

Appendix 4D

Half-year report Period ended 31 December 2016

Name of entity

Eumundi Group Limited

ABN or equivalent company reference

30 010 947 476

Half- year ended ('current reporting period')

31 December 2016 (previous reporting period 31 December 2015)

Results for announcement to the market

					\$A 000's
Revenues and other income from ordinary activities	Up	9.7%	to		\$12,847
Represented by:					
Revenues from continuing ordinary activities	Up	9.3%	to		\$12,797
Other income – gain on fair value adjustment	Up	n/a	to		\$50
Profit from ordinary activities after tax attributable to members	Up	30.6%	to		\$887
Net profit for the period attributable to members	Up	30.6%	to		\$887
Net profit for the period attributable to members (excluding fair value adjustments)	Up	25.5%	to		\$852

Dividends

On 28 February 2017 the board declared a fully franked interim dividend of 2.25 cents per share (\$826,000 in total). The Record Date of the interim dividend is 6 March 2017 and the dividend will be paid on 13 March 2017. The board has suspended the operation of the Dividend Reinvestment Plan.

Discussion and analysis of results

Eumundi Group Limited ("the Company") has delivered a net profit after tax of \$0.887 million (\$1.265 million profit before tax) for the half-year ended 31 December 2016, up 30.6% compared with a profit of \$0.679 million after tax (\$0.991 million profit before tax) for the corresponding period in 2015. This represents earnings per share of 2.46 cents for the half-year.

The half-year profit included a fair value gain on revaluation of investment properties of \$0.050 million (\$0.035 million net of tax) compared with \$nil in the prior corresponding period. The underlying net profit after tax excluding fair value increments increased by 25.5% to \$0.852 million.

Revenue and other income from ordinary activities increased by 9.7% to \$12.847 million from \$11.710 million in the corresponding period in 2015. This included revenue from continuing ordinary activities of \$12.797 million representing an increase of \$1.087 million compared with the corresponding period last year.

Discussion and analysis of results (continued)

The Group's gaming revenues increased by \$0.842 million (22%), food and on-premise beverage revenues increased by \$0.145 million (10%) and retail liquor sales increased by \$0.120 million (2.5%) over the prior corresponding half-year. Aspley Central Tavern traded for a full 6 month in the current half compared with 5 months due to the Tavern renovations in the prior comparative period. Investment property revenues decreased by \$0.038 million (-3%) with some softening of rental rates on renegotiation of leases.

Total expenses from continuing operations for the half-year increased by 8% to \$11.582 million from \$10.719 million in the corresponding period.

Gaming machine tax of \$2.296 million increased in line with gaming turnover. Cost of goods sold of \$4.588 million increased due to higher food, beverage and retail sales. Outgoings on investment properties include non-recoverable legal fees. Employee benefits expenses of \$2.032 million reflects a full 6 months of operation of the Aspley Central Tavern compared with 5 months in the prior year as well as higher staffing levels attributable to extended trading hours at Ashmore Tavern since November 2015.

During the half year the Group recognised a \$3.677 million (net of tax) gain on fair value adjustment (\$5.253 million before tax) of the Group's land and building assets predominantly attributable to an independent valuation of the Aspley Central Shopping Centre by a member of the Australian Property Institute.

Debt was reduced by \$1.202 million during the half-year and at 31 December 2016 the Company had commercial loans of \$7.532 million and access to undrawn commercial loan facilities of a further \$4.475 million. The Group's net debt (\$6.279 million) to net assets (\$36.409 million) ratio as at 31 December 2016 was 17.2%.

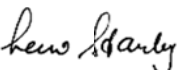
Subsequent events

n/a

	2016	2015
NTA BACKING		
<i>Net tangible asset backing per ordinary security</i>	97.6c	83.5c*
<i>* restated to reflect the consolidation of the Company's issued capital on the basis of 1 for every 10 shares.</i>		

Statement

This report is based on accounts which have been subject to review.

Sign here:  Date: 28 February 2017

Print name: Leni Stanley

EUMUNDI GROUP LIMITED

ABN 30 010 947 476

INTERIM FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2016**

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Your directors present their report on Eumundi Group Limited ("the Company") and the entities it controlled at the end of and during the six months ended 31 December 2016.

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report, unless otherwise stated:

J M Ganim
G De Luca
V A Wills

Dividends

On 28 February 2017 the board declared a fully franked interim dividend of 2.25 cents per share (\$826,000 in total) which will be paid to shareholders on 13 March 2017. Given the strong financial position of the Company, the board has suspended the operation of the Dividend Reinvestment Plan.

