



## **Beroni Group Limited**

**ABN 20 613 077 526**

**APPENDIX 3 AND  
INTERIM FINANCIAL REPORT  
For the Half Year Ended 30 June 2017**

# Beroni Group Limited

ABN 20 613 077 526

## Appendix 3

### 1. Details of the reporting period

Current Period: 1 January 2017– 30 June 2017 (“HY2017”)

Previous Corresponding Period: 1 January 2016 – 30 June 2016 (“HY2016”)

### 2. Results for announcement to the market

Comparison to previous period	HY2017 (AUD)	HY2016 (AUD)	Change %
2.1 Revenue from continuing operations	1,237,811	2,166,578	- 43%
2.2 Profit / (loss) from ordinary activities after income tax attributable to members	64,885	299,674	- 78%
2.3 Net profit attributable to members	64,885	299,674	- 78%

#### 2.4 Dividend

No dividend declared during the period.

#### 2.5 Explanation of Results

The explanation of the results is included in the Directors' Report.

### 3. Net tangible assets per ordinary share

	30.06.2017	31.12.2016
	Cents	Cents
Net tangible assets per ordinary share	15.10	6.11

Calculation based from ordinary shares issued of 54,381,086 as of 30 June 2017 and 35,255,782 as of 31 December 2016.

### 4. Details of entities over which control has been gained or lost during the period

No entities were acquired or disposed of during the period.

### 5. Dividend Payment Information

No dividend paid during the period.

### 6. Dividend/distribution reinvestment plan

No dividend/distribution reinvestment plan made during the period.

### 7. Investment in Associates and Joint Ventures

No investments in associates and joint ventures are held by the consolidated group.

### 8. Accounting Standards

Australian Accounting Standards have been used in complying the information contained in Appendix 3.

### 9. Audit Disputes or Qualifications

There are no audit disputes or qualifications.

# **Beroni Group Limited and Its Subsidiaries**

**ABN 20 613 077 526**

**Consolidated Financial Statements  
For the Half Year Ended 30 June 2017**

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## Director's Report

The directors present their report, together with the financial statements on the consolidated entity (referred to hereafter as the 'Group') consisting of Beroni Group Limited (referred to hereafter as the 'Company' or 'Beroni') and the entities it controlled at the end of, or from 1 January 2017 to 30 June 2017.

### Directors

The following persons were directors of Beroni during the whole of the financial period and up to the date of this report, unless otherwise stated:

Boqing ZHANG (Chairman, appointed 17 June 2016)

Chris DENG (appointed 30 September 2016)

Hai HUANG (appointed 3 November 2016)

Peter Yap Ting WONG (appointed 30 September 2016)

Libing GUO (appointed 3 November 2016)

### Principal activities

The principal activities of the Company during the financial year are the sales of smoking control product (NicoBloc), air purifier, and healthcare products and supplements in China.

There have been no significant changes in the nature of these activities during the period.

### Review of Operations

The table below sets out the selected key performance indicators for the half year's ending 30 June 2017 ("HY2017") and 30 June 2016 ("HY2016"):

A\$'000	HY2017	HY2016	Change
Sales revenue	1,237,811	2,166,578	-43%
Cost of sales	(283,855)	(693,423)	-59%
<b>Gross profit</b>	<b>953,956</b>	<b>1,473,155</b>	<b>-35%</b>
Other income	5,976	2,637	*
Selling and distribution expenses	(181,230)	(184,218)	-2%
General and administrative expenses	(584,399)	(891,757)	-34%
Finance expense	(16,712)	(72)	*
Finance income	2,833	972	*
<b>Profit before income tax</b>	<b>180,424</b>	<b>400,717</b>	<b>-55%</b>
Depreciation	24,939	9,407	*
Finance expense	16,712	72	*
Finance income	2,833	972	*
<b>EBITDA</b>	<b>219,242</b>	<b>409,224</b>	<b>-46%</b>

\* Insignificant amounts

## **(A) Revenue**

Sales revenue has decreased by 43% from \$2,166,578 to \$1,237,811 as a result of the substantial decline in sales of the Company's key product, NicoBloc from \$1,394,888 to \$90,495. This is mainly due to the delay in the shipment of the NicoBloc product from its UK supplier affecting the sales in this period. The sales of this product are expected to increase in the second half of 2017. Sales of the other two key products, Fogibloc air purifier and Olansi water filter have increased from \$240,408 to \$501,165 and from \$164,799 to \$338,839 respectively. Another product, MRET water activator which was launched in 2015 but did not take off until late 2016 has brought in sales of \$242,451 in this period. The Company is continuing its efforts to increase its product diversity and reduce its reliance on the key product, NicoBloc. It is also actively pursuing new product developments with strategic partners.

