

BOJUN AGRICULTURE HOLDINGS LIMITED

ACN 618 962 253

**APPENDIX 4D AND
INTERIM FINANCIAL REPORT
For the half-year ended 31 March 2018**

BOJUN AGRICULTURE HOLDINGS LIMITED
ACN 618 962 253
Appendix 4D

1. Details of the reporting period

Current Reporting Period: 1 October 2017 - 31 March 2018

Previous Corresponding Period: 1 October 2016 - 31 March 2017

2. Result for announcement to the market

	Comparison to previous period	Increase/Decrease	Change %	To \$
2.1	Revenue from continuing operations	Increase	29.23%	46,358,998
2.2	Profit from ordinary activities after income tax attributable to members	decrease	37.94%	3,376,033
2.3	Net profit attributable to members	decrease	37.94%	3,376,033

3. Net tangible assets per ordinary share

	31 March 2018	30 September 2017
	Cents	Cents
Net tangible assets per ordinary share	53.27	51.91

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

N/A

5. Dividend Payment Information

No dividend is declared for this period.

6. Dividend/distribution reinvestment plan

N/A

7. Review Disputes or Qualifications

There are no review disputes or qualifications.

8. Accounting Standards

Australian Accounting Standards have been used in complying the information contained in Appendix 4D.

BOJUN AGRICULTURE HOLDINGS LIMITED

ACN 618 962 253

**HALF YEAR FINANCIAL REPORT
ENDED 31 MARCH 2018**

BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018
FINANCIAL REPORT

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**BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018**

CORPORATE DIRECTORY

Directors	Mr Andrew John Stoner (Non-Executive Chairman) Mr Chen Chik Ong (Non-Executive Director & Company Secretary) Mr Qingfeng Zhang (Executive Director) Dr Bo Zhu (Executive Director) Ms Zhen Yu (Executive Director)
Company Secretary	Mr Chen Chik Ong
Registered Office	TOWER ONE – INTERNATIONAL TOWNERS, SYDNEY Level 46 100 Barangaroo Avenue, Sydney NSW 2000
Principal Place of Business in Australia	TOWER ONE – INTERNATIONAL TOWNERS, SYDNEY Level 46 100 Barangaroo Avenue, Sydney NSW 2000
Principal Place of Business in China	Jinshankou Industrial Park, Nancheng Xian, Fuzhou City, Jiangxi, China
Share Register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000
Auditor	UHY Haines Norton Level 11 1 York Street Sydney NSW 2000
Bankers	Industrial and Commercial Bank of China, Sydney Branch Level 1, 220 George Street, Sydney NSW 2000
Website address	http://www.bojunagriculture.com/ (English Website)

BOJUN AGRICULTURE HOLDINGS LIMITED

FOR THE HALF YEAR ENDED 31 MARCH 2018

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity consisting of Bojun Agriculture Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 March 2018. Throughout the report, the consolidated entity is referred to as the Group.

The Company was incorporated in New South Wales on 8 May 2017 as the vehicle for listing on the ASX of the business carried out by the Chinese subsidiary company Jiangxi Bojun Ecological Agriculture Development Co., Limited ('Bojun China'). In accordance with the Australian Accounting Standards, the restructure constitutes a capital re-organisation rather than a business combination with Bojun China deemed to be the acquirer for accounting purposes.

The accompanying consolidated financial statements represent a continuation of Bojun China's financial statements. The consolidated results reflect the half year of operating activities of Group from 1 October 2017 to 31 March 2018 and the comparatives represent the activities of Bojun China only for the half year 1 October 2016 to 31 March 2017.

Directors

The following persons were directors of Bojun Agriculture Holdings Limited during the financial half year and up to the date of this report, unless otherwise stated:

Mr Andrew John Stoner (Non-Executive Chairman)
Mr Chen Chik Ong (Non-Executive Director & Company Secretary)
Mr Qingfeng Zhang (Executive Director)
Dr Bo Zhu (Executive Director)
Ms Zhen Yu (Executive Director)

Review of operations and financial results

Commentary on half-year results

Through this report, the board of directors seeks to provide information to its shareholders and the market on the results achieved for the half year ended 31 March 2018.

The Group realized an after-tax profit from continuing operations of \$3.38 million for the half year ended 31 March 2018 which represented a decrease of 38% compared to the half year ended 31 March 2017, this is due to an increase in operating expenses by 125% to \$7 million driven by an IPO costs amount of \$1.3m and increased R&D costs amount to \$2 million.