Review of operations

In the six months ended 31 December 2016, the Company:

- recorded a profit after tax of \$887,000 (Dec 2015: \$679,000), representing earnings per share of 2.46 cents;
- recognised fair value increments of \$3,677,000 (net of tax) on revaluation of the Company's land and buildings, predominantly attributable to the Aspley Central Shopping Centre;
- completed the sale of land at Home Hill in October 2016 for \$182,000 representing its carrying value;
- reduced debt by \$1,202,000 with the ability to redraw for future acquisitions/capital works as and when required;
- increased net tangible asset backing per share from 88.6 cents as at 30 June 2016 (adjusted for the share consolidation) to 97.6 cents as at 31 December 2016;
- paid a total final dividend of \$1,169,000 (3.3 cents per share adjusted for the share consolidation) on 14 October 2016 in respect of the year ended 30 June 2016;
- issued a total of 12,850,600 pre-consolidation ordinary shares to participating shareholders under the Dividend Reinvestment Plan in relation to the final dividend at an issue price of 8.43 cents per pre-consolidation share (84.3 cents per share on an adjusted basis); and
- completed a 1 for 10 share consolidation (subject to rounding) resulting in a reduction in the number of shares on issue from 367,231,140 shares to 36,723,117 shares on issue.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the half-year other than as disclosed elsewhere in the interim financial report.

Significant after balance date events

Other than the proposed interim dividend in respect of the half-year ended 31 December 2016 referred to above, there are no other matters or circumstances that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company 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* accompanies this report.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT (continued)

in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Legislative Instrument.

This report is made in accordance with a resolution of the directors.



J M Ganim
Director

Dated this 28th day of February 2017



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WARWICK FACE
NIGEL BATTERS
COLE WILKINSON
SIMON CHUN

The Directors
Eumundi Group Limited
Level 15
10 Market Street
BRISBANE QLD 4000

Auditor's Independence Declaration

As lead auditor for the review of Eumundi Group Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, 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.

This declaration is in respect of Eumundi Group Limited and the entities it controlled during the period.

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
28 February 2017

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	31 Dec 16 \$'000	30 Jun 16 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		1,253	1,512
Trade and other receivables		215	183
Inventories	3	1,487	1,454
Other assets		324	437
Total current assets		3,279	3,586
Non-current assets			
Property, plant and equipment	4	32,544	27,600
Investment properties	5	13,700	13,700
Intangible assets		543	545
Total non-current assets		46,787	41,845
Total assets		50,066	45,431
LIABILITIES			
Current liabilities			
Trade and other payables		2,761	2,944
Income tax payable		132	103
Provisions		311	357
Total current liabilities		3,204	3,404
Non-current liabilities			
Borrowings	6	7,532	8,734
Deferred tax liabilities		2,921	1,358
Total non-current liabilities		10,453	10,092
Total liabilities		13,657	13,496
Net assets		36,409	31,935
EQUITY			
Contributed equity	7	21,812	20,733
Reserves		8,913	5,236
Retained profits		5,684	5,966
Total equity		36,409	31,935

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Notes	31 Dec 16 \$'000	31 Dec 15 \$'000
Revenue			
Sale of goods		6,706	6,445
Gaming revenue		4,605	3,763
Rental income and recoverable outgoings		1,187	1,225
Other		299	277
		12,797	11,710
Other income			
Net gain on fair value adjustment - investment properties	5	50	-
		12,847	11,710
Expenses			
Purchase of inventories		(4,621)	(4,628)
Change in inventories		33	203
Selling and promotional costs		(495)	(429)
Employee benefits expense		(2,032)	(2,011)
Depreciation and amortisation		(463)	(417)
Insurance		(54)	(49)
Operating lease rentals		(183)	(169)
Rates and taxes		(54)	(55)
Electricity		(143)	(128)
Outgoings – investment properties		(442)	(408)
Gaming machine tax		(2,296)	(1,840)
Finance costs		(167)	(182)
Listing and corporate governance costs		(195)	(166)
Other expenses		(470)	(440)
Total expenses		(11,582)	(10,719)
Profit before income tax		1,265	991
Income tax expense		(378)	(312)
Profit for the half-year		887	679
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value revaluations of land and buildings		5,253	-
Income tax expense on items of other comprehensive income		(1,576)	-
Other comprehensive income for the half-year, net of tax		3,677	-
Total comprehensive income for the half-year		4,564	679
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic and diluted earnings per share (cents)		2.46¢	2.03¢*

*Prior period earnings per share has been restated to reflect the consolidation of the company's issued capital on the basis of 1 for every 10 shares.

