussions with contractors on design proposals and quotations.

OMEGA-2 OPERATIONS

Volatility in supply and demand in Omega-2 markets overshadowed the considerable achievements of the past year. In the year to 31 March 2016 we processed 161 tonnes of Omega-2 up from 141 tonnes in the prior year but below the July 2015 forecasts of 228 tonnes. As announced in May, the company is exiting the Omega-2 markets.

OUTLOOK

The new refinery is performing well. We are steadily building sources of Omega-3 raw material supply and we are encouraged by the response we have received from potential customers. Our exit from the volatile Omega-2 markets allows the company to focus on the opportunities that have the greatest potential to drive an uplift in shareholder value.

We are also driving necessary changes in SeaDragon's systems and processes. Meanwhile, the market for Omega-3 fish oils continues to grow. GOED[3], the global organisation for the Omega-3 industry, estimated the global Omega-3 finished products market was worth €28 billion in 2015 and would reach €33 billion by 2018. For all of these reasons, we are looking forward to the future confidently.

Colin Groves - Chairman

Richard Alderton - Interim Chief Executive

[3] http://www.nutraingredients.com/Markets-and-Trends/Omega-3-hits-28bn-in-2015-growth-predicted

Partnering with an export leader

SeaDragon's strategic agreement with NZX-listed natural health products company Comvita has the potential to deliver significant value to shareholders as well as the New Zealand fishing and aquaculture industries over the long term.

Comvita last year agreed to partially underwrite SeaDragon's rights offer and subscribed to 411 million shares.

In addition to options granted as part of the rights offer, Comvita was granted an option to subscribe to a further 375 million shares at 0.8 cents per share. It was also granted an arm's-length non-exclusive right of first refusal to all SeaDragon products at market rates.

Following Comvita's investment, former Comvita Chief Executive Brett Hewlett joined the SeaDragon board.

Comvita has recently agreed to advance the company an additional $3 million via convertible notes to fund its transition to Omega-3 markets. Comvita has already advanced SeaDragon $1.5 million via the notes, which can be converted into SeaDragon's shares at Comvita's option at any time prior to 28 September 2018, subject to shareholder approval.

Together these agreements could see Comvita lifting its stake in SeaDragon up to 36.5% if Comvita exercises all of its options and converts all of its convertible notes to shares and assuming that no other shareholder exercises any options and no further shares and options are issued by SeaDragon.

SeaDragon, through the strategic partnership, believes it stands to reap considerable rewards from Comvita's expertise as it transitions to the production and marketing of sustainably-sourced Omega-3 fish oils.

Comvita has led the way in showing how New Zealand companies can add value to commodity primary products. Through smart marketing, investment in supply chain management, manufacturing and distribution, it has transformed the market for New Zealand-sourced natural health products.

COMVITA® www.comvita.com

Strategy Review

SeaDragon's strategy is to take advantage of the significant opportunities for growth that have emerged with the completion of its new Omega-3 fish oil refinery. In the 2016 financial year the strategy was captured by three key areas.

1. Complete the Omega-3 refinery and increase capacity to build positive cash flows.

WHAT WE ACHIEVED:

+ Completed the Omega-3 refinery for a total cost of $10.8 million
+ Began to build capacity in the plant, processing 60 tonnes of finished product in the fourth quarter of the year to 31 March 2016
+ Omega-3 recoveries from the raw material and product quality met market requirements
+ Continuing to build processing capability
+ Establishing a pipeline of Tuna supplies
- No significant sales achieved in the 2016 financial year as customers work through supply arrangements
- Stage 2 of the refinery, the fractionation plant, delayed

2. Create high value Omega-3 products utilising single source sustainable supply.

WHAT WE ACHIEVED:

+ Developing relationships with suppliers of sustainably-sourced feed stocks

3. Build a branded bulk oils business in Omega-3 on the key principles of sustainability, traceability, freshness and quality.

WHAT WE ACHIEVED:

+ Establishing strong network of potential customers

Production is ramping up as the company secures new supplies and customers

SeaDragon's new state-of-the-art refinery is operational

SeaDragon completed its first commercial production run through its new Omega-3 refinery in January and since then has been focusing on building stocks of Tuna oil in preparation for orders. The company is now in discussions with large prospective clients. SeaDragon's staff have made good progress mastering the plant.

"The refinery is functioning well and meeting the specifications it said it would. This is the product of state-of-the-art equipment, and a lot of hard work"

Mike Baird, SeaDragon Production Manager

Production is building up slowly as the company works to secure new suppliers and customers and tests the refinery's capabilities. The new refinery has the capacity to process up to 5,000 tonnes per year, but between commissioning in December and the end of the financial year it has produced 60 tonnes of finished product, less than a week's production if the factory was running at full capacity.

There is still plenty of room for performance improvements, especially as the refinery starts to process larger volumes of same-species raw oil rather than swapping between feedstocks from different species.

"When we start making continuous runs at the refinery, we will really be able to identify the areas for improvement and the optimum settings to deliver the best quality and maximise the recovery of the Omega-3 oil from the raw materials. But we are in a really solid place. The team is really developing a very good skill set," says Mr Baird.

KEY FACTS

Capacity:
5,000 tonnes per annum

2016 production:
60 tonnes*

Oils processed to date include:
Anchovy, Cod, Tuna and Salmon

Staff:
Four

Commissioned:
December 2015

Cost:
$10.8 million

*Finished goods twelve months to 31 March 2016

KEY PROCESSES

Neutralisation

Removes free fatty acids, phosphorous, heavy metals and any waxes and gums.

Bleaching

Changes the colour of the oil and further removes any contaminants.

Deodorisation

Removes unsavoury odours and tastes.

Refinery accreditations

MINISTRY OF PRIMARY INDUSTRIES RISK MANAGEMENT PROGRAMME (RMP)

SeaDragon's new fish oil refinery is registered to refine products suitable for export to its key target markets. The first step towards this achievement came with the Ministry of Primary Industries approval of the company's RMP in December 2015. This gave the company access to a broad range of markets including Australia, many Asian markets and Japan. The additional accreditations required to supply product for the European Union (EU), the US and Canada were achieved in December 2015 and China in February 2016. The export to some of these markets also depends on SeaDragon meeting Overseas Market Access Requirements which may include additional food safety, labelling and quality parameters for the product and provenance of the raw materials used in the manufacture of the products.

MARINE STEWARDSHIP COUNCIL (MSC) CHAIN OF CUSTODY

The Marine Stewardship Council is an international non-profit organisation that provides certifications on the sustainability of fisheries around the world. SeaDragon achieved MSC Chain of Custody certification in February 2016, meaning that customers can be confident that MSC products supplied to them by SeaDragon are from certified sustainable fisheries. The scope of certification includes New Zealand Hoki and Antarctic Krill.

MPI TRANSITIONAL FACILITY

Ministry of Primary Industries transitional facilities are approved to hold and manage goods imported into New Zealand that pose a potential biosecurity risk. The accreditation, in November 2015 means containers of raw material can be delivered directly to SeaDragon's new refinery and be cleared at that point, minimising delays between the arrival of raw materials and processing.

SeaDragon's unique proposition

SeaDragon's new Omega-3 refinery opens a large and growing market for the business as more consumers recognise the health benefits of supplementing diets with Omega-3 fish oils. GOED[4], the global organisation for the Omega-3 industry, has estimated the global Omega-3 finished products market was worth

€28 billion

in 2015 and would reach

€33 billion

by 2018.

Over the longer term we intend to extend production to include sustainably-sourced New Zealand and South Pacific-sourced fish oils. We believe these oils offer a unique proposition and can generate a premium over our competitors in international as well as domestic markets. Our unique proposition is based on five key qualities:

Clean and pure

New Zealand is synonymous with clean, pure, fresh and cool, deep blue oceans. It is regarded internationally as a pristine environment capable of producing food of the highest quality and purity.

Sustainably-sourced and traceable

SeaDragon is seeking to source products from sustainably managed sources and refine single-species oils, such as Hoki, Tuna and Salmon, which offer consumers unique Omega-3 characteristics. Meanwhile, our systems have been certified to provide traceability, allowing the company to give consumers precise information about the provenance of our products.

Fresh

SeaDragon is close to key markets and can deliver short lead times between the refinery and our customers. This helps to ensure they can deliver a fresh product with Omega-3 concentrations required by our customers.

Trusted

New Zealand's food safety regime is trusted in international markets and provides the basis for export accreditation to SeaDragon's target markets.

Operational excellence

SeaDragon is focused on building a strong reputation for delivering products that reliably meet specification.

[4] http://www.nutraingredients.com/Markets-and-Trends/Omega-3-hits-28bn-in-2015-growth-predicted

Non-GAAP financial information

SeaDragon's standard profit measure prepared under NZ GAAP is net profit after tax (NPAT). SeaDragon has used a non-GAAP profit measure of earnings (or losses) before interest, tax, depreciation and impairments (Normalised EBITDA), when discussing financial performance in this document, and intends to do so in the future allowing investers to compare periods. The directors and management believe this measure provides useful information to readers to assist in understanding the Company's financial performance and position. This measure is also used internally to evaluate performance of business units, to establish operational goals and to allocate resources. Non-GAAP profit measures are not prepared in accordance with NZ GAAP (and therefore do not comply with International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation from, or considered as a substitute for, measures reported by SeaDragon in accordance with NZ GAAP.

GAAP TO NON-GAAP RECONCILIATION:

12 months to 31 March	2016	2015
Reported net loss after tax (NPAT)	(5,523)	(2,838)
Add back:		
Taxation	-	29
Interest costs (net)	226	60
Impairment to inventory	4,263	905
Depreciation	645	564
Normalised EBITDA	**(389)**	**(1,280)**

Board of Directors

COLIN GROVES

Independent Chairman

Colin spent 23 years primarily as Director of Mergers and Acquisitions at Tetra Laval, the world's largest private company and maker of the renowned Tetra Pak packaging solutions and DeLaval milk processing machinery. He has also held roles at Informix Software, and US healthcare multinational Johnson & Johnson.

A chartered accountant and former English colts rugby international, Mr Groves is currently Chairman of New Zealand's largest mobile app development companies MEA Mobile, the Agri Group of Companies, which includes dairy consumables business Deosan. He is also Chairman of Waikato Rugby and an Independent Director of VetSouth and Oriens Capital.

PATRICK GEALS

Independent Director

Patrick spent over 15 years with multinational pharmaceutical companies including Forest Labs, Sandoz and Glaxo. Roles included sales and marketing management and business development in the UK, Europe and USA. In 1994 Patrick came to New Zealand where he became Managing Director of Novartis New Zealand.

