This is a free translation into English of the statutory auditor's report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users

The statutory auditor's report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the sole shareholder.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Steiner Leman S.A.S.

Year ended March 31, 2017

Statutory auditor's report on the financial statements



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Steiner Leman S.A.S. Year ended March 31, 2017

Statutory auditor's report on the financial statements

To the Sole Shareholder,

In compliance with the assignment entrusted to us by decision of the sole shareholder, we hereby report to you, for the year ended March 31, 2017, on:

- the audit of the accompanying financial statements of Steiner Leman S.A.S.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the President. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as 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.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at March 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.



II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we inform you that our assessments were made in relation to the appropriateness of the accounting principles applied, to the reasonable nature of the significant estimates used and to the overall presentation of the financial statements.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the President and in the documents addressed to sole shareholder with respect to the financial position and the financial statements.

Lyon, April 27, 2017

The Statutory Auditor ERNST & YOUNG et Autres French original signed by

Mohamed Mabrouk

Balance sheet

| | Gross | Depreciation | Net at 31/03/2017 | Net at 31/03/2016 |
|---|---------|--------------|-------------------|-------------------|
| ASSETS | | | | |
| Shareholder uncalled capital | | | | 525 000 |
| Consolidated controlling interests and attached receivables | 2 898 | 999 | 1 899 | 1 525 |
| TOTAL FIXED ASSETS | 2 898 | 999 | 1 899 | 1 525 |
| Inventories | | | | |
| Work in Progress – Real Estate Development | 0 | | 0 | 0 |
| Account Receivables | | | | |
| State taxes on turnover | 4 858 | | 4 858 | 75 401 |
| Other receivable | 1 093 | | 1 093 | 1 165 |
| Various | | | | |
| Advance payments and down payments on orders | 0 | | 0 | 0 |
| Cash and cash equivalents | 149 479 | | 149 479 | 2 152 788 |
| Prepaid expenses | | | | |
| CURRENT ASSETS | 155 431 | | 155 431 | 2 229 354 |
| ADJUSTMENT ACCOUNTS | | | | |
| TOTAL ASSETS | 158 329 | 999 | 157 330 | 2 755 879 |



| | Net at 31/03/2017 | Net at 31/03/2016 |
|---|-------------------|----------------------|
| LIABILITIES & SHAREHOLDERS' EQUITY | | |
| Corporate or individual capital | 750 000 | 750 000 |
| Retained earnings | -941 375 | -354 330 |
| Loss of the year | 336 705 | -587 045 |
| TOTAL GROUP EQUITY | 145 330 | -191 375 |
| TOTAL OTHER OWN FUNDS | | |
| TOTAL PROVISIONS FOR RISKS AND EXPENSES | | |
| Loan | | 2 540 359 |
| Other borrowings and financial debts | | 315 185 |
| Other borrowings and financial debts – Partners | | 79 134 |
| Trade payables and related accounts | 12 000 | 12 576 |
| Tax and employee-related liabilities | | |
| TOTAL LIABILITIES | 12 000 | 2 947 254 |
| TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | 157 330 | 2 755 879 |