## **(B) Gross Profit**

The decrease in gross profit from \$1,473,155 to \$953,956 is mainly due to the decrease in sales of the NicoBloc product.

## **(C) Expenses**

The general and administrative expenses included the one-off IPO expenses of \$192,932 in HY0217 and \$846,910 in HY2016. In HY2017, rental expenses have increased by around \$72,000 due to the Company occupying another new office building in December 2016. Also, the set-up of the Australian Head Office in 2017 contributed another \$68,794 in rental and salary expenses.

## **Dividend**

No dividends were paid or declared during or subsequent to the end of the financial period.

## **Significant Changes in State of Affairs**

The Company was incorporated on 17 June 2016 and listed on the National Stock Exchange of Australia on 12 May 2017.

On 12 May 2017, the Company raised \$4,795,380 by issuing 13,701,086 ordinary shares in an Initial Public Offering.

There were no other significant changes in the state of affairs of the Company during the period.

## **Likely developments and expected results of operations**

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

## **Matters subsequent to the end of the financial year**

There has not arisen, in the interval between the end of the financial period and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

## **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) (a) of the Corporations Act 2001.

On behalf of the directors



**Boqing Zhang**  
Managing Director  
7 September 2017

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF BERONI GROUP LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2017 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*Prosperity Audit Services*

**PROSPERITY AUDIT SERVICES**



**LUKE MALONE**  
Partner

7 September 2017  
Sydney

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ABN 90 147 151 228

Chartered Accountants  
Liability limited by a Scheme approved  
under the Professional Standards  
Legislation.



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Consolidated Half-year Ended 30.06.2017 AUD	Consolidated Half-year Ended 30.06.2016 AUD
<b>Revenue</b>			
Sales revenue		1,237,811	2,166,578
Cost of sales		(283,855)	(693,423)
<b>Gross profit</b>		953,956	1,473,155
Other income			
Government subsidy		5,976	2,637
Selling and distribution expenses		(181,230)	(184,218)
General and administration expenses	5	(584,399)	(891,757)
Finance income		2,833	972
Finance expense		(16,712)	(72)
<b>Profit before income tax</b>		180,424	400,717
Income tax expense		(115,540)	(101,043)
<b>Net profit for the period</b>		<b>64,885</b>	<b>299,674</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(106,509)	5,761
<b>Total comprehensive income / (loss) for the period</b>		<b>(41,624)</b>	<b>305,435</b>
<b>Profit for the period is attributable to:</b>			
Owners of Beroni Group Limited		64,885	299,674
<b>Total profit for the period</b>		<b>64,885</b>	<b>299,674</b>
<b>Total comprehensive income / (loss) for the period attributable to:</b>			
Owners of Beroni Group Limited		(41,624)	305,435
<b>Total comprehensive income / (loss) for the period</b>		<b>(41,624)</b>	<b>305,435</b>
<b>Earnings per share for profit for the period</b>			
Basic earnings / (loss) per share		0.15	N/A
Diluted earnings / (loss) per share		0.15	N/A