In 2002 he became Global head of Fonterra's Health and Nutrition business unit. He was also a Director and Chairman of the R&D entity Lactopharma. Patrick then moved to be CEO of New Zealand Organic Dairy Farmers Co-operative, and its subsidiary Organic Dairy Ltd. In 2010 he set up Dairy Nutrition NZ Ltd and has since been an international business advisor at New Zealand Trade & Enterprise.

MATTHEW MCNAMARA

With Jeremy Curnock-Cook as an alternate Director

Matt is the Chief Investment Officer of Bioscience Managers, with over 25 years' experience in the healthcare and medical sciences sector. After working as a Molecular Biology Research Assistant, Matt spent 11 years in sales and marketing, and general management with Merck & Co and Johnson & Johnson Medical Pty Ltd respectively. He was a SVP Business Development of eBioinformatics Inc, and CEO of a Life Sciences Venture Capital fund, SciCapital Pty Ltd. Matt founded BioBridge Australia, a biotechnology Commercialisation Advisory, in 2004.

He is a Director of several public and private healthcare companies in Australia and New Zealand. Since 2008, Matt has been the Fund Manager for the IB Australian Biosciences Fund I and Asia Pacific Healthcare Fund II.

STUART MACINTOSH

Non-Executive Director (Appointed 29 June 2015)

Stuart is a Director and controlling shareholder in SDMO Trustee Limited, a 13.84% shareholder in SeaDragon.

Stuart has a bachelor of Agricultural Science from Lincoln and has extensive manufacturing and general management experience in the meat, wood products and consumer goods sectors, including 11 years at multinational food group Cerebos Gregg's.

BRETT HEWLETT

Non-Executive Director (Appointed November 2015)
With Mark Sadd as an alternate Director

Brett is a professional director and consultant. He is an Independent Director of the US-based specialty medical device and pharmaceutical company Derma Sciences, a Member of the Callaghan Innovation Stakeholder Advisory Group, Chairman of the Bay of Plenty regional development agency Priority One and Director of Enterprise Angels. Brett is the former Chief Executive Officer of SeaDragon's cornerstone shareholder Comvita.

Brett has a Bachelor of Food Technology from Massey University, and a Masters of Business Administration from the International Institute for Management Development, Switzerland.

RICHARD ALDERTON

Interim Chief Executive and Executive Director

Richard is SeaDragon's Interim Chief Executive. He has extensive international supply chain and leadership experience. He was previously Chief Executive Officer at DeLaval Oceania, the New Zealand and Australian division of the world's largest developer of dairy farming solutions. Prior to this he held senior roles in the pharmaceutical and food manufacturing industries. He also operates his own change management consultancy. Richard holds a Bachelor of Business Administration from Aston University.

Management Team

RICHARD ALDERTON

Interim Chief Executive and Executive Director

Refer to bio on page 17.

STEPHEN BAYLEY

Chief Financial Officer

Stephen has held senior finance roles in public and private companies, including Loyalty New Zealand, which runs the FlyBuys loyalty programme, NZX-listed Acurity Health as well as in the energy and shipping sectors.

Stephen is responsible for financial reporting, accounting, taxation, finance and treasury management, financial risk management and budgeting. He also provides financial and strategic advice to the CEO, and other Executives and Directors.

CAMPBELL BERRY-KILGOUR

Director of Sales

Campbell has over 30 years' experience in the international cosmetic, nutraceutical and pharmaceutical industries. His diverse career as a pharmacologist saw him work in transplant medicine and the therapeutic applications of natural products. In addition, Campbell has extensive experience in the global natural products industry and is a Director of Mountain Red, specialist producer of added value New Zealand natural health products.

Campbell has also held marketing and sales management positions with a number of New Zealand natural health companies and joined SeaDragon in October 2014.

MICHAEL BAIRD

Operations Manager

Michael has 20 years' experience in the seafood industry and over 22 years collective experience in the food industry. He joined SeaDragon after nine years at the New Zealand King Salmon Company as Smokehouse Charge Hand.

Michael has worked for SeaDragon since July 2005 and as the company has grown, he has progressed from being a Process Technician through to Production Manager with his current role now as the Operations Manager. He has overall responsibility for both operational facilities.

MARK GORNALL

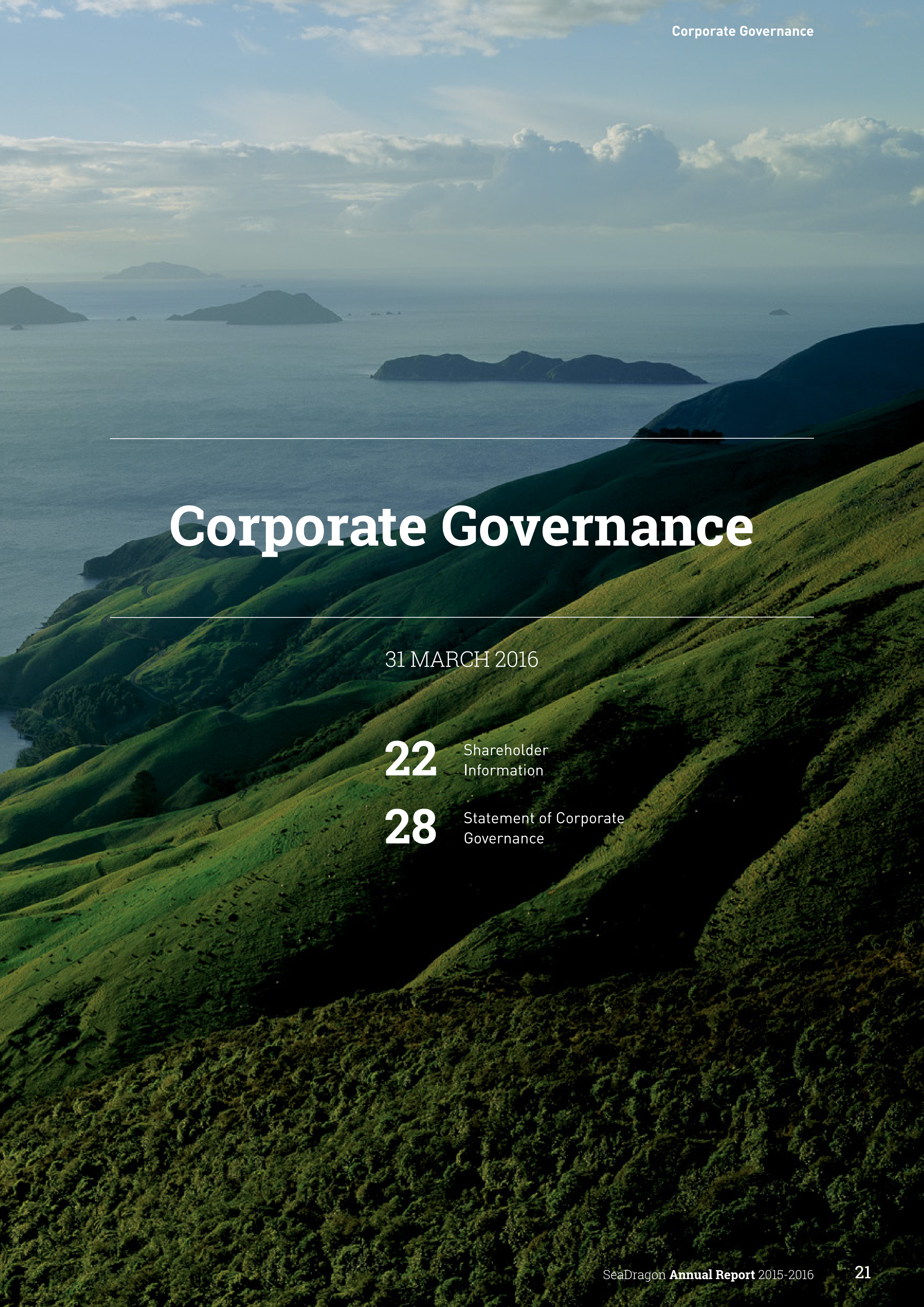
Compliance Manager

Mark is an experienced food technologist with 16 years' involvement in the domestic and international seafood industries. Prior to this Mark worked in horticultural processing for eight years. His responsibilities cover Food Safety & Quality, workplace Health & Safety as well as Environmental compliance. He joined SeaDragon in February 2014.

JO SINGER

Business Support Manager

Jo works closely with all internal and external stakeholders including contract customer interface, and ensuring all information relating to product manufacturing is accurately reflected in the Company's production management systems. Jo has a strong background in accounts and office administration and with previous roles at Nelson Airport Ltd, Tasman Extracts and The Rural Bank.



Corporate Governance

31 MARCH 2016

Shareholder Information

As at 16 June 2016

STOCK EXCHANGE LISTING

The Company's shares are listed on the New Zealand Stock Exchange (NZX).

DISTRIBUTIONS OF SECURITY HOLDERS AND SECURITY HOLDINGS

	Number of security holders		Number of securities	
	Number of Holders	**%**	**Shares held**	**%**
Ordinary shares				
1-1,000	9	0.27	3,946	0.00
1,001-5,000	886	26.95	2,362,692	0.08
5,001-10,000	211	6.42	1,743,655	0.06
10,001-50,000	594	18.07	16,654,160	0.53
50,001-100,000	364	11.07	29,239,753	0.93
Greater than 100,000	1,224	37.22	3,096,310,171	98.40
	3,288	**100.00%**	**3,146,314,377**	**100.00%**

Options issued as part of the rights issue on 2 October 2015 and remaining unexercised as at 31 March 2016

	Number of Holders	%	Options held	%
Options				
1-1,000	1	0.13	120	0.00
1,001-5,000	63	8.48	159,700	0.01
5,001-10,000	38	5.11	279,268	0.02
10,001-50,000	154	20.73	4,384,086	0.35
50,001-100,000	97	13.06	7,137,139	0.58
Greater than 100,000	390	52.49	1,228,914,538	99.04
	743	**100.00%**	**1,240,874,851**	**100.00%**

An additional option was also issued to Comvita on 18 December 2015 to acquire 375 million shares. Refer to note 9 of the financial statements.