Income statement

| | From 01/04/16 to 31/03/17 12 months | % | From 01/04/15 to 31/03/16 12 months | % | Relative variation (amount) | Rel Var. (%) |
|---------------------------------------|--|---|--|---|-----------------------------------|-----------------|
| INCOME | | | | | | |
| Sales | | | 12 969 300 | | -12 969 300 | -100.00 |
| Sold Production | | | 85 085 | | -85 085 | -100.00 |
| Real Estate Development Inventory | | | -12 311 333 | | 12 311 333 | -100.00 |
| Other products | 7 022 | | 17 330 | | -10 308 | -59.48 |
| Total | 7 022 | | 760 382 | | -753 360 | -99.08 |
| CONSUMPTION OF BOUGHT-IN GDS & MATS | | | | | | |
| Purchases of goods | | | | | | |
| Other purchases and external expenses | 48 202 | | 1 019 382 | | -971 180 | -95.27 |
| Total | 48 202 | | 1 019 382 | | -971 180 | -95.27 |
| GROSS MARGIN | -41 180 | | -259 000 | | 217 820 | -84.10 |
| EXPENSES | | | | | | |
| Duties, taxes and similar charges | 25 022 | | 338 | | 24 684 | NS |
| Wages | 0 | | 0 | | 0 | 0 |
| Payroll | 461 | | 0 | | 461 | |
| Other expenses | 0 | | 1 | | -1 | -100.00 |
| Total | 25 483 | | 339 | | 25 144 | NS |
| NET OPERATING INCOME | -66 663 | | -259 339 | | 192 676 | -74.30 |
| Financial Products | 0 | | 4 | | -4 | -100.00 |
| Financial Charges | 64 014 | | 325 670 | | -261 656 | -80.34 |
| Net financial income | -64 014 | | -325 666 | | 261 652 | -80.34 |
| Joint operations | -2 104 | | -2 020 | | -84 | 4.15 |
| OPERATING INCOME | -132 781 | | -587 024 | | 454 244 | -77.38 |
| Extraordinary Products | 471 975 | | | | 471 975 | |
| Extraordinary Charges | 2 490 | | 21 | | 2 469 | NS |
| Extraordinary income | 469 485 | | -21 | | 469 506 | NS |
| NET INCOME FOR THE PERIOD | 336 705 | | -587 045 | | 923 750 | -157.36 |

Accounting rules and methods

SAS STEINER LEMAN

Annex to the report before allocation of the period ended on 31/03/2017 of which the total is 157 329.75 Euro and the income statement of the period, presented in list form, showing a profit of 336 704.82 Euro.

The period has duration of 12 months; covering the period from 01/04/2016 to 31/03/2017.

The notes of the tables hereafter make up an integral part of the annual accounts.

These annual accounts were decided on 03/04/2017 by the board of directors.

General Rules

The annual accounts of the period 31/03/2017 were established according to the norms defined by regulation ANC N°2014-03 of the 5nd June 2014 on the the new general accounting plan to reorganize the law at the same as all accounting document. This regulation replaces the CRC 99-.03 on the general accountind plan (PCG) and all other regulations issued since 1999.

General accounting standards were applied in respect of the prudence principle, and in accordance with the following basic assumptions:

- going concern,
- consistency from one period to another
- - independence of the period,

and in conformity with the general rules for drawing up and presenting annual reports.

The basic method used for assessing registered accounting items is the historical cost convention.

Only the significant information is expressed.

Significant events of the year

The company STEINER AG financed, by current account, the financing requirements of the construction operation carried out by the Ordinary Trading Partnership VALLEIRY ROUTE DE BLOUX itself subsidiary of the Simplified Joint Stock Company STEINER LEMAN Itself subsidiary of the company STEINER AG.

On 31st March 2017, the liability of the current account of the companie Steiner Leman with regard to Steiner AG reached € 0.

During the exercice, the company Steiner AG has provided financial support to companies SAS STEINER LEMAN and SNC VALLEIRY ROUTE DE BLOUX. In particular, the company Steiner AG has granted a waiver of current account in the amount of 471 975.44 euros.

The SAS STEINER LEMAN conducted a capital increase in the amount of 700,000 euros freed up to 175,000 euros at the beginning and during this exercice for an amount of 525,000 euros. The company Steiner AG has taken all of these shares.

The construction phase is completed

Table of transactions with related companies (parent):

Revenues and expenses with related companies:

Other purchases and external expenses: For the exercice, the sum for the interests on loan is 62 297.85 euros.

Items representative of transactions with related companies balance:

Borrowings: € 0 (loan) and € 0 (interest on loans).

The loan agreement was signed on 25.05.2012 and at interest rate of 3.85%. At this date, it is fully refunded.

Current group account: € 0 (In particular, the company Steiner AG has granted a waiver of current account in the amount of 471 975.44 euros.)