The Group's cash and cash equivalents reserves as at 31 March 2018 were \$20.45 million.

Corporate result summary

The Group is engaged in the business of manufacturing processed foods and beverages, which are derived from agricultural fruit produce. Its key products include fruit cider vinegar beverages and fruits confections. These products are produced with natural fruit and contain no preservatives, artificial colours and artificial flavours.

For the reporting period, the Group, through its wholly owned China-based subsidiaries, achieved the following:

- The Group has a strong cash position of \$20.45 million, to allow for expansion opportunities.
- The Group's net profit before tax (NPBT) of \$4.22 million, 32.8% lower than previous comparative period NPBT of \$6.28 million.
- The Group's revenue was \$46.36 million, 29% higher than prior period.

Events after the End of the Reporting Period

As at the date of this directors' report, the directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

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.

BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Bo Zhu', written over a horizontal line.

Bo Zhu
Executive Director

31 May 2018
Jiangxi, China

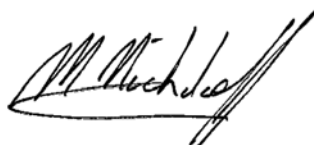
**Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001**

To the Directors of Bojun Agriculture Holdings Limited

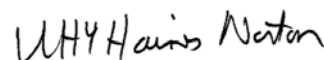
I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 March 2018, there have been:

- (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 Bojun Agriculture Holdings Limited and the entities it controlled during the financial period.



Mark Nicholaeff
Partner
Signed at Sydney
31st May 2018



UHY Haines Norton
Chartered Accountants

BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Half-year ended 31 March 2018 \$	Half-year ended 31 March 2017 \$
Sales revenue	4	46,358,998	35,871,271
Cost of sales		35,360,706	26,696,094
Gross profit		10,998,292	9,175,177
Other revenue	4	241,751	228,250
Administration expenses		941,545	493,985
Selling and distribution expenses		2,672,482	1,775,017
Listing expenses		1,328,393	-
Finance costs		65,239	-
Research and development expenses		2,003,880	853,423
Other expenses		4,643	
Profit before income tax expense		4,223,861	6,281,002
Income tax expense		847,828	840,409
Net profit for the half year		3,376,033	5,440,593
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		4,214,105	(1,161,587)
Other comprehensive income for the half year, net of tax		4,214,105	(1,161,587)
Total comprehensive income for the half year		7,590,138	4,279,006
Profit for the half year is attributable to:			
Owners of BOJUN AGRICULTURE HOLDINGS LIMITED		3,376,033	5,440,593
		3,376,033	5,440,593
Total comprehensive income for the half year is attributable to:			
Owners of BOJUN AGRICULTURE HOLDINGS LIMITED		7,590,138	4,279,006
		7,590,138	4,279,006
Earnings per share for the period		Cents	Cents
Basic earnings per share	16	2.99	5.67
Diluted earnings per share	16	2.99	5.67

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

BOJUN AGRICULTURE HOLDINGS LIMITED
AS AT 31 MARCH 2018

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 March 2018	30 September 2017
	Notes	\$	\$
Cash and cash equivalents	6	20,454,144	11,247,923
Trade and other receivables		29,859,677	22,640,054
Inventories	7	13,482,020	12,153,912
Prepayments and other assets	8	16,858	1,210,302
Current assets		63,812,699	47,252,191
Property, plant and equipment		2,838,648	2,459,293
Prepaid lease assets		1,881,201	1,757,939
Non-current assets		4,719,849	4,217,232
Total assets		68,532,548	51,469,423
Trade and other payables		585,777	576,956
Borrowings	9	1,950,693	-
Current tax liabilities		1,027,322	831,989
Deferred revenue		68,412	63,191
Current liabilities		3,632,204	1,472,136
Deferred tax liabilities		172,725	160,390
Non-current liabilities		172,725	160,390
Total liabilities		3,804,929	1,632,526
Net assets		64,727,619	49,836,897
Share capital	10	8,272,864	972,280
Reserves		7,273,655	3,059,550
Retained earnings		49,181,100	45,805,067
Total equity		64,727,619	49,836,897