20 LARGEST REGISTERED HOLDERS OF QUOTED EQUITY SECURITIES

As at 16 June 2016

	Number of ordinary shares	Percentage of ordinary shares
New Zealand Central Securities Depository Limited	739,795,270	23.51
SDMO Trustee Limited	435,388,743	13.84
Comvita Limited	410,987,830	13.06
Forsyth Barr Custodians Ltd	157,008,500	4.99
Longview Te Pirita Limited	119,940,312	3.81
Skylog Limited	50,601,833	1.61
Gillespie Nominees Ltd	37,649,064	1.20
Leveraged Equities Finance Limited	26,167,300	0.83
FNZ Custodians Limited	22,305,779	0.71
Darrell James Crozier	21,035,171	0.67
Tamahere Limited	18,750,000	0.60
Welch Securities Limited	16,580,666	0.53
Yun Li	16,465,952	0.52
Rodney Henry Wallace	16,229,696	0.52
Graham Ian Dobbs	15,691,840	0.50
Lloyd James Christie	15,088,000	0.48
David Wilton Thomas	14,833,333	0.47
Nicklas William P Willemse	13,000,000	0.41
Jody Michelle Anderson & John Campbell	12,486,500	0.40
Darrell James Crozier & Deborah Gaye Foran	12,111,621	0.38
	2,172,117,410	**69.04**

DIRECTORS

During the 12 months ended 31 March 2016

	Position	Status	Committee membership
Current			
Groves, Colin, Director (appointed 1 June 2015)	Chairman	Independent, Non-executive	Remuneration, Audit
Alderton, Richard, Director (appointed 27 July 2015)	Interim CEO	Executive Director	Remuneration
Geals, Patrick (appointed 28 July 2014)		Independent, Non-executive	Audit
Hewlett, Brett, Director (appointed 2 November 2015)		Non-executive	Audit
Macintosh, Stuart, Director (appointed 29 June 2015)		Non-executive	Remuneration
McNamara, Matt, Director (appointed 15 October 2012)		Non-executive	Audit
Curnock-Cook, Jeremy, Director (alternate director for Matt McNamara)		Non-executive	
Sadd, Mark (alternate director for Brett Hewlett)		Non-executive	
Past			
Joyce, Sean, Director (resigned 29 June 2015)		Independent, Non-executive	Audit
Keeley, Ross, Director (resigned 17 September 2015)		Executive	
Preston, Tim, Director (resigned 17 September 2015)		Independent, Non-executive	Nomination, Remuneration
Wilson, Doug, Director (resigned 1 June 2015)	Chairman	Non-executive	Nomination, Remuneration

DIRECTORS SECURITY HOLDINGS

as at 31 March 2016

			Equity securities held	
	Beneficially owned		Held by associated persons	
	31-Mar 2016	31-Mar 2015	31-Mar 2016	31-Mar 2015
Current				
Groves, Colin, Director (appointed 1 June 2015)	**-**	-	**18,750,000**	-
Alderton, Richard, Director (appointed 27 July 2015)	**-**	-	**9,375,000**	-
Geals, Patrick (appointed 28 July 2014)	**-**	-	**1,250,000**	-
Hewlett, Brett, Director (appointed 2 November 2015)	**-**	-	**410,987,830**	-
Macintosh, Stuart, Director (appointed 29 June 2015)	**-**	-	**438,940,043**	793,983,334
McNamara, Matt, Director (appointed 15 October 2012)	**-**	-	**735,264,802**	406,633,467
Curnock-Cook, Jeremy, Director (appointed 15 October 2012)	**-**	-	**735,264,802**	406,633,467
Sadd, Mark, Director (appointed 2 November 2015)	**-**	-	**410,987,830**	-
Past				
Joyce, Sean, Director (resigned 29 June 2015)	**-**	8,000,000*	**-**	-
Keeley, Ross, Director (resigned 17 September 2015)	**4,064,512**		**189,932,912**	793,983,334
Preston, Tim, Director (resigned 17 September 2015)	**-**	-	**-**	6,000,000
Wilson, Doug, Director (resigned 1 June 2015)	**-**	-	**73,397,425**	793,983,334

*Options to acquire ordinary shares in the Company. These options were exercised during the year.

DIRECTORS INTEREST AND REMUNERATION

Details of the nature and the amount of each major element of the remuneration of each Director for the year ended 31 March 2016 is:

	2016 $'000	2015 $'000
Remuneration of Directors		
Current		
Groves, Colin, Chairman, non-executive (appointed 1 June 2015)	**42**	-
Alderton, Richard, Acting Chief Executive (appointed 27 July 2015)	**18**	-
Geals, Patrick, Independent, non-executive	**35**	31
Hewlett, Brett, Non-executive (appointed 2 November 2015)	**15**	-
Macintosh, Stuart, Non-executive (appointed 29 June 2015)	**26**	-
McNamara, Matt, Non-executive	**35**	31
Curnock-Cook, Jeremy, Non-executive (alternate director for Matt McNamara)	**18**	31
Sadd, Mark, Non-executive (alternate director for Brett Hewlett)	**-**	-
Past		
Joyce, Sean, Independent, non-executive (resigned 29 June 2015)	**12**	31
Keeley, Ross, Executive (resigned 17 September 2015)	**-**	-
Preston, Tim, Independent, non-executive (resigned 17 September 2015)	**12**	31
Wilson, Doug, Chairman, non-executive (resigned 1 June 2015)	**8**	50
Total	**221**	205
Other services		
Groves, Colin, Chairman, non-executive (appointed 1 June 2015)	**36**	-
Alderton, Richard, Acting Chief Executive (appointed 27 July 2015)	**220**	-
Keeley, Ross, Honorary President (resigned 17 Sept 2015)	**217**	-
Total	**473**	-

ENTRIES RECORDED IN THE INTERESTS REGISTER

The following entries were recorded in the interests' register of the Company during the 12 months ended 31 March 2016:

a) Directors' indemnity and insurance

The Company has insured all its Directors and the Directors of its subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.

b) Share dealings of Directors

Shares were purchased or sold by Directors of the Company during the year ended 31 March 2016 with regards to the rights offer on 2 October 2015.

c) Loans to Directors

There were no loans to Directors during the year ended 31 March 2016.

REMUNERATION OF EMPLOYEES

During the year the following number of employees received remuneration in excess of $100,000

	Number of employees	
	2016	**2015**
$100,000 - $109,999	1	-
$110,000 - $119,999	2	-
$160,000 - $169,999	1	-
$170,000 - $189,999	1	-
$190,000 - $239,999	1	1

AUDITOR

The auditor for the Group is PwC. Auditor's remuneration is disclosed in Note 2 to the financial statements.

DONATIONS

	31 March 2016 $'000	31 March 2015 $'000
Donations	-	-

NZX WAIVERS

NZX Regulation granted the following waivers to the Company, and the Company relied on such waivers, in the 12 months ending 31 March 2016:

1. **In relation to convertible loan notes issued to shareholder BioScience Managers (through One Funds Management Limited) (One Funds), a waiver from:**

(a) Listing rules 9.2.5(b) and 9.3.1 on 26 August 2015. This was a waiver to the extent that the Company is required to provide an appraisal report that addresses the related party implications of the 3 for 5 rights offer and to the extent a person is excluded from voting on the resolutions by virtue only of their right to participate, on equal terms, in the rights offer.

This waiver was provided on the conditions that:

(i) certain non-interested directors certify to NZX Regulation that:

(aa) the terms of the agreement were negotiated on an arm's length and commercial basis;

(bb) the terms of the rights offer and the agreement are fair and in the best interests of the Company and the Company's shareholders, excluding One Funds and its associated persons; and

(cc) the Company was not influenced in its decision to enter into the rights offer or the agreement by the interests of One Funds, Mersea Holdings Limited or any director interested in the agreement;

(ii) the notice of meeting will be sent to the Company's shareholders and will be accompanied by an appraisal report which addresses listing rules 7.5 and 9.2.1 (to the extent that the waiver does not extend to the agreement) as these rules apply to the transactions;

(iii) with the exception of the discounted conversion, One Funds will be issued shares on the conversion of the convertible notes on identical terms to those offered to all other eligible shareholders of the Company under the rights offer;

(iv) One Funds will not receive any additional direct or indirect benefit from the rights offer, other than as a holder of the convertible notes or through its participation in the rights offer on the same terms and conditions as all other SeaDragon shareholders;

(v) the notice of meeting for the AGM sets out the details of this waiver and the implication of the waiver; and

(vi) the waiver and the conditions of the waiver are disclosed in the Company's half-year and annual reports for the year in which the transactions take place.

For full details of the waiver, see https://www.nzx.com/companies/SEA/announcements/269111.

(b) Listing rule 7.13.2 on 7 September 2015. This was a waiver to the extent that listing rule 7.13.2 prohibits the Company from extending the closing date for the 3 for 5 rights offer, unless, at least five business days prior to the initial closing date, the Company has notified NZX of the extension and of the new closing date.

For full details of the waiver, see https://www.nzx.com/companies/SEA/announcements/269755.

2. In relation to a supply agreement entered into with shareholder Comvita Limited (Comvita), a waiver from listing rule 9.2.1 on 2 December 2015. This was a waiver to the extent that listing rule 9.2.1 would require the Company to seek shareholder approval to enter into the supply agreement.

This waiver was provided on the conditions that:

(a) the Directors, other than those associated with Comvita, certify to NZX that:

(i) the terms of the supply agreement will be negotiated on an arm's length and commercial basis and will be considered independently of Comvita's interests;

(ii) the Company will not be influenced in its decision to enter into the supply agreement by the interests of Comvita, any director or executive officer of Comvita, or any associated person of any of them; and

(iii) the terms of the supply agreement will be in the best interests of the Company and fair to the Company's shareholders that are not associated with Comvita; and

(b) the waiver, its conditions and implications, are disclosed in the Company's annual report for the period it seeks to rely on the waiver.

For full details of the waiver, see https://www.nzx.com/companies/SEA/announcements/274521.

Statement of Corporate Governance

As at 31 March 2016

Corporate Governance Statement

The Board of SeaDragon Limited (SeaDragon, the Company) is committed to the guiding values of integrity, respect and continuous improvement. The Board considers these values will ensure the highest standards of business behaviour and accountability are a cornerstone of the Company's operations.

The Board has adopted codes and policies relating to the conduct of all Directors, executives and staff. The Board believes its governance structures are consistent with the Financial Markets Authority 's (FMA) Principles for Corporate Governance and the NZX Corporate Governance Best Practice Code (the FMA Code). This Statement has been structured to report SeaDragon's governance practices against the FMA's nine principles set out in the FMA Code. SeaDragon's Constitution and the charters, codes and policies referred to in this section (except the Delegations Policy) are available on the Company's website www.seadragon.co.nz (Website) in the Invester Centre section.

