

1. Company details

Name of entity:	Roto-Gro International Limited
ACN:	606 066 059
Reporting period:	For the half-year ended 31 December 2016
Previous period:	For the half-year ended 31 December 2015

2. Results for announcement to the market

Revenue	up	100.0% to	\$206
Loss from ordinary activities after tax attributable to the owners of Roto-Gro International Ltd	down	73.7% to	\$88,939
Loss for the half-year attributable to the owners of Roto-Gro International Ltd	down	73.7% to	\$88,939

3. Review of Operations

Refer to Directors' Report included in the attached half-year financial report.

4. Earnings Per Share

	Reporting period Cents	Previous period Cents
Loss per Share (Basic & Diluted)	<u>(0.56)</u>	<u>(2.92)</u>

5. Net tangible assets

	Reporting period \$	Previous period \$
Net tangible assets per ordinary security	<u>\$0.003</u>	<u>\$0.007</u>

6. Control gained over entities

No new control gained over entities.

7. Loss of control over entities


	Reporting period	30 June 2016
No new loss of control over entities.		

8. Compliance Statement

The report is based on financial statements reviewed by the auditor, a copy of which is attached.

Signed in accordance with a resolution of Directors.

On behalf of the Directors:



Signed _____

Date: 28 February 2017

Stephen Brockhurst
Non-Executive Director



International Limited

ABN: 84 606 066 059

Interim Financial Report
For the Half-Year Ended December 2016

ROTO-GRO INTERNATIONAL LIMITED

**INTERIM FINANCIAL REPORT
For the Half-Year Ended 31 December 2016**

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ROTO-GRO INTERNATIONAL LIMITED

COMPANY DIRECTORY

MANAGING DIRECTOR

Michael Carli

NON-EXECUTIVE DIRECTORS

Michael Slater

Stephen Brockhurst

David Palumbo

COMPANY SECRETARY

David Palumbo

REGISTERED OFFICE

Level 11, 216 St Georges Terrace

PERTH WA 6000

Telephone: (08) 9481 0389

Facsimile: (08) 9481 6103

AUDITORS

RSM Australia Partners

8 St Georges Terrace

PERTH WA 6000

SHARE REGISTRAR

Link Market Services Limited

Level 4, 152 St Georges Terrace

PERTH WA 6000

Telephone: 1800 647 819

Facsimile: (02) 9287 0303

Email: info@linkmarketservices.com.au

STOCK EXCHANGE CODE

RGI

ROTO-GRO INTERNATIONAL LIMITED

DIRECTORS' REPORT

Your Directors submit the financial report of the Roto-Gro International Limited (referred to hereafter as the “Company”) for the half-year ended 31 December 2016.

DIRECTORS

The names of Directors who held office during or since the end of the half-year are:

Michael Carli	Managing Director (appointed 16 August 2016)
Ralph Sickinger	Former Managing Director (resigned 16 August 2016)
Michael Slater	Non-Executive Director (appointed 14 February 2017)
Stephen Brockhurst	Non-Executive Director
David Palumbo	Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial period was compilation of an initial public offer prospectus and subsequent supplementary prospectuses for the issue of up to 18,000,000 shares at an issue price of \$0.20 to raise a maximum of \$3,600,000 to list on the Australian Securities Exchange (ASX) and enable completion of the acquisition of Roto-Gro World Wide Inc (RWW), which has agreed to acquire certain rights in relation to an automated rotary hydroponic advanced garden system (Roto-Gro System). The Company was admitted to the official list of the ASX on 8 February 2017.

RESULTS

The loss after tax for the half-year ended 31 December 2016 was \$88,939 (2015: \$338,746).

REVIEW OF OPERATIONS

During the half year ended 31 December 2016, the Company executed variations to the conditional share sale agreement dated 14 August 2015 to acquire an initial 80% interest in Roto-Gro World Wide Inc (RWW) for 40,000,000 fully paid ordinary shares, 5,000,000 Class A performance rights, 7,000,000 Class B performance rights, 9,000,000 Class C performance rights and 9,000,000 Class D performance rights.

On 8 December 2016, the Company entered into an option agreement with Roto-Gro International Inc for the purpose of acquiring the remaining 20% interest in RWW for 10,000,000 fully paid ordinary shares.

SUBSEQUENT EVENTS

On 6 February 2017, the Company issued 50,000,000 fully paid ordinary shares and 30,000,000 performance rights to acquire a 100% interest in RWW, a company incorporated under Mauritius Companies Act, 2001, which has:

- an exclusive worldwide license to manufacture, market and sell the Roto-Gro System, and any improvements, for the purposes of the lawful production of medical cannabis;
- a non-exclusive licence to manufacture, market and sell the Roto-Gro System, and any improvements, for the purpose of the production of food, pharmaceuticals and herbal food additives; and
- a licence to use certain trademarks pertaining to the Roto-Gro System.

ROTO-GRO INTERNATIONAL LIMITED

DIRECTORS' REPORT

On 8 February 2017, the Company was admitted to the official list of the Australian Securities Exchange following the issue of 17,616,500 fully paid ordinary shares to raise \$3,523,300 and satisfaction of the conditions precedent to, and completion of, the conditional share sale agreement, option agreement, patent licence agreement and trademark license agreement.

On 10 February 2017, official quotation of the Company's securities commenced.

On 14 February 2017, Michael Slater was appointed Non-Executive Director of the Company.

No other matters or circumstances have arisen since the end of the period which 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2016 is included within this financial report.

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stephen Brockhurst
Non-Executive Director

Perth
Dated: 28 February 2017

ROTO-GRO INTERNATIONAL LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2016

	31 December 2016	31 December 2015
	\$	\$
Revenue	206	-
Corporate and administration expenses	(54,543)	(227,099)
Employee benefits expense	(22,946)	(35,513)
Office and occupancy expense	(8,632)	-
Travel and accommodation	(3,024)	(76,134)
	<hr/>	<hr/>
Loss before income tax expense	(88,939)	(338,746)
Income tax expense	-	-
	<hr/>	<hr/>
Loss after income tax expense for the half-year	(88,939)	(338,746)
	<hr/>	<hr/>
Other comprehensive loss		
Total comprehensive loss for the half year	-	-
	<hr/>	<hr/>
Total comprehensive loss for the half year	(88,939)	(338,746)
	<hr/>	<hr/>
Basic and diluted loss per share (cents per share)	(0.56)	(2.92)

The accompanying notes form part of this financial report

ROTO-GRO INTERNATIONAL LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

		31 December 2016	30 June 2016
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	2	846,421	134,107
Trade and other receivables		1,622	2,002
Prepayments	3	257,399	6,352
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		1,105,442	142,461
		<hr/>	<hr/>
TOTAL ASSETS		1,105,442	142,461
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade and other payables	4	1,051,124	29,204
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		1,051,124	29,204
		<hr/>	<hr/>
TOTAL LIABILITIES		1,051,124	29,204
		<hr/>	<hr/>
NET ASSETS		54,318	113,257
		<hr/>	<hr/>
EQUITY			
Issued capital	5	730,351	700,351
Accumulated losses		(676,033)	(587,094)
		<hr/>	<hr/>
TOTAL EQUITY		54,318	113,257
		<hr/>	<hr/>

The accompanying notes form part of