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

BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves	Retained earnings	Total equity
	\$		\$	\$
Balance at 1 October 2017	972,280	3,059,550	45,805,067	49,836,897
Profit for the period	-	-	3,376,033	3,376,033
Other comprehensive income	-	4,214,105		4,214,105
Total comprehensive income for the half year	-	4,214,105	3,376,033	7,590,138
<i>Transactions with owners in their capacity as owners:</i>				
New issued shares in IPO (Less issue costs)	7,300,584	-		7,300,584
Balance at 31 March 2018	8,272,864	7,273,655	49,181,100	64,727,619
Balance at 1 October 2016	972,280	3,884,585	35,348,339	40,205,204
Profit for the period	-	-	5,440,593	5,440,593
Other comprehensive income	-	(1,161,587)	-	(1,161,587)
Total comprehensive income for the half year	-	(1,161,587)	5,440,593	4,279,006
Balance at 31 March 2017	972,280	2,722,998	40,788,932	44,484,210

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

BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Half-year ended 31 March 2018 \$	Half-year ended 31 March 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	41,230,533	33,853,084
Payments to suppliers and employees	(41,572,714)	(31,506,202)
Interest received	1,664	
Government grant received	128,923	135,135
Interest and other finance cost paid	(65,239)	1,370
Income tax paid	(726,239)	(853,029)
CASH PROVIDED BY OPERATING ACTIVITIES	<u>(1,003,072)</u>	<u>1,630,358</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment	(363,056)	(89,677)
CASH USED IN INVESTING ACTIVITIES	<u>(363,056)</u>	<u>(89,677)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	7,657,169	-
Proceeds from borrowings	1,864,204	-
Payment for IPO costs	-	(674,104)
CASH PROVIDED BY FINANCING ACTIVITIES	<u>9,521,373</u>	<u>(674,104)</u>
NET INCREASE IN CASH	8,155,245	866,577
CASH AT THE BEGINNING OF THE FINANCIAL HALF-YEAR	11,247,923	7,944,651
Effect of exchange rate changes on cash and cash equivalents	1,050,976	(226,251)
CASH AT THE END OF THE FINANCIAL HALF-YEAR	<u><u>20,454,144</u></u>	<u><u>8,584,977</u></u>

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

BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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**BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Corporate Information

The consolidated financial statements is of Bojun Agriculture Holdings Limited ("the Company") and its subsidiaries for the half-year ended 31 March 2018. The subsidiaries are

- Bojun International Holding Co., Ltd ('Bojun BVI')
- Hong Kong Bojun Investment Management Co., Ltd ('Bojun HK')
- Shenzhen Bojun Management Consulting Co., Ltd ('WFOE')
- Jiangxi Bojun Ecological Agriculture Development Co., Limited ("Bojun China")

The Company and its subsidiaries together are referred to in these financial statements as Group.

The Company is engaged in the business of manufacturing processed foods and beverages, which are derived from agricultural fruit produce. Its key products include fruit cider vinegar beverages and fruit confections. These products are produced with natural fruit and contain no preservatives, artificial colours and artificial flavours.

Restructuring

Bojun Agriculture Holdings Limited is a public, company limited by shares, incorporated in Australia and was established on 8 May 2017.

The operating business company is Jiangxi Bojun Ecological Agriculture Development Co., Limited ("Bojun China").

In order to IPO on the ASX, a Group restructure, commenced on 14 June 2016 and completed on 30 June 2017, resulted in:

- the acquisition of 100% of Bojun International Holding Co., Ltd ('Bojun BVI'), which is a company incorporated in the British Virgin Islands, by the Company;
- the acquisition of 100% of Hong Kong Bojun Investment Management Co., Ltd ('Bojun HK'), which is a company incorporated in Hong Kong, by Bojun BVI;
- the acquisition of 100% of Shenzhen Bojun Management Consulting Co., Ltd, which is a wholly foreign-owned enterprise incorporated in China ('WFOE'), by Bojun HK; and
- the acquisition of 100% of Bojun China by the WFOE.

The Directors have elected to account for the restructure as a capital re-organisation rather than a business combination. As such, the consolidated financial statements of the Group will be presented as a continuation of the pre-existing accounting values of assets and liabilities in the Bojun China financial statements with Bojun China deemed to be the acquirer for accounting purposes. The consolidated results reflect the half year of operating activities of Group from 1 October 2017 to 31 March 2018 and the comparatives represent the activities of Bojun China only for the half year 1 October 2016 to 31 March 2017.