A review of the charters, codes and policies is included in the Board's annual work plan.

Principle 1: Ethical standards

The Board Charter and Code of Ethics establish the standards of ethical behaviour expected of Directors and staff. The Board expects Directors, management and staff to personally subscribe to these values and use them as a guide to making decisions. The Audit and Risk Committee (AARC) has responsibility for evaluating management's procedures for monitoring compliance with the Code of Ethics.

Directors are expected to ensure the potential for conflicts of interests is minimised by restricting involvement in other businesses or in private capacities that could lead to a conflict. In considering matters affecting the Company, Directors are required to disclose any actual or potential conflicts. Where a conflict or potential conflict has been disclosed, the Director takes no further part in receipt of information or participation in discussions on that matter. The Board maintains an interests' register and it is reviewed at each Board meeting.

Directors, officers, employees and contractors are restricted in their trading of SeaDragon securities and guidelines and must comply with the Securities Trading Policy and Guidelines which is available on the Website.

Should any member of staff have concerns regarding practices that may be in conflict with the Code they are able to raise the matter with the Chief Executive (CEO) or Chair, as appropriate, on a confidential basis. Directors would raise any concerns regarding compliance with the Code of Ethics with the Chair. The Chair of the Board and AARC Chair note there have been no financial matters raised in this respect in the 2016 financial year.

Health and safety

The health and safety of staff, Directors and others associated with SeaDragon is just as important to the Board as managing financial and reputational risk. The Board is responsible for determining high-level health and safety strategy and policies which management is required to implement. The Remuneration and Nomination Committee (RANC) has responsibility for reviewing SeaDragon's health and safety policies to ensure the Company provides a safe working environment and that a commitment to health and safety is part of everyday business with an integrated, embedded and effective system in which all staff take individual ownership.

The Health and Safety Policy is available on the Website. A review of the policy will be undertaken later in 2016.

Principle 2: Board composition and performance:

The Board is responsible for the proper direction and control of the Company's activities and is the ultimate decision-making body of the Company. Its responsibilities are set out in its Charter and include setting strategic direction, approval of significant expenditures, policy determination, stewardship of the Company's assets, identification of significant business risks, legal compliance and monitoring management performance.

The number of Directors, rotation and retirement is determined in accordance with the Constitution and the NZX Main Board Listing Rules. A minimum of three Directors is required. One third of the Directors are required to retire from office at the annual meeting of the Company but may seek re-election at that meeting. Profiles of each Director are included at pages 16 and 17 of the annual report. As at 31 March 2016 no Director had served a term of appointment of greater than 4 years, albeit there is no maximum term per the Board Charter.

As at 31 March 2016, the Board comprised six Directors of whom five are non-executive. Two Directors are considered by the Board to be independent under the NZX Main Board Listing Rules. The SeaDragon Board supports the separation of the role of Chair and Chief Executive Officer (CEO). The Interim CEO is a Director of SeaDragon.

Statement of Corporate Governance (continued)

As at 31 March 2016

Board and Board committee meeting attendance for the year ended 31 March 2016 was as follows:

Name	Board meetings	Audit & Risk Committee	Remuneration & Nominations Committee
Groves, Colin, Director (appointed 1 June 2015)	10 of 10 meetings*	3 of 3 meetings*	2 of 2 meetings*
Alderton, Richard, Director (appointed 27 July 2015)	8 of 8 meetings*	N/A	2 of 2 meetings*
Geals, Patrick (appointed 28 July 2014)	12 of 12 meetings	3 of 3 meetings	N/A
Hewlett, Brett, Director (appointed 2 November 2015)	5 of 5 meetings*	1 of 3 meetings*	N/A
Macintosh, Stuart, Director (appointed 29 June 2015)	9 of 9 meetings*	N/A	2 of 2 meetings
McNamara Matt, Director (appointed 15 October 2012)	12 of 12 meetings	3 of 3 meetings	N/A
Curnock-Cook Jeremy, Director (appointed 15 October 2012)	4 of 4 meetings*		N/A
Past			
Joyce, Sean, Director (resigned 29 June 2015)	3 of 3 meetings*	1 of 3 meetings*	N/A
Keeley, Ross, Director (resigned 17 September 2015)	6 of 6 meetings*	1 of 3 meetings*	N/A
Preston, Tim, Director (resigned 17 September 2015)	4 of 6 meetings*	N/A	N/A
Wilson, Doug, Director (resigned 1 June 2015)	2 of 2 meetings*	N/A	N/A

*Denotes Directors not in office for the full year

The Board has two sub-committees, the Audit and Risk Committee and Remuneration and Nominations Committee, to which it has delegated responsibilities. Charters are available on the Website and set out the purpose, objectives and procedures for each committee. Each committee's responsibilities are set out in Principle 3 below.

The Board is structured so that, as a collective group, it has the skills, experience, knowledge, independence and diversity of thought and capability to fulfil its purpose and responsibilities.

Skills that Directors bring to the Board include finance, marketing, manufacturing, investment and mergers and acquisition. Several of the Directors are members of professional bodies including the Institute of Directors, Chartered Accountants Australia New Zealand, and the Institute of Financial Professionals. Ongoing Director education and training is encouraged. A contribution to each Director's costs of education and training for programs approved by the Chair may be made.

The Company has a written agreement with each Director setting out the terms and conditions of their appointment.

Board papers for monthly meetings include reports supporting standing agenda items together with formal proposals in relation to any other matters for decision or noting. New Directors take part in an induction program to familiarise them with the SeaDragon's business, production facilities and features of the industry within which it operates. Tours of the production facilities are held regularly.

The Board's annual work program is set out in the Board Charter. All matters listed were addressed in the 2016 financial year.

The Board evaluates its performance and its processes and procedures annually. A review of each Director's performance and the performance of the Board as a whole was undertaken in the 2016 financial year using the process set out in the Board Charter. Minor changes were made to Board operating procedures.

The Board has delegated responsibility for the day-to-day leadership and management of the Company to the CEO who is required to do so in accordance with Board direction. The Board has approved a schedule of delegated authorities affecting all aspects of the Company's operation. The Delegations Policy is reviewed at least annually and was reviewed in the 2016 financial year.

Diversity

While SeaDragon does not have a formal diversity policy it recognises the wide-ranging benefits that diversity brings to an organisation and its workplaces. SeaDragon endeavours to ensure diversity at all levels of the organisation to ensure a balance of skills and perspectives are available in the service of our shareholders and customers.

As at 31 March 2016, the gender balance of the Group's Directors, officers and all employees was as follows:

	Directors	Officers	Employees
Female	0	0	6
Male	8	1	13
Total	8	1	19

31 March 2015

	Directors	Officers	Employees
Female	0	0	5
Male	6	1	14
Total	6	1	19

Statement of Corporate Governance (continued)

As at 31 March 2016

Principle 3: Board committees

The Board has appointed two standing committees - Audit and Risk Committee (AARC) and a Remuneration and Nomination Committee (RANC). Each committee has a charter that sets out its scope of responsibilities, activities and authority. The charters are available on the Website.

The AARC is constituted to monitor the veracity of the financial data produced by the Company and ensure controls are in place to minimise the opportunities for fraud or for material error in the accounts. The Committee's responsibilities include the audit functions, processes and policy, general compliance and the risk management framework.

The AARC has a clear line of communication with the independent external auditors and the finance team. The Committee meets at least twice a year and meets at least annually with the auditor without management present. These requirements were met in the 2016 financial year with 3 meetings being held, each of which included a Director only meeting with the external auditor.

The AARC must have a minimum of three members, the majority of whom must be independent Directors. The Chair of the AARC may not be the Chair of the Board. At least one member of the Committee must have an accounting or financial background as that term is described in the NZX Main Board Listing Rules and, as a group, the Committee must be structured to have the skills, experience and knowledge to fulfil its purpose and responsibilities. The members of the Committee are Matt McNamara (Chair), Brett Hewlett, Colin Groves and Patrick Geals. The members' qualifications and background are set out on pages 16 and 17 of this Annual Report. The CEO and CFO attend all meetings.

The Chief Financial Officer (CFO) acts as Secretary to the AARC and undertakes the duties normally associated with that role.

The RANC is constituted to review the composition of the Board, Director remuneration and Board appointments. It approves appointments and terms of remuneration for the CEO and those reporting directly to the CEO. It also has oversight of any company-wide incentive and share option schemes, HR-related statutory and regulatory matters together with health and safety policies.

The members of the RANC are Stuart Macintosh (Chair), Colin Groves and Rich Alderton. Mr Groves is an Independent Director. The RANC must meet at least twice a year. This requirement was met in the 2016 financial year with 2 meetings being held.

Principle 4: Reporting and disclosure

The AARC assists the Board in fulfilling its responsibilities relating to the Group's management systems, accounting and reporting, external and internal audit and risk management activities. The committee's Charter is available on the Website.

The AARC monitors the Company's accounting and reporting practices, reviews the financial information reported to shareholders, oversees the work undertaken by the external and internal auditors, and monitors SeaDragon's risk management program.

The Chief Executive and CFO are required to provide a letter of representation to the Board confirming that:

- the Group's financial statements have been prepared in accordance with accepted accounting standards in New Zealand, are free of material misstatements, including omissions, give a true and fair view of the financial performance and position of the Group and the financial records have been properly prepared;
- the representations are based on a sound system of risk management, internal compliance and controls that provide for the implementation of the policies adopted by the Board; and
- the Group's risk management and internal control systems are operating effectively in all material respects.

A letter of representation confirming those matters was received in relation to the 2016 financial statements.

Disclosure

The Board is committed to keeping a fully informed market through meeting the obligations imposed under SeaDragon's NZX Main Board listing and regulations, including the Financial Markets Conduct Act.

The Company provides all shareholders, analysts, media and other interested parties with equal and timely access to material information. SeaDragon seeks to make disclosures in a clear and balanced way. The Company also recognises the benefits of providing other releases that broaden the market's knowledge of the Company's business and financial performance and seeks, where appropriate, to use communications that achieve this objective. The Website is a key channel for the distribution of SeaDragon's information and is updated after documents are disclosed on the NZX.

The CFO is responsible for the day to day management of meeting these obligations. Drafts of proposed disclosures are provided by the CFO to the Board and the CEO for input and approval.

Directors consider at the end of each Board meeting whether there is any material information that should be disclosed to the market.