The above consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Notes	Contributed equity \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2016		20,733	5,236	5,966	31,935
Profit for the half-year		-	-	887	887
Other comprehensive income – net of tax		-	3,677	-	3,677
Total comprehensive income for the half-year		-	3,677	887	4,564
Transactions with owners in their capacity as owners					
Dividend paid to shareholders	8	-	-	(1,169)	(1,169)
Contributions of equity net of transaction costs and tax	7	1,079	-	-	1,079
Balance at 31 December 2016		21,812	8,913	5,684	36,409
Balance at 1 July 2015		19,192	3,704	5,730	28,626
Profit for the half-year		-	-	679	679
Total comprehensive income for the half-year		-	-	679	679
Transactions with owners in their capacity as owners					
Dividend paid to shareholders	8	-	-	(985)	(985)
Contributions of equity net of transaction costs and tax	7	869	-	-	869
Balance at 31 December 2015		20,061	3,704	5,424	29,189

The above consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Notes	31 Dec 16 \$'000	31 Dec 15 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,892	12,621
Payments to suppliers and employees		(12,360)	(10,851)
Interest received		1	6
Finance costs		(144)	(182)
Income tax paid		(361)	(470)
Net cash provided by operating activities		1,028	1,124
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property plant and equipment		9	-
Proceeds from disposal of land held for resale	3	182	-
Payments for property, plant and equipment		(163)	(694)
Net cash used in investing activities		28	(694)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		50	-
Repayment of borrowings		(1,275)	(349)
Dividend paid		(86)	(116)
Share issue costs		(4)	-
Net cash used in financing activities		(1,315)	(465)
Net increase in cash and cash equivalents		(259)	(35)
Cash and cash equivalents at beginning of the reporting half-year		1,512	1,449
Cash and cash equivalents at end of the reporting half-year		1,253	1,414

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

1. BASIS OF PREPARATION OF INTERIM REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures that the interim financial statements and notes also comply with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted in the Group's annual financial report for the year ended 30 June 2016. The Group has adopted all the mandatory new and amended Accounting Standards issued that are relevant to its operations and effective for the current reporting period. There was no material impact on the financial report as a result of the adoption of these standards.

2. SEGMENT INFORMATION

Reportable segments

Hotel Operations - The hotel operations segment sells packaged alcoholic beverages through its retail outlets, sells food and alcoholic beverages on-premise through bars and restaurants and operates licensed gaming venues.

Investment Properties - The investment properties segment owns and leases investment property assets to retail tenants.

Half-year to 31 Dec 2016	Hotel Operations \$'000	Investment Properties \$'000	Total \$'000
Revenue			
Sales to external customers	11,310	1,187	12,497
Inter-segment revenue	-	198	198
Other revenue	299	-	299
Total segment revenue	11,609	1,385	12,994
Intersegment elimination			(198)
Interest revenue			1
Total revenue			12,797
Results			
Segment results	1,048	943	1,991
Unallocated revenue less unallocated expenses			(776)
Fair value adjustment on investment properties			50
Profit before income tax			1,265
Income tax expense			(378)
Profit for the half-year			887

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

2. SEGMENT INFORMATION (continued)

	Hotel Operations \$'000	Investment Properties \$'000	Total \$'000
Half-year to 31 Dec 2015			
Revenue			
Sales to external customers	10,208	1,225	11,433
Inter-segment revenue	-	193	193
Other revenue	271	-	271
Total segment revenue	10,479	1,418	11,897
Intersegment elimination			(193)
Interest revenue			6
Total revenue			<u>11,710</u>
Results			
Segment results	*716	1,010	1,726
Unallocated revenue less unallocated expenses			(735)
Profit before income tax			991
Income tax expense			(312)
Profit for the half-year			<u>679</u>

*Aspley Central Tavern renovations were completed in August 2015 at which time full trading recommenced. Costs were incurred during renovations.

3. INVENTORIES

	31 Dec 2016 \$'000	30 Jun 2016 \$'000
Finished goods – at cost	1,487	1,272
Land held for resale (Home Hill)	-	182
	<u>1,487</u>	<u>1,454</u>

On 27 October 2016, the group disposed of Home Hill land held for resale at its carrying value.

4. PROPERTY, PLANT AND EQUIPMENT

The basis of valuation of land and buildings is fair value being the price that would be received to sell the assets in an orderly transaction between market participants at balance date, based upon current prices in an active market for similar properties in the same location and condition.

The 31 December 2016 valuation of Aspley Central Shopping Centre land and buildings (\$20,500,000) was based on an independent valuation by a member of the Australian Property Institute for bank security purposes dated 24 February 2017. This resulted in a fair value revaluation increment of \$5,186,000 (\$3,630,000 net of tax).