Note 2: Summary of Significant Accounting Policies

a) Basis of preparation

These interim condensed consolidated financial statements for the half-year reporting period ended 31 March 2018 have been prepared in accordance with requirements of *Corporation Act 2001* and Australian Accounting Standards AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The interim financial report is intended to provide users with an update on the latest financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 September 2017, together with any public announcements made during the half-year and to the date of this report in accordance with continuous disclosure requirements of *Corporation Act 2001*.

These interim financial statements were authorized for issue on 31 May 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2: Summary of Significant Accounting Policies

b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim condensed consolidated financial report as were applied in the most recent annual financial report as at and for the year ended 30 September 2017.

The Group has considered the implications of new or amended Accounting Standards applicable for the period and has determined that their application to the financial statements is either not relevant or not material.

Note 3: Segment Reporting

Description of segment

Operating segments have been determined on the basis of reports reviewed by the Board of Directors ('Board'). The Board is considered to be the chief operating decision makers of the group. The Board considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The reportable segments are as follows:

The Group has two operating segments, which are fruit cider vinegar products and fruit confections products.

- Fruit cider vinegar: a natural fruit-based drink, which is produced from Nanfeng Mandarins via a fermentation process that aims to retain the natural flavours and nutritional value of the fruit, such that no artificial ingredients are used.
- Fruit confections: a fruit-based snack produced from a range of raw materials, including fruits such as strawberry, blueberry, kiwi fruit, pumpkin and Nanfeng Mandarins. These fruit confection products aim to retain the various health benefits of the fruits from which they are made.

Entity-wide disclosures

Geographical information

Sales revenues and non-current assets by geographical location is as follows:

Geographic location	Revenues from		Non-current assets	
	Half-year ended 31 March 2018	Half-year ended 31 March 2017	31 March 2018	30 September 2017
	\$	\$	\$	\$
China	46,358,998	35,871,271	4,719,849	4,217,232
	46,358,998	35,871,271	4,719,849	4,217,232

Entity-wide disclosures

Products and services

Revenues from external customers for each group of similar products and services are as follows:

	Fruit cider vinegar products	Fruit Confections business	Total
Half-year ended 31 March 2018			
Segment revenue	\$	\$	\$
Revenues from external customers	35,403,817	10,955,181	46,358,998
Gross profit	6,873,967	4,124,325	10,998,292
Half-year ended 31 March 2017			
Segment revenue	\$	\$	\$
Revenues from external customers	26,538,480	9,332,791	35,871,271
Gross profit	5,551,482	3,623,695	9,175,177

BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4: Sales Revenue and Other Revenue

	Half-year ended 31 March 2018 \$	Half-year ended 31 March 2017 \$
<i>Sales revenue</i>		
Sale of goods	46,358,998	35,871,271
	<u>46,358,998</u>	<u>35,871,271</u>
<i>Other income</i>		
Interest income	5,229	1,370
Trademark licensing income	128,923	87,569
Government grant	-	139,311
Foreign exchange gain	107,599	-
	<u>241,751</u>	<u>228,250</u>

Note 5: Expenses

	Half-year ended 31 March 2018 \$	Half-year ended 31 March 2017 \$
Profit before income tax includes the following specific expenses:		
Cost of sales		
Cost of goods sold	35,360,706	26,696,094
Depreciation		
Building and improvement	54,755	55,468
Production equipment	77,249	49,694
Furniture, fittings and equipment	36,887	35,102
Motor vehicles	19,847	19,401
Total depreciation	<u>188,738</u>	<u>159,665</u>
Employee benefits expenses		
Employee benefits expense	866,837	758,452
Total employee benefits expenses	<u>866,837</u>	<u>758,452</u>

Note 6: Cash and Cash Equivalents

	31 March 2018 \$	30 September 2017 \$
Cash on hand	1,118	597
Cash at bank	20,453,026	11,247,326
	<u>20,454,144</u>	<u>11,247,923</u>

Note 7: Inventories

	31 March 2018 \$	30 September 2017 \$
Raw material – at cost	825,711	1,817,530
Work in progress – at cost	11,861,001	8,326,235
Finished goods - at cost	795,308	2,010,147
	<u>13,482,020</u>	<u>12,153,912</u>

BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 8: Prepayments and Other Assets

	31 March 2018 \$	30 September 2017 \$
Prepayments	16,858	2,924
Prepaid listing fees	-	1,207,378
	<u>16,858</u>	<u>1,210,302</u>

Note 9: Borrowings

	31 March 2018 \$	30 September 2017 \$
Borrowings from bank	1,950,693	-
	<u>1,950,693</u>	<u>-</u>

The Group has received a bank loan of RMB9,600,000 from Jiangxi Rural Credit Union & Rural Commercial Bank & Cooperative Bank on 23 October 2017. The term of the loan is 12 months from 23 October 2017 to 22 October 2018 attracting an annual interest rate of 9.18% and the guarantor of the loan is Nancheng County SME Credit Guarantee Center.