Statement of Corporate Governance (continued)

As at 31 March 2016

Principle 5: Remuneration

The Director's remuneration pool has been set at $225,000 per annum. Information on payments to each Director is set out on page 25. The fees paid are considered reasonable compensation for the work undertaken and are the only remuneration paid to non-executive directors. Non-executive members may be paid additional fees for chairing a Board committee or for special service. The Chair's fee is generally 142% of the fee paid to non-executive Directors. Directors may be reimbursed for expenses incurred in performing their duties. A performance-based equity compensation plan is not offered and no retirement payments are paid to Directors.

Directors are encouraged to own a minimum of $5,000 of the Company's shares. Directors may purchase shares in compliance with the operation of the Company's "Securities Trading Policy and Guidelines". Information on Directors' shareholdings and remuneration is set out on pages 24 and 25.

The Interim CEO's remuneration and performance is reviewed each year by the RANC together with remuneration of the CEO's direct reports. The review for the 2016 financial year was put on hold due to searching for a full time CEO.

Management remuneration information is set out on page 26.

Principle 6: Risk management

The AARC has been delegated oversight for risk management by the Board. The Committee's responsibilities are set out in the Audit and Risk Committee Charter.

The CEO is responsible for reporting any material risks or breakdowns in the risk management framework to the AARC. There were no matters reported in the 2016 financial year.

Directors are insured against liabilities to other parties that may arise from their positions as Directors, excluding liabilities that may arise from criminal actions.

All Directors and senior executives are required to comply with the Company's Securities Trading Policy and Guidelines, a copy of which is available on the Website.

Principle 7: Auditors

Oversight of the Company's external audit arrangements is the responsibility of the AARC. The Committee's functions in relation to the auditors are set out in the AARC Charter and include recommending the appointment and removal of external and internal auditors, reviewing the annual audit plans, evaluating the effectiveness of the auditors and reviewing the auditors' comments, recommendations and plans.

All services provided by the external auditor are considered on a case by case basis by the AARC and management to ensure there is no actual or perceived threat to independence in accordance with the Charter. Additional services were provided by the external auditor in the 2016 financial year.

External audit services are provided by PricewaterhouseCoopers.

Principle 8: Shareholder relations

A program of clear, meaningful and timely communications with shareholders is centred around a comprehensive set of information being available. This information includes making available to shareholders a copy of SeaDragon's interim and annual reports and ensuring the Website contains Investor-related information including NZX releases, corporate news releases, shareholder reports, shareholder newsletters and a broad set of customer and product-focussed information. The corporate governance policies are also available on the Website.

Shareholders who have provided SeaDragon or its share registrar with an email address will be sent annual and half year reports electronically unless they expressly opt to receive hard copy reports.

SeaDragon's investor relations program is aimed at building understanding and appropriate measurement of the Company's performance among investors and analysts through:

- dialogue with management;
- briefings for results and announcements that allow analysts to ask questions of management;
- visits to operations; and
- opportunities to meet with Directors.

The Company's objective with shareholder meetings is to ensure a high level of accountability for the Company's strategies and goals. Shareholders are offered the opportunity to ask questions of the Board during the meeting. Senior management, legal advisors and auditors will attend and may be asked to assist in answering questions raised by shareholders. At the conclusion of the meeting there will be an opportunity for shareholders to meet with Directors and senior management to informally discuss matters of interest.

Principle 9: Stakeholder interests

SeaDragon's Board recognises it has relationships with and obligations to groups including employees, customers, creditors, suppliers, the local and wider community. Legal obligations and relevant social, ethical, and environmental factors need to be taken into account when considering the interests of these stakeholders. The Board seeks to balance the interests of shareholders with the interests of other stakeholders, as appropriate.

Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

Independent Auditors' Report
to the shareholders of SeaDragon Limited

Report on the Consolidated Financial Statements
We have audited the Group financial statements of SeaDragon Limited ("the Company") on pages 36 to 61, which comprise the statement of financial position as at 31 March 2016, 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 the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled at 31 March 2016 or from time to time during the financial year.

Directors' Responsibility for the Financial Statements
The Directors are responsible on behalf of the Company for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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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pwc

Independent Auditors' Report

SeaDragon Limited

We are independent of the Group. Our firm carries out other services for the Group in the area of taxation services and business modelling. The provision of these other services has not impaired our independence.

Opinion

In our opinion, the financial statements on pages 36 to 61 present fairly, in all material respects, the financial position of the Group as at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2e within the Significant Accounting Policies section of the financial statements, which indicates that the Group had operating cash outflows for the year ended 31 March 2016 of $3,342,000 and a net borrowing position at 31 March 2016 of $3,679,000. If the Group is unable to achieve forecast cash flows and does not receive continued support from existing and new shareholders and financiers it may not have sufficient cash reserves to meet obligations as they fall due. These conditions, along with other matters as set forth in Note 2e, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Restriction on Use of our Report

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants — Wellington

30 June 2016

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2016

	Note	2016 $'000	2015 $'000
Revenue	1	**5,585**	6,211
Cost of sales		**(4,278)**	(5,869)
Impairment of inventory		**(4,263)**	(905)
Gross (loss)		**(2,956)**	(563)
Other gains/losses from foreign exchange		**121**	8
Other income	1	**175**	198
Other expenses	1	**(2,637)**	(2,392)
Operating loss		**(5,297)**	(2,749)
Finance income - interest income		**-**	58
Finance expense - interest on borrowings		**(226)**	(118)
Loss before income tax		**(5,523)**	(2,809)
Income tax expense	2	**-**	(29)
Total comprehensive loss for the year attributable to the owners of the Company		**(5,523)**	(2,838)
Loss per share	4		
Basic loss per share (cents per share)		**(0.22)**	(0.15)
Diluted loss per share (cents per share)		**(0.22)**	(0.15)

The notes on the attached pages form part of and are to be read in conjunction with these statements.

Statement of Changes in Equity

For the year ended 31 March 2016

	Issued capital $'000	Accumulated loss $'000	Share options reserve $'000	Total Equity $'000
Balance at 31 March 2014	**25,719**	**(15,041)**	**98**	**10,776**
Total comprehensive loss for the year				
Total comprehensive loss for the year attributable to the owners of the Company	-	(2,838)	-	(2,838)
Total comprehensive loss for the year	**-**	**(2,838)**	**-**	**(2,838)**
Balance at 31 March 2015	**25,719**	**(17,879)**	**98**	**7,938**
Total comprehensive loss for the year				
Total comprehensive loss for the year attributable to the owners of the Company	-	(5,523)	-	(5,523)
Total comprehensive loss for the year	**-**	**(5,523)**	**-**	**(5,523)**
Transactions with owners				
Issue of share capital	10,244	-	-	10,244
Transaction costs	(2,322)	-	-	(2,322)
Recognition of share-based payments	-	-	1,303	1,303
Balance at 31 March 2016	**33,641**	**(23,402)**	**1,401**	**11,640**

The notes on the attached pages form part of and are to be read in conjunction with these statements.

Statement of Financial Position

As at 31 March 2016

	Note	2016 $'000	2015 $'000
Assets			
Property, plant and equipment	5	**13,127**	6,641
Other receivable		**75**	75
Total non-current assets		**13,202**	6,716
Cash and cash equivalents		**195**	425
Trade and other receivables	7	**685**	2,974
Inventories	14	**2,970**	1,906
Derivative financial assets		**35**	-
Current tax assets		**-**	16
Total current assets		**3,885**	5,321
Total assets		**17,087**	12,037
Equity and liabilities			
Equity			
Issued capital	3	**33,641**	25,719
Reserves		**(22,001)**	(17,781)
Total equity attributable to holders		**11,640**	7,938
Liabilities			
Trade and other payables	10	**1,333**	1,086
Loans and borrowings	8	**3,874**	2,994
Derivative financial liabilities		**-**	19
Total current liabilities		**5,207**	4,099
Asset retirement obligation	5	**240**	-
Total non-current liabilities		**240**	-
Total liabilities		**5,447**	4,099
Total equity and liabilities		**17,087**	12,037

The notes on the attached pages form part of and are to be read in conjunction with these statements.

Statement of Cash Flows

For the year ended 31 March 2016

	Note	2016 $'000	2015 $'000
Operating activities			
Receipts from customers		**7,211**	4,574
Payments to suppliers and employees		**(10,446)**	(8,847)
Interest received		**-**	58
Interest paid		**(123)**	(118)
Taxes received / (paid)		**16**	(8)
Net cash flows used in operating activities		**(3,342)**	(4,341)
Investing activities			
Purchase of property, plant and equipment		**(6,890)**	(3,314)
Net cash flows used in investing activities		**(6,890)**	(3,314)
Financing activities			
Proceeds from issue of share capital		**7,641**	-
Proceeds from issue of convertible notes		**2,500**	-
Transaction costs of issue of shares		**(1,019)**	-
Net cash flows from financing activities		**9,122**	-
Net decrease in cash and cash equivalents		**(1,110)**	(7,655)
Cash and cash equivalents at beginning of period		**(2,569)**	5,086
Cash and cash equivalents at end of period		**(3,679)**	(2,569)
Made up as follows:			
Cash and cash equivalents		**195**	425
Loans and borrowings		**(3,874)**	(2,994)
Total cash and cash equivalents at end of period		**(3,679)**	(2,569)

The notes on the attached pages form part of and are to be read in conjunction with these statements.

Statement of Cash Flows

For the year ended 31 March 2016

Reconciliation of net deficit with cash flows from operating activities	2016 $'000	2015 $'000
Total loss for the year attributable to the owners of the Company	**(5,523)**	(2,838)
Adjustments for:		
Depreciation of property, plant and equipment	**645**	564
Fixed assets written off	**-**	24
Impairment of inventory	**4,263**	905
Non-cash interest expense	**103**	-
Reversal of impaired receivable	**(125)**	-
Impact of changes in working capital items:		
(Increase)/decrease in trade and other receivables	**2,296**	(1,792)
(Increase)/decrease in inventories	**(5,210)**	(908)
(Increase)/decrease in derivative financial assets/liabilities	**(54)**	19
(Increase)/decrease in current tax assets	**16**	(8)
Increase/(decrease) in trade and other payables	**247**	(307)
Net cash flows used in operating activities	**(3,342)**	(4,341)

The notes on the attached pages form part of and are to be read in conjunction with these statements.

Statements of Accounting Policies

For the year ended 31 March 2016

1) Reporting entity

SeaDragon Limited is a company registered and domiciled in New Zealand. The address of the Company's registered office is 12 Nayland Road, Stoke, Nelson 7011. The financial statements of the Company as at and for the year ended 31 March 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Company is registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange ("NZX"). SeaDragon Limited is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013.