The valuation of Ashmore Tavern land and buildings (\$10,690,000) was based upon the directors' internal valuation and resulted in a fair value revaluation increment of \$67,000 (\$47,000 net of tax). In arriving at fair value, the directors considered whether there were any changes to the significant inputs into the last independent valuation of the property.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

Movement in property, plant and equipment for the half-year is as follows:

	Freehold land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Half-year ended 31 December 2016				
Opening net book amount 1 July 2016	9,090	17,099	1,411	27,600
Revaluation increment	-	5,253	-	5,253
Additions	-	-	210	210
Disposals	-	-	(10)	(10)
Straight line rentals	-	(48)	-	(48)
Depreciation charge	-	(204)	(257)	(461)
Closing net book amount 31 December 2016	9,090	22,100	1,354	32,544

	Freehold land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Half-year ended 31 December 2015				
Opening net book amount 1 July 2015	8,350	15,469	1,038	24,857
Additions	-	278	416	694
Straight line rentals	-	(36)	-	(36)
Depreciation charge	-	(194)	(222)	(416)
Closing net book amount 31 December 2015	8,350	15,517	1,232	25,099

There were no commitments for capital expenditure as at 31 December 2016.

5. INVESTMENT PROPERTIES

Overall movement in investment properties was as follows:

	2016 \$'000	2015 \$'000
At 30 June	13,700	12,600
Straight line rentals	(50)	(11)
Net gain from fair value adjustment	50	-
At 31 December	13,700	12,589

The basis of valuation of investment properties is fair value being the price that would be received to sell the properties in an orderly transaction between market participants at balance date, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The table below summarises the adopted fair value for the investment property as at balance date.

Investment Property	Acquisition Date	Cost Including Additions \$'000	Last Independent Valuation Date	Last Independent Valuation \$'000	Book Value	
					31 Dec 2016 \$'000	30 Jun 2016 \$'000
Aspley Arcade Shopping Village	Jun 2007	13,000	Aug 2016	13,700	13,700	13,700

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

The December 2016 fair value assessment for Aspley Arcade Shopping Village was based on directors' internal valuation.

In arriving at fair value, the Directors considered whether there were any changes to the last independent valuation and determined the fair value of the property using capitalised income projections based on the property's net market income.

6. FINANCE FACILITIES

Details of the facilities drawn at 31 December 2016 are outlined below.

Amount Drawn (Face Value)		Repayment Terms
31 Dec 16 \$'000	30 Jun 16 \$'000	
2,350	2,300	Interest only until expiry
2,000	2,000	Interest only until expiry
1,885	2,050	Interest only until expiry
1,290	2,400	Interest only until expiry
7,525	8,750	

The amount recognised in the statement of financial position is net of discounts and other transaction costs plus interest accrual.

As at 31 December 2016 the Group retained unrestricted access to commercial loan facilities of \$12,000,000 of which \$4,475,000 was undrawn. Commercial loan facilities expire on 31 March 2019.

7. CONTRIBUTED EQUITY

Movements in share capital	No. of Shares	Issue Price (cents per share)	\$'000
Balance at 30 June 2015	328,464,734		19,192
Shares issued under DRP	14,764,380	5.89	869
Balance at 31 December 2015	343,229,114		20,061
Balance at 30 June 2016	354,380,540		20,733
Shares issued under DRP	12,850,600	8.43	1,083
Share issue costs (net of tax)	-		(4)
	367,231,140		21,812
Share consolidation reduction*	(330,508,023)		-
Balance at 31 December 2016	36,723,117		21,812

* At the annual general meeting on 18 November 2016, the shareholders approved a 1 for 10 consolidation of share capital. The share consolidation was completed on 29 November 2016. The consolidation applied equally to all shareholders and as such, individual shareholdings were reduced in the same ratio as the total number of shares (subject to rounding). After consolidation there were 36,723,117 ordinary shares on issue.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

8. DIVIDENDS

Dividends paid to members during the half-year were as follows:

	2016 \$'000	2015 \$'000
Final fully franked (at 30%) dividend of 0.33* cents per fully paid ordinary share paid on 14 October 2016 (2015: 0.30* cents per share)	1,169	985
Proposed interim fully franked (at 30%) dividend of 2.25 cents per fully paid ordinary share payable on 13 March 2017 but not recognised as a liability (2015: 0.22* cents per share)	826	755

* Before 1 for 10 consolidation.

9. SUBSEQUENT EVENTS

There are no other matters or events that have arisen since 31 December 2016 not otherwise disclosed in the above notes that have significantly affected, or may significantly affect the consolidated entity's operations in future financial years or the results of those operations in future financial years or the state of affairs in future financial years.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

In the opinion of the directors the accompanying financial statements and notes:

- (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that Eumundi Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



J M Ganim
Director

Dated this 28th day of February 2017



PITCHER PARTNERS

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Eumundi Group Limited,

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eumundi Group Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's 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 the consolidated entity's financial position as at 31 December 2016 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 Eumundi 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*.

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 Eumundi Group Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PITCHER PARTNERS



NIGEL BATTERS
Partner

Brisbane, Queensland
28 February 2017