The above Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Consolidated As at 30.06.2017 AUD	Consolidated As at 31.12.2016 AUD
<b>Current Assets</b>			
Cash and cash equivalents		5,266,549	2,251,843
Trade receivables	6	1,412,117	1,098,609
Inventories		42,710	89,877
Prepayments and other current assets		373,000	-
Other receivables		296,845	245,807
Receivable from related parties	8	1,019,814	564,529
<b>Total current assets</b>		<u>8,411,035</u>	<u>4,250,665</u>
<b>Non-Current Assets</b>			
Property, plant and equipment		133,635	157,102
Intangible assets		780	55
Deferred tax assets		12,248	72,462
Other assets		61,672	63,856
<b>Total non-current assets</b>		<u>208,335</u>	<u>293,475</u>
<b>Total Assets</b>		<b>8,619,370</b>	<b>4,544,140</b>
<b>Current Liabilities</b>			
Trade and other payables		189	1,107,771
Convertible notes payable	7	-	1,245,899
Borrowings from related parties	8	30,267	308
Other current tax liabilities		15,299	-
Other liabilities		361,503	35,498
<b>Total current liabilities</b>		<u>407,258</u>	<u>2,389,476</u>
<b>Non-Current Liabilities</b>		-	-
<b>Total Liabilities</b>		<u>407,258</u>	<u>2,389,476</u>
<b>Net Assets</b>		<b>8,212,112</b>	<b>2,154,664</b>
<b>Equity</b>			
Issued capital	10	8,241,940	2,107,354
Reserves		(219,247)	(129,623)
Retained earnings		189,419	176,933
<b>Total Equity</b>		<u>8,212,112</u>	<u>2,154,664</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Statutory reserve	Foreign currency translation reserve	Retained earnings	Total
	AUD	AUD	AUD	AUD	AUD
<b>Consolidated 2017</b>					
Balance at 1 January 2017	2,107,354	16,885	(129,623)	124,534	2,119,150
Net profit for the period	-	-	-	64,885	64,885
Other comprehensive income/(loss) for the period	-	-	(106,509)	-	(106,509)
<b>Total comprehensive income/(loss) for the period</b>	-	-	(106,509)	64,885	(41,624)
Capital contribution from debt-conversion	1,245,899	-	-	-	1,245,899
Premium on debt-conversion	830,983	-	-	-	830,983
Capital contribution from IPO, net of transaction cost	4,057,704	-	-	-	4,057,704
<b>Balance at 30 June 2017</b>	<b>8,241,940</b>	<b>16,885</b>	<b>(236,132)</b>	<b>189,419</b>	<b>8,212,112</b>
<b>Consolidated 2016</b>					
Balance at 1 January 2016	2,002,445	-	(21,462)	(298,951)	1,682,032
Net profit for the period	-	-	-	299,674	299,674
Other comprehensive income for the period	-	-	5,761	-	5,761
<b>Total comprehensive income/(loss) for the period</b>	-	-	5,761	299,674	305,435
Capital contributed by owners	24,144	-	-	-	24,144
<b>Balance at 30 June 2016</b>	<b>2,026,589</b>	<b>-</b>	<b>(15,701)</b>	<b>723</b>	<b>2,011,611</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

Notes	Consolidated Half-year Ended 30.06.2017 AUD	Consolidated Half-year Ended 30.06.2016 AUD
<b>Cash flows from operating activities:</b>		
Receipts from customers	532,875	1,675,814
Payments to suppliers and employees	(1,024,018)	(2,034,145)
Interest paid	(2,833)	(72)
Income tax paid	(100,242)	(22,666)
Net cash generated/(used) in operating activities	<u>(594,218)</u>	<u>(381,069)</u>
<b>Cash flows from financing activities:</b>		
Gross proceeds from issue of equity instruments of the Company	4,795,380	-
Payment for cost of issuing equity instruments	(675,840)	(743,302)
Gross proceeds from borrowings	-	2,415,301
Repayment of borrowings	-	(16,577)
Net cash generated from financing activities	<u>4,119,540</u>	<u>1,655,422</u>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of property, plant and equipment	1,045	-
Purchase of property, plant and equipment	-	(1,682)
Interest received	16,712	972
Payments for intangible assets	(1,056)	-
Net cash generated from investing activities	<u>16,701</u>	<u>(710)</u>
Net increase in cash and cash equivalents	3,542,022	1,273,641
Cash and cash equivalents at beginning of the period	2,251,843	843,413
Exchange gain/(loss) on cash and cash equivalents	(527,316)	(60,515)
<b>Cash and cash equivalents at end of the period</b>	<u><u>5,266,549</u></u>	<u><u>2,056,539</u></u>

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

## Notes to Financial Statements

### Note 1. Corporate information

The financial statements cover Beroni Group Limited ("Parent entity" or the "Company") as a consolidated entity consisting of Australia Beroni Group Limited and the entities it controlled (together referred to as the "Group") at the end of, or during, the half-year ended 30 June 2017. The financial statements are presented in Australian dollars, which is the Company's presentation currency, with all values rounded to the nearest thousand dollars unless otherwise stated.