The financial statements for the Group have been prepared in accordance with the Companies Act 1993 and the Financial Markets Conduct Act 2013.

The Group is primarily involved in the manufacture of refined fish oils.

2) Basis of preparation

a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The Group is a for-profit entity for the purposes of complying with NZ GAAP. The consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS).

The financial statements were approved by the Board of Directors on 30 June 2016.

b) Basis of measurement

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities as identified in specific accounting policies below. The methods used to measure fair values are discussed further in subsection 4 of the Statement of Accounting Policies.

c) Functional and presentation currency

These financial statements are presented in New Zealand Dollars (NZD), which is the Company's functional currency.

All financial information presented has been rounded to the nearest thousand dollars and is in NZD being the presentation currency.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

e) Going concern

The financial statements have been prepared on a going concern basis meaning the Group has the intention to continue its business for the foreseeable future, without the need to significantly curtail activity. Despite the uncertainess noted below, the Directors are of the view that the going concern basis is appropriate.

The Group incurred a loss for the year of $5,523,000 (2015: Loss $2,838,000). This loss was the result of:

- intermittent raw material supply that has impacted by not generating sufficient revenues to offset total business operating expenditure, and;
- a $4.3 million (2015: $905k) stock impairment write down caused by a slow down in the Squalene market and resulting decreases in realisable values.

In addition, the Group has invested in future cash generation capability with the Omega-3 production facility costing $10.8m compared to earlier indications of $9.55m.

These operating losses and investment in future production capability have contributed to a reduction in the Group's cash position. As at 31 March 2016 the Group has net borrowings of $3,679k (2015: $2,569k) and operating cash out flows of $3,342k (2015: $4,341k).

The Group's financial forecasts (as approved by the board) show that they are reliant upon continued financial support from its financiers and shareholders.

These financial statements have been prepared on the assumption that the Group continues to receive financial support from its financiers and shareholders, both existing and new, and generates increased cash flows from operations.

Management's immediate plan in response to these conditions is to undertake the following actions:

To manage all costs of the Group as they continue to:

- sell down existing stocks;
- to ramp up sales of Omega-3.

Statements of Accounting Policies (continued)

For the year ended 31 March 2016

Directors' immediate plan in response to these conditions is to undertake the following actions:

- To ensure that both its financiers and shareholders are kept informed of the Group's trading results, and;
- To seek additional cornerstone shareholders and funding options.

As detailed in note 16 the Group has secured a $3m convertible note with Comvita.

With the decision to exit the volatile Omega-2 market and concentrate efforts on the more stable and profitable Omega-3 market the Group embarks on a new business plan and strategy. As the Group secures new Omega-3 sales agreements the uncertainty around achievement of the future forecasts will reduce. With the successful completion of the Omega-3 refinery and the securing of tuna supply agreements the Group is well positioned to execute its strategy however sales agreements are not yet secure and therefore uncertainty still exists. This uncertainty may cause significant doubt in respect to the Group's ability to continue as a going concern. If the Group were unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than for the amounts at which they are currently recorded in the statement of financial position. In addition, the Group may have to provide for further liabilities that may arise.

3) Significant accounting policies

The principal accounting policies set out below have been applied consistently to all periods presented in these financial statements. These policies have been applied consistently by Group entities.

a) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of the Group entities at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognised in profit or loss.

c) Share capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised as a deduction from equity.

d) 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 change in value, and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Statement of Financial Position.

e) Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition. The Group did not hold any financial assets classified as held-to-maturity investments or available-for-sale financial assets at the reporting date.

Financial assets at fair value through profit or loss

This category includes derivative financial assets. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of balance date.

Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets at fair value through profit or loss are subsequently carried at fair value with changes in fair value recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to

Statements of Accounting Policies (continued)

For the year ended 31 March 2016

a debtor with no intention of selling the receivable. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. They are included in current assets, except for those with maturities greater than 12 months after balance date which are classified as non-current assets.

The Group's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents' and 'other receivable' in the Statement of Financial Position.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss.

f) Property, plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributed to the acquisition of the asset. This includes capitalisation of decommissioning and restoration costs associated with provisions for asset retirement. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss as incurred.

(ii) Subsequent costs

Subsequent costs are included in the carrying amount of the item or recognised as a separate asset if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each major component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are follows:

- Computer equipment 3-5 Years
- Office furniture and equipment 2-6 Years
- Plant and equipment 1-28 Years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

g) Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials: Purchase cost on a first in, first out basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.
- Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Statements of Accounting Policies (continued)

For the year ended 31 March 2016

h) Leases

The Group is the Lessee

Leases are classified as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases in which a significant portion of the risks and rewards are retained by the lessor are classified as operating leases. The Group has determined that the risks and rewards of ownership of the leased assets have not passed and has therefore classified the leases as operating leases.

i) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated being the higher of an asset's fair value less costs to sell and the asset's value in use. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups of assets. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Trade and other payables

These amounts represent unsecured liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. As trade and other payables are usually paid within 30 days, face value approximates fair value.

k) Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transactions costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction cost) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

l) Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit- sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

m) Share based payments

The Group issues equity-settled options to directors and other parties as consideration for services rendered. Options entitle the holders to subscribe for ordinary shares in the ratio of 1:1 at a fixed exercised price. The options vest immediately on the date of issue and are measured at fair value at the grant date using the Black Scholes model. The classification of the fair value of the options is based upon the nature of the services rendered.

n) Goods and Services Tax (GST)

The Statement of Profit and Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of trade receivables and payables, which include GST invoiced. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Statements of Accounting Policies (continued)

For the year ended 31 March 2016

o) Revenue

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and GST. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. Usually transfer occurs when the product is delivered to the customer's warehouse; however, for some international shipments transfer occurs on loading the goods onto the relevant carrier at the port.

Revenue is also generated from toll processing and is recognised in the month processed.

p) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed as finance costs in the period in which they are incurred.

q) Tax

Tax expense comprises current and deferred tax. Current tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxation authority and the same taxable entity, or different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

r) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the SeaDragon Limited Board of Directors. Based on the nature of the operating results reviewed by the chief operating decision maker, management has determined that the Group itself forms a single operating segment.

Statements of Accounting Policies (continued)

For the year ended 31 March 2016

t) Changes in accounting policies and disclosures

The Group changed how revenues and expenses are presented in the statement of profit or loss and other comprehensive income. The method of allocation has been changed in order to provide a more accurate allocation and depiction of the Group's operational performance. There is no change to profit or loss as a result of this change. The impact of the change in allocation is included below:

	2015 As restated $'000s	2015 As reported $'000s	Change $'000s
Revenue	6,211	6,322	(111)
Cost of sales	(5,869)	(5,815)	(54)
Impairment of inventory	(905)	-	(905)
Gross (loss) profit	(563)	507	(1,070)
Other gains/losses from foreign exchange	8	-	8
Other income	198	198	-
Depreciation expense	-	(564)	564
Other expenses	(2,392)	(2,890)	498
Operating loss	(2,749)	(2,749)	-

u) New standards, amendments and interpretations.

The new standards, amendments to published standards, and interpretations which may impact the Group and which are mandatory for the Group financial periods beginning on or after 1 April 2016 or later periods, but which the Group has not adopted early, are as follows:

- NZ IFRS 9, Financial Instruments (Effective date: periods beginning on or after 1 January 2018), addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in NZ IAS 39 Financial Instruments - Recognition and Measurement. The Group intends to adopt NZ IFRS 9 effective from 1 April 2018 and has yet to assess its full impact.
- NZ IFRS 15: Revenue from contracts with customers (Effective date: periods beginning on or after 1 January 2018) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The Group intends to adopt NZ IFRS 15 effective from 1 April 2018 and has yet to assess its full impact.
- NZ IFRS 16: Leases (Effective date: periods beginning on or after 1 January 2019) replaces the current guidance in NZ IAS 17. Under NZ IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Included is an optional exemption for certain short-term leases and leases of low value assets; however, this exemption can only be applied by lessees. The Group intends to adopt NZ IFRS 16 effective from 1 April 2019 and has yet to assess its full impact.

All standards will be adopted at their effective date (except for those standards that are not appliable to the Group).

There are a number of other standards that have been issued that management have assessed as either not being applicable or unlikely to have an impact on the Group accounts.

Statements of Accounting Policies (continued)

For the year ended 31 March 2016

4) Significant accounting estimates and judgements

The Company makes estimates and assumptions concerning the future that affects the amounts reported in the financial statements. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year are:

(i) Going concern

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Therefore, the financial statements continue to be prepared on the going concern basis. However, uncertainty does exist, (refer to Statement of Accounting Policies 2e).

(ii) Net realisable value of inventory

Inventories are stated at the lower of cost or net realisable value (NRV). NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Management's assessment includes the estimate of selling price, among other factors. Given recent volatility in sales volumes and prices, particularly those denoted in US dollars, these estimates include significant management judgement and inherent uncertainties. Refer also note 14.

The table below summarises the impact that a movement in the estimate of sales price would have.

Percentage change	Increase/(decrease) in inventory impairment charge recognised in profit or loss
10% increase in sales price	($348,861)
10% decrease in sales price	$303,434

The table below summarises the impact that a movement in USD exchange rate would have.

Percentage change	Increase/(decrease) in inventory impairment charge recognised in profit or loss
5% increase in USD NZD FX rate	($122,441)
5% decrease in USD NZD FX rate	$143,691

iii) Classification and valuation of share based payments

On 18 December 2015 the Company issued share options to Comvita as consideration for underwriting services received in connection with the rights issue (Refer also note 9). As noted in the independent shareholders report, the Company had limited alternatives to the proposed transaction. As a result, management determined that the fair value of the underwriting services could not be reliably estimated and as such Management assessed the fair value of the services received by reference to the fair value of the options granted. Determining the fair value of the options granted requires judgement in respect to the inputs into the valuation model (Black Scholes). The fair value of the options granted was $1,302,833, as determined at the grant date using the Black Scholes model.

The table below summarises the impact of changes in the volatility input to the valuation model would have.

Change in volatility	Increase/(decrease) in fair value of options
10% increase	$154,895
10% decrease	($158,544)

Management has also exercised judgement in respect to the accounting treatment of the fair value of the options. Management has determined that these costs relate solely to the underwriting services provided and as a result meet the definition of a transaction cost. Transaction costs of an equity transaction are accounted for as a deduction of equity to the extent that they are incremental and directly attributable to the equity transaction.