Note 10: Share Capital

(a) Share capital

	31 March 2018		30 September 2017
	Shares	\$	Shares
Ordinary shares fully paid	121,512,013	8,272,864	96,000,000
			972,280

(b) Movements in share capital

Details	Date	Number of shares	Issue price	\$
Balance at 1 October 2015		96,000,000		972,280
Issued shares as part of IPO	1 December 2017	25,512,013	\$0.30	7,653,604
Less: issue costs	1 December 2017	-	-	(353,020)
At 31 March 2018		<u>121,512,013</u>		<u>8,272,864</u>

Note 11: Related Party Transactions

Ultimate parent

The parent entity of the Group is Bojun Agriculture Holdings Limited.

Subsidiaries

Interests in subsidiaries are set out in note 12.

BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12: Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.

Name of entity	Countries of incorporation	Ownership interest	
		31 March 2018	30 September 2017
		%	%
Hong Kong Bojun Investment Management Co., Ltd	Hong Kong	100	100
Shenzhen Bojun Management Consulting Co., Ltd	People's republic of China	100	100
Jiangxi Bojun Ecological Agriculture Development Co., Limited	People's republic of China	100	100
Bojun International Holdings Co., Ltd	British Virgin Island	100	100

Note 13: Contingent Liabilities

The Group had no contingent liabilities as at 31 March 2018 and 30 September 2017.

Note 14: Commitments

The Group had no commitments as at 31 March 2018 and 30 September 2017.

Note 15: Events after the End of the Reporting Period

As at the date of this report, the directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

Note 16: Earnings per Share

Reconciliation of earnings used in calculating earnings per share

	Half-year ended 31 March 2018 \$	Half-year ended 31 March 2017 \$
Basic earnings per share		
Profit after income tax attributable to owners of Bojun Agriculture Holdings Limited used to calculate basic earnings per share:	3,376,033	5,440,593
Diluted earnings per share		
Profit after income tax attributable to owners of Bojun Agriculture Holdings Limited used to calculate diluted earnings per share:	3,376,033	5,440,593
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	112,914,042	96,000,000
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	112,914,042	96,000,000

Diluted earnings per share are equal to basic earnings per share as the Group has not issued any dilutive instruments.

BOJUN AGRICULTURE HOLDINGS LIMITED
FOR THE HALF YEAR ENDED 31 MARCH 2018

DIRECTORS' DECLARATION

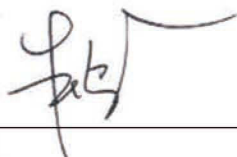
In accordance with a resolution of the directors of Bojun Agriculture Holdings Limited, the directors of the Group declare that:

1. The interim condensed consolidated financial statements and notes, as set out on pages 6 to 15, are in accordance with the *Corporation Act 2001*, including:

- complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- giving a true and fair view of the Group's financial position as at 31 March 2018 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



Bo Zhu
Executive Director

31 May 2018
Jiangxi, China

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Bojun Agriculture Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bojun Agriculture Holdings Limited ("the company"), which comprises the consolidated statement of financial position as at 31 March 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year 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 controls as the directors determine are necessary to enable the preparation of the half-year financial report that 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 Australian 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 March 2018 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bojun Agriculture Holdings Limited and the entities it controlled during the half-year, 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.

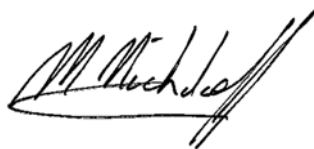
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

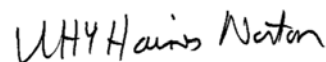
Conclusion

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 Bojun Agriculture Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of consolidated entity's financial position as at 31 March 2018 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Mark Nicholaeff
Partner
Signed at Sydney
31st May 2018



UHY Haines Norton
Chartered Accountants