Accounting rules and methods

Tangible and intangible fixed assets

The tangible and intangible fixed assets are evaluated at their purchase cost for assets acquired against payment, at their production cost for assets produced by the company, at their market value for assets acquired free of charge, and by exchange method.

Depreciation are calculated according to the linear method depending on the duration of useful life.

The depreciation durations have been calculated depending of the useful life of the goods.

Accounting rules and methods

Accounts receivable

The receivables are valued at their nominal value. A provision for depreciation is made when the inventory value is inferior to the accounting value.

Notes to the balance sheet

Fixed assets

Fixed assets table

| | At the beg of the period | Increase | Decrease | At the end of the period |
|---|--------------------------|----------|----------|--------------------------|
| Start-up and development costs | | | | |
| Good will | | | | |
| - Other items of intangible fixed assets | | | | |
| Intangible fixed assets | | | | |
| - Lands | | | | |
| - Constructions on own land | | | | |
| - Constructions on the land of others | | | | |
| - General installations, arrangement and fitting out of buildings | | | | |
| - Technical installations, industrial material and tooling | | | | |
| - General installations, arrangements and other fittings out | | | | |
| - Transport material | | | | |
| - Office and computing material, furniture | | | | |
| - Recyclable packaging and other | | | | |
| - Tangible fixed assets in progress | | | | |
| - Pre-payments | | | | |
| Tangible fixed assets | | | | |
| - Consolidated controlling interests assessed by equity accounting method | | | | |
| - Other consolidated controlling interests | 2524 | 374 | | 2898 |
| - Other fixed securities | | | , | |
| - Loans and other long-term investments | | | | |
| Long-term investments | 2524 | 374 | | 2898 |
| FIXED ASSETS | 2524 | 374 | | 2898 |

Notes to the balance sheet

Unfixed assets

Statement of accounts receivable

Total accounts receivable at the end of the period are 78090Euro and classification by expiry deadline is as follows:

| ASSETS | Gross amount | Expires in less than a year | Expires in more than a year | Expires in more than 5 years |
|--|-----------------|-----------------------------|-----------------------------|------------------------------|
| Accounts receivable of fixed asset: | | | | |
| Accounts receivable attached to consolidated controlling interests | 1899 | | 1899 | |
| Loans | | | | |
| Other | | | | |
| Accounts receivable of unfixed assets: | | | | |
| Client accounts receivable and Related Accounts | | | | |
| Others | 5952 | 5952 | | |
| Subscribed capital – called up, unpaid | | | | |
| Pre-payments | | | | |
| Total | 7850 | 5952 | 1899 | |
| Loans granted over the period | | | | |
| Loans recuperated over the period | | | | |

Own capital

Composition of the Corporate Capital

Corporate capital of an amount of 750 000.00 Euro broken down into 750,000 securities of a nominal value of 1.00 Euro.



Notes to the balance sheet

Liabilities

Statement of liabilities

Total liabilities at the end of the financial year are 12000 Euro and classification by expiry deadline is as follows:

| | Gross amount | Expires in less than a year | Expires in more than a year | Expires in more than 5 |
|--|--------------|--------------------------------|-----------------------------------|------------------------|
| ASSETS | | | | |
| Convertible bonds | | | | |
| Other loans | | 1 | | |
| Loans and liabilities with banks of | | | | |
| - maximum 1 year from origin | | | | |
| - more than 1 year from origin | | | | |
| Other borrowings and financial debts | | | | |
| Trade payables and related accounts | 12 000 | 12 000 | | |
| Tax and employee related liabilities | | | | |
| Liabilities on fixed assets and related accounts | | | | |
| Other liabilities | | | | |
| Prepaid income | | | | |
| Total | 12 000 | 12 000 | | |
| Loans granted over the period | | | | |
| Loans reimbursed over the period | 2 540 359 | | | |

Charges due

| | Amount |
|---------------------------|--------|
| ACCRUED SUPPLIER INVOICES | 12 000 |
| | |
| | |
| Total | 12 000 |