If Management had concluded that the underwriting services could be reliably estimated and that this value was lower than the fair value of the options granted, the difference would be recognised through profit or loss as unidentifiable services received. This would have the impact of increasing the Group's loss for the year.

Notes to the Financial Statements

For the year ended 31 March 2016

1. REVENUE AND EXPENDITURE

	Note	2016 $'000	2015 $'000
Revenue includes:			
Sale of goods		**5,468**	5,993
Rendering of services		**117**	218
		5,585	**6,211**
Other income includes:			
Grants received		**50**	198
Reversal of doubtful debt		**125**	-
Other expenses and cost of sales includes:			
Auditors' remuneration (see below)		**223**	52
Depreciation expense*	5	**645**	564
Directors' fees	13	**221**	205
Impairment of fixed asset	5	**-**	24
Rental & operating lease expense		**399**	215
Personnel expense (net of amounts capitalised)		**1,137**	966
Contributions to defined contribution plans		**39**	25
Impairment of inventory	14	**4,263**	905

AUDITORS' REMUNERATION

The auditor for SeaDragon Limited is PricewaterhouseCoopers (2015: Staples Rodway).

	2016 $'000	2015 $'000
Fees to PricewaterhouseCoopers for:		
Audit of financial statements	**104**	49
Tax compliance services	**12**	-
Secondment of an individual prior to auditor appointment to assist with preparation of investor information for capital raise	**104**	-
Fees to other auditors for:		
Audit of share register	**3**	3
	223	**52**

*Of the depreciation expense, $611k (2015: $519k) has been recognised as part of cost of sales in profit or loss.

Notes to the Financial Statements

For the year ended 31 March 2016

2. INCOME TAX

	2016 $'000	2015 $'000
Reconciliation of effective tax rate		
Total Loss for the year attributable to the owners of the Company	**(5,523)**	(2,838)
Income tax expense	**-**	(29)
Loss before income tax	**(5,523)**	(2,809)
Current domestic tax rate (cents in the dollar)	**0.28**	0.28
Income tax using the domestic tax rate	**1,546**	787
Other permanent differences	**-**	(9)
Prior period adjustment	**-**	(29)
Current losses where no deferred tax asset was recognised	**(1,546)**	(778)
Total income tax benefit / (expense)	**-**	(29)
Imputation credits		
Opening balance of imputation credits	**48**	8
New Zealand net tax (receipts) / payments	**-**	-
Other credits	**-**	40
Closing balance of imputation credits	**48**	48

Deferred tax assets

The Group has unrecognised tax losses of $4,226,859 to be carried forward and available for offset against future assessable income (2015: $2,679,857). The carry forward of tax losses is contingent upon satisfying the requirements of the Income Tax Act 2007 in future periods. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

Notes to the Financial Statements

For the year ended 31 March 2016

3. SHARE CAPITAL

	Number of ordinary shares	Issue price (cents)	$'000
Balance at 31 March 2014	**1,863,954,194**		**25,719**
12,950,000 bonus shares issued	12,950,000		-
Balance at 31 March 2015	**1,876,904,194**		**25,719**
1,251,142,517 rights shares issued	1,251,142,517	0.8000	**10,009**
10,267,666 options exercised	10,267,666	1.5000	**155**
8,000,000 options exercised	8,000,000	1.0000	**80**
Transaction costs			**(2,322)**
Balance 31 March 2016	**3,146,314,377**		**33,641**

All authorised and issued shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All are ranked equally on the winding up of the Company.

1. Capital Raise

The Company successfully raised $10.009m on 2 October 2015 through the issue of 1,251,142,517 ordinary shares and 1,251,142,517 options to shareholders and new investors. Those 1,251,142,517 options may be exercised at 1.5 cents per option up to 29 September 2018. Net cash received of $7.373m on 2 October 2015 from the capital raise was net of the convertible loan note (and accrued interest) provided by shareholder BioScience Managers Pty Limited during the year.

2. Conversion of debt

The convertible loan note issued to shareholder One Funds Management Limited (BioScience Managers Pty Limited) was approved by the shareholders at the AGM held on 17th September 2015. The share price used to convert the convertible loan note into equity was the same price per share as that for existing shareholders in the 3 for 5 rights offer, being $0.008 per share. Interest accrued on the convertible loan totalled $103k and was also converted to equity at the same price of $0.008. The convertible loan note and accrued interest converted into 325,393,835 ordinary shares and 325,393,835 options in the Company.

3. Comvita share option

The Company granted Comvita an option to acquire 375,000,000 ordinary shares at a price of $0.008 per share resulting in an aggregate subscription price of $3 million. The option may only be exercised in full and it must be exercised by Comvita before 1 October 2017. Additionally, the Company may require Comvita to exercise that option if certain milestones are achieved. An independent appraisal was sought in order for the shareholders vote that approved the issue of the option and shares to Comvita on the exercise of the option at a special meeting of shareholders. The vote was successful and the options were allotted on the 17th December 2015. Refer to Statement of Accounting Policies, note 4 for additional information.

Notes to the Financial Statements

For the year ended 31 March 2016

4. LOSS PER SHARE

	2016 $'000	2015 $'000
Basic loss per share		
Numerator – loss attributable to shareholders	**(5,523)**	(2,838)
Denominator – weighted average ordinary shares	**2,511,609,286**	1,870,429,194
Basic loss per share (cents per share)	**(0.22)**	(0.15)

As the Company is loss making, the impact of options not yet exercised is anti-dilutive. Consequently the diluted and basic EPS are the same.

Notes to the Financial Statements

For the year ended 31 March 2016

5. PROPERTY, PLANT AND EQUIPMENT

	Computer, Office, Plant and Equipment $'000	Work in progress $'000	Total $'000
Cost			
Balance at 31 March 2014	4,046	698	4,744
Additions	99	3,215	3,314
Disposals	(32)	-	(32)
Balance at 31 March 2015	**4,113**	**3,913**	**8,026**
Additions	**7,131**	**-**	**7,131**
Transfers from WIP to PPE	**3,913**	**(3,913)**	**-**
Balance at 31 March 2016	**15,157**	**-**	**15,157**
Depreciation and impairment losses			
Balance at 31 March 2014	829	-	829
Depreciation and impairment for the year	564	-	564
Disposals	(8)	-	(8)
Balance at 31 March 2015	**1,385**	**-**	**1,385**
Depreciation for the year	**645**		**645**
Balance at 31 March 2016	**2,030**	**-**	**2,030**
Carrying amounts			
Balance at 31 March 2014	**3,217**	**698**	**3,915**
Balance at 31 March 2015	2,728	3,913	6,641
Balance at 31 March 2016	**13,127**	**-**	**13,127**

Borrowing costs of $125,297 (2015: $nil) were capitalised during the period.

An asset retirement provision of $240,355 (2015: $nil) has been included in the cost of the refinery asset. This retirement provision is to make good the building post expiration of the lease, being 2037.

Notes to the Financial Statements

For the year ended 31 March 2016

6. INVESTMENT IN SUBSIDIARIES

Name of entity	Country of incorporation	Principal activities	Interest held by Company 31 March 2016	Interest held by Company 31 March 2015
Subsidiaries				
CER Group Pty Limited - deregistered 6 Nov 2015	Australia	Holding Company	**0.00%**	100.00%
CER Property Pty Limited - deregistered 6 Nov 2015	Australia	Investment Property	**0.00%**	100.00%
Omega 3 New Zealand Limited	New Zealand	Marine Oil Blenders	**100.00%**	100.00%
SeaDragon Marine Oils Limited	New Zealand	Marine Oil Blenders	**100.00%**	100.00%

7. TRADE AND OTHER RECEIVABLES

	2016 $'000	2015 $'000
Trade receivables	**197**	1,563
Sundry debtor	**49**	170
GST receivable	**86**	51
Prepayments	**353**	1,190
Total	**685**	2,974

Past due amounts included in trade receivables were $125k at 31 March 2016 (2015: $nil).

Refer to note 12 on foreign currency risk and credit risk.

Notes to the Financial Statements

For the year ended 31 March 2016

8. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, refer note 12: Financial Instruments.

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

			2016		2015	
	Nominal interest rate %	Year of maturity	Face value	Carrying amount $'000	Face value	Carrying amount $'000
Overdraft	7.95%	At call	**3,874**	**3,874**	2,994	2,994
Total interest-bearing liabilities			**3,874**	**3,874**	2,994	2,994

Security

The working capital facility, classified as a bank term loan is secured by way of a general security agreement over the assets of SeaDragon Limited, SeaDragon Marine Oils Limited, and Omega 3 New Zealand Limited with intercompany guarantees from SeaDragon Limited.

The Company has identified that retrospectively as at 31 March 2016 (and 30 June 2016) it did not comply with one of its banking covenants with Heartland Bank.

Discussions with Heartland Bank have taken place and the bank has temporarily suspended the requirement to comply with this covenant for the year ended 31 March and the 30 June 2016 quarter.

Notes to the Financial Statements

For the year ended 31 March 2016

9. SHARE OPTIONS

The Group has an established share option plan that entitles selected directors to purchase shares in the Company.
In accordance with the terms of issue of the options, holders are entitled to acquire shares at the price determined at the time the options were issued. The Group has no legal or constructive obligation to repurchase or settle the options for cash.

In addition, and as described in note 3, the Group issued options to shareholders and to Comvita.

Terms and conditions of options to acquire shares granted by the Company during the year are as follows:

Options date of issue	Person entitled	Number of shares on exercise of options	Vesting conditions	Exercise period	Exercise price
2/10/15	Shareholders	**1,251,142,517**	Vesting on date of issue	2/10/2015 to 27/09/2018	$0.015
18/12/15	Comvita	**375,000,000**	Vesting on date of issue	2/10/2015 to 31/10/2017	$0.008
		1,626,142,517			

Movements in the number of share options outstanding and their related average exercise prices are as follows:

	Number of options		Average exercise price	
	2016	**2015**	**2016**	**2015**
Options outstanding at 1 April	**8,000,000**	8,000,000	**1 cent**	1 cent
Granted during the period	**1,626,142,517**	-	**1.34 cents**	-
Exercised during the period	**(18,267,666)**	-	**1.19 cents**	-
Lapsed during the period	**-**	-	**-**	-
Outstanding at end of period	**1,615,874,851**	8,000,000	1.3 cents	1 cent

In accordance with the terms of a contract dated 15 October 2012, options to acquire 8,000,000 ordinary shares were issued to Mr Sean Joyce (former Chair of the Board of Directors). The options entitled the holder to subscribe for ordinary shares in the ratio of one ordinary share for each option held at 1 cent each, on or before 15 October 2016. These options were exercised on or before 17 December 2015, at the weighted average exercise price of 1 cent.