The Company is a for-profit listed public company limited by shares, incorporated and domiciled in Australia. The Company's shares are publicly traded on the National Stock Exchange.

The Company's registered office and the group's principal place of business are:

Registered office	Principal place of business
Level 36 Gateway Tower 1 Macquarie Place Sydney NSW 2000 Australia	15-2 Zhonglian Industry Park Zhongbei, Xiqing District Tianjin 300380 People's Republic of China

The Company is principally engaged in the sale of smoking control product (NicoBloc), air purifier and healthcare products and supplements in China.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7 September 2017.

### Note 2. Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These general purpose financial statements have been prepared on a historical cost basis, except for a few items where the basis used will be explicitly stated in the relevant note.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2016 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### New, revised or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

## Notes to Financial Statements

### Note 3. Group restructure

Beroni Group Ltd was incorporated on 17 June 2016, owning 100% shares of Beroni HongKong Limited (“Beroni Hong Kong”) which owns 100% shares of Tianjin Beroni Biotechnology Co., Limited (“Tianjin Beroni”), the company of principal business.

On 21 May 2014, Tianjin Beroni was incorporated as a wholly owned subsidiary of Beijing Benehealth Biotechnology Co. Ltd in Tianjin, the People’s Republic of China (the “PRC”). On 8 September 2016, Tianjin Beroni placed 0.99% shares to Eagle IG Limited for a cash consideration of RMB 100,000.

On 9 September 2016, pursuant to a share sale agreement, Beijing Benehealth Biotechnology Co. Ltd and Eagle IG Limited sold the entire share capital of Tianjin Beroni to Beroni Hong Kong for a consideration of RMB 10,010,000. On 24 October 2016, Mr Boqing Zhang, the sole shareholder of Beroni Hong Kong transferred all of his shares in Beroni HongKong to Beroni Group Limited for HKD10,000, which completed the final step of the restructuring process.

When combined with the transactions above, Beroni Hong Kong become the intermediate holding company for the Group. Through this transaction, effective control of Tianjin Beroni passed to the shareholders of the Company. The transaction is not within the scope of *AASB 3 Business Combinations* and has been treated as a capital restructure, where following the corporate restructure of the Group, the Company took control of Tianjin Beroni with no change in underlying control.

Consequently, the comparative financial information presented in these financial statements is the historical information of Tianjin Beroni, represented as a continuation of the financial statements of Tianjin Beroni.

### Note 4. Segment reporting

Operating segments are presented using the ‘management approach’, where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (‘CODM’). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

The Directors (who are identified as the CODM) assess performance and determine the allocation of resources based on the internal reports which are organised in one operating segment for the subcontracting of workforce with State Owned Enterprise and private companies based in China. As a result, there is only one operating segment and the statement of profit or loss and other comprehensive income and the statement of financial position is reflective of this operating segment.

### Note 5. Expenses

Profit before income tax is derived at after taking the following into account:

	<b>Consolidated 30 June 2017 AUD</b>	<b>Consolidated 30 June 2016 AUD</b>
Wages and salaries	113,768	50,798
Rent expenses	121,970	27,685
IPO expenses	192,933	846,910
Reversal in provision for doubtful debts *	(175,890)	-

\* The reversal in provision for doubtful debts is related to a provision made in 2016 against a customer for long outstanding debt. The customer has repaid the long outstanding debt subsequent to the period end.

## Notes to Financial Statements

### Note 6. Trade and other receivables

	Consolidated 30 June 2017 AUD'000	Consolidated 31 December 2016 AUD'000
Amounts due from customers	1,516,814	1,189,596
Less: Provision for doubtful debt	(104,697)	(90,787)
Trade receivables	<u>1,412,117</u>	<u>1,098,609</u>

### Note 7. Convertible notes payable

The Company raised funds through convertible loans from 73 investors during June 2016. The money raised has been used for general working capital, paying costs and expenses for the listing, marketing, research and development and costs associated with pursuing new products or new business opportunities. There is no interest on the loan amount. Subsequent to 30 June 2016, two investors terminated their convertible loan agreements and withdrawn their funds from the company, resulting in convertible notes payable balance of A\$1,245,899 as of 31 December 2016.

The full amount of the loans was converted into 3,559,712 ordinary shares upon the Company's successful listing on the National Stock Exchange on 12 May 2017.