The weighted average share price at the time of exercise of the options in 2016 was $0.015.

Options outstanding at 31 March 2016 have a weighted average exercise price of 1.3 cents (2015: 1 cent) and a weighted average contractual life of 2.2 years (2015: 2.6 years). The share options are exercisable at any time up to the end of the exercise period by the holder.

Comvita Share Options

The fair value of services received ($1.303m, $0.003 per share) in return for the share options granted is based on the fair value of share options granted measured using a Black Scholes model with the following inputs:

Exercise price - 18/12/2015	**$0.008**
Share price - 18/12/2015	**$0.009**
Expected volatility	**60%**
Option life from date of grant - 18/12/2015	**2 years**
Risk free interest rate - 18/12/2015	**2.50%**

Due to the relatively thin trading volumes of the Company's shares, there is not sufficient data available to accurately calculate a volatility rate for the model. A set rate of 60% has been used. This rate reflects the volatility of comparable companies.

Notes to the Financial Statements

For the year ended 31 March 2016

10. TRADE AND OTHER PAYABLES

	2016 $'000	2015 $'000
Trade creditors	**884**	585
Accrued expenses	**370**	296
Other payables	**79**	205
Total	**1,333**	1,086

Refer to note 12 on foreign currency risk.

11. COMMITMENTS

The Group has entered into commercial leases on premises. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

	2016 $'000	2015 $'000
Within one year	**638**	450
After one year but not more than five years	**2,015**	1,793
More than 5 years	**2,158**	1,992
	4,811	4,235
Raw material purchase commitments		
Within one year	**238**	1,269
After one year but not more than five years	**-**	1,225
More than 5 years	**-**	-
	238	2,494

Notes to the Financial Statements

For the year ended 31 March 2016

12. FINANCIAL INSTRUMENTS

The Group has entered into a number of financial instruments. The carrying values of these items approximate their fair value.

	2016 $'000	2015 $'000
Financial instruments		
Loans and receivables		
Cash and bank balances	**195**	425
Trade receivables	**197**	1,563
Sundry debtor	**49**	170
Total loans and receivables	441	2,158
Financial assets at fair value through profit or loss		
Derivative financial assets	**35**	-
Total financial assets at fair value through profit or loss	35	-
Total financial assets	476	2,158
Financial liabilities at amortised cost		
Trade creditors	**(884)**	(585)
Accrued expenses	**(370)**	(296)
Other payables	**(79)**	(205)
Loans and borrowings	**(3,874)**	(2,994)
Total financial liabilities at amortised cost	(5,207)	(4,080)
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	**-**	(19)
Total financial liabilities at fair value through profit or loss	-	(19)
Total financial liabilities	(5,207)	(4,099)

Notes to the Financial Statements

For the year ended 31 March 2016

12. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control the market risk exposures within acceptable parameters. The market risks the Group is exposed to are interest rate and foreign currency risk.

Foreign currency risk

The Group's functional and presentation currency is the New Zealand dollar.

The Group considers that foreign currency risk is minimal as there are sales and purchases in USD creating a natural hedge for currency risk. These risks are economically hedged via the use of foreign exchange contracts as required. The Group does not apply hedge accounting.

Denominated in foreign currency

The Group's exposure to foreign currency at 31 March 2016 is detailed below.

	Receivable $'000	Payable $'000
USD	9	56
Euro	-	17
AUD	-	2
SGD	-	12

Interest rate risk

As at 31 March 2016, the Group has a working capital facility with Heartland Bank and has agreed a fixed interest rate. The Group manages its interest rate risk by maintaining minimal variable rate cash balances. Excess cash resources are placed into fixed rate term deposits where appropriate.

The Group considers that there is an immaterial interest rate risk in existence at 31 March 2016.

Interest rate exposures of the Group are shown in note 8.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from cash and cash equivalents, deposits with banks, prepayments and the Group's receivables from customers. The Group's maximum credit risk is represented by the carrying value of these financial assets. Past due assets or receivables are disclosed in note 7. The credit risk associated with cash transactions and deposits is managed through the Group's policies that limit the use of counterparties to high credit quality financial institutions.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations as they fall due. The Group evaluates its liquidity requirements on an ongoing basis to make the most effective use of its banking facilities.

Notes to the Financial Statements

For the year ended 31 March 2016

12. FINANCIAL INSTRUMENTS (CONTINUED)

The following table sets out the undiscounted contractual cash flows for all financial liabilities settled on a gross cash flow basis.

	Statement of Financial Position	Contractual cash flows	On demand	3 months or less
2016				
Trade creditors and other payables	**963**	**963**	**-**	**963**
Accrued expenses	**370**	**370**	**-**	**370**
Loans and borrowings	**3,874**	**3,874**	**3,874**	**-**
Total non-derivative liabilities	**5,207**	**5,207**	**3,874**	**1,333**
2015				
Trade creditors and other payables	790	790	-	790
Accrued expenses	296	296	-	296
Loans and borrowings	2,994	2,994	2,994	-
Total non-derivative liabilities	**4,080**	**4,080**	**2,994**	**1,086**

Capital Management

The Group's strategy in respect of capital management is reviewed regularly by the Board of Directors.

The Group's capital includes share capital, reserves and accumulated losses. As part of the Board's regular review of capital requirements they assess the current and forecasted cash flow position of the Group and then consider the need for additional funding. Refer to note 2e) in the Statement of Accounting Policies for further information.

Notes to the Financial Statements

For the year ended 31 March 2016

13. RELATED PARTY INFORMATION

General

All members of the Group are considered to be related parties of SeaDragon Limited.

Key management personnel and members of the Board of Directors

Each company within the Group maintains an interest register in which members of its Board record all parties and transactions in which they may have a potential or actual self-interest. During the year the Group and Parent undertook the following transactions with Directors and associates of Directors.

	2016 $'000	2015 $'000
Key management compensation		
Short term benefits to directors	**221**	205
Consulting fees to directors	**473**	-
Short term benefits to senior management	**818**	839
Total	**1,512**	1,044

Included in short term benefits to directors are advisory fees paid during the year of $473k (2015: NIL).

These fees include $220k paid to R Alderton in his capacity as interim CEO and a further $217k paid to R Keeley as Honorary President and associated advisory services in respect to the Omega-3 transition.

Notes to the Financial Statements

For the year ended 31 March 2016

14. INVENTORIES

	2016 $'000	2015 $'000
Raw materials and consumables	**874**	265
Work in progress	**470**	1,246
Finished goods	**1,626**	395
Total	**2,970**	1,906

During 2016 inventory was impaired by $4.263m (2015: $0.905m) and recognised in the loss for the year.

At 31 March 2016, $2.575m of inventory was carried at net realisable value (2015: NIL).

15. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 March 2016 (2015: $Nil).

16. POST BALANCE DATE EVENTS

Extension of working capital facility, convertible loan, inventory valuations, and bank covenants

On 11 April 2016 Heartland Bank provided a fixed term loan of $1m repayable by 11 Jan 2017. Interest rate on the fixed term loan is the same as for the working capital facility, 7.95% per annum. Heartland have also changed a bank covenant from a current asset ratio to a full working capital ratio that better reflects the use of the facility.

On 27 May 2016 cornerstone shareholder Comvita agreed to advance up to $3m via a convertible loan to assist the Company transition to the Omega-3 market. On 31 May 2016 the Company drew down $1.5m from the convertible loan and issued 1,500,000 convertible loan notes (convertible to ordinary shares at $0.008 per share) to Comvita.

During the period [12th – 28th June 2016] SeaDragon was negotiating to sell the majority of its existing Omega-2 inventory for approximately $2.5m. This was a significantly reduced price than the prevailing assumed net realisable value. This resulted in an additional write down of $0.6 million to the company's inventory for the 2016 financial year, bringing the total write-down to $4.3 million (up from the $3.6 million write-down previously announced on 30 May 2016).

The company identified that, as a result of this post balance date additional $0.6 million write-down, the company by default did not comply with one of its lending covenants set out in its lending facilities with Heartland Bank as of 31 March 2016 and 30 June 2016. The relevant covenant relates to the ratio of working capital to debt. Heartland Bank has agreed with SeaDragon that it will temporarily suspend the requirement to comply with this covenant for the year ended 31 March 2016 and the 30 June 2016 quarter.

Company Directory

as at 31 March 2016

Registered Office
12 Nayland Road
Stoke, Nelson 7011
Ph: (03) 547 0336
Fax: (03) 547 0337

Postal Address
12 Nayland Road
Stoke, Nelson 7011

Company Number
310577

Incorporated
31 July 1986

Securities Issued
3,146,314,577 Ordinary Shares
375,000,000 Options - expire 31 Oct 2017
1,240,874,851 Options - expire 27 Sep 2018
1,500,000 Convertible loan notes

Share Registrar
Link Market Services
PO Box 91976, Auckland 1142
Phone: 09 375 5998

Solicitors
Minter Ellison Rudd Watts
88 Shortland St
Auckland 1140

Auditor
PricewaterhouseCoopers
113-119 The Terrace
Wellington 6140

Bankers
Bank of New Zealand
PO Box 1075
Wellington 6140

Heartland Bank
PO Box 9919
Newmarket
Auckland 1149

Board of Directors

Current

Colin Groves	Chairman, non-executive (appointed 1 June 2015)
Richard Alderton	Acting Chief Executive (appointed 27 July 2015)
Patrick Geals	Independent, non-executive (appointed 28 July 2014)
Brett Hewlett	Non-executive (appointed 2 November 2015)
Stuart Macintosh	Non-executive (appointed 29 June 2015)
Matthew McNamara	Non-executive (appointed 15 October 2012)
Jeremy Curnock Cook	Non-executive (alternate director for Matt McNamara)
Sadd, Mark	Non-executive (alternate director for Brett Hewlett)

Past

Sean Joyce	Independent, non-executive (resigned 29 June 2015)
Ross Keeley	Executive (resigned 17 September 2015)
Tim Preston	Independent, non-executive (resigned 17 September 2015)
Douglas Wilson	Chairman, non-executive (resigned 1 June 2015)

Financial Calendar

Annual meeting: August 2016
Half year results announced: November 2016

Your notes:

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