### Note 8. Related party transactions

#### a) Purchases from related party

	30 June 2017 AUD	30 June 2016 AUD
Purchases from Beijing Yisheng Huikang (previous holding company)	-	<u>447,795</u>

#### b) Sales to related party

	30 June 2017 AUD	30 June 2016 AUD
Sales to Tianjin Zhongkebeicheng Technology Co. Ltd (A director was previously a shareholder and director of related company)*	<u>372,370</u>	-

\* Zhongkebeicheng ceased to be a related party of Beroni Group Ltd as their previous director and shareholder, Mr. Boqing Zhang, resigned from this company in May 2016. Zhongkebeicheng, however, still has a contract in effect in this period, which was signed with Tianjin Beroni prior to the cessation of Mr. Boqing Zhang's directorship and shareholding.

#### c) Balances with related parties

	30 June 2017 AUD	31 December 2016 AUD
<b>Amounts due from related parties</b>		
Tianjin Zhongkebeicheng Technology Co. Limited (previously director-related company)	1,019,814	316,022
Beijing Yisheng Huikang (Previous holding company)	-	158,173
Beroni HongKong Limited	-	1,265
Other related parties	-	89,069
<b>Total amounts due from related parties</b>	<u>1,019,814</u>	<u>564,529</u>

#### Amounts due to related parties

Mr. Boqing Zhang (Director)	<u>30,267</u>	<u>308</u>
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**Note 9. Dividends**

There was no dividend paid nor declared during the period.

**Note 10. Share capital**

	30 June 2017		31 December 2016	
	Number of shares	AUD	Number of shares	AUD
<b>Ordinary shares fully paid</b>				
Issued to original equity amount	35,255,782	2,107,354	35,255,782	2,107,354
Conversion of convertible notes (refer note 7)	3,559,712	1,245,899	-	-
Premium on debt-conversion	-	830,983	-	-
Issued through IPO on 12 May 2017	13,701,086	4,795,380	-	-
Shares issued to Eagle IG Limited on IPO	1,864,506	652,577	-	-
Cost of issuing shares on IPO	-	(1,390,253)	-	-
<b>Total ordinary shares fully paid</b>	<b>54,381,086</b>	<b>8,241,940</b>	<b>35,255,782</b>	<b>2,107,354</b>

**Note 11. Contingencies and commitments**

The Group has no contingent liabilities or commitments as at 30 June 2017. (31 December 2016: \$nil)

**Note 12. Fair value measurements of financial instruments**

The directors consider that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

**Note 13. Events after the Balance Sheet date**

There has not arisen, in the interval between the end of the financial period and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.


## Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Boqing Zhang  
Chairman

7 September 2017



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE SHAREHOLDERS OF BERONI GROUP LIMITED  
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

**Report on the Financial Report**

We have reviewed the accompanying financial report of Beroni Group Limited ("the Company"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Beroni Group Limited's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Beroni Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is located on page 5 of the financial report.

**Sydney**

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Prosperity Advisers Audit Services Pty Ltd  
ABN 90 147 151 228

Chartered Accountants  
Liability limited by a Scheme approved  
under the Professional Standards  
Legislation.

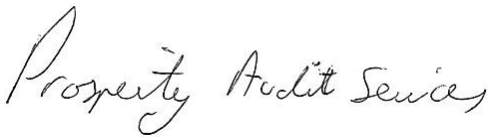


**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE SHAREHOLDERS OF BERONI GROUP LIMITED  
FOR THE YEAR ENDED 30 JUNE 2017**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Beroni Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Beroni Group Limited's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- (ii) (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads "Prosperity Audit Services" in a cursive script.

**PROSPERITY AUDIT SERVICES**

A handwritten signature in black ink that reads "Luke Malone" in a cursive script.

**LUKE MALONE**  
Partner

7 September 2017  
Sydney



**BERONI GROUP LIMITED**  
**ABN: 20 613 077 526**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2017**

**AUDITOR'S DISCLAIMER**

To the shareholders of Beroni Group Limited:

The additional financial data presented as part of the financial report is in accordance with the books and records of the Company which have been subject to the review procedures applied in our review of the Company for the half-year ended 30 June 2017.

It will be appreciated that our review did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.

*Prosperity Audit Services*

**PROSPERITY AUDIT SERVICES**

*Luke Malone*

**LUKE MALONE**  
Partner

7 September 2017  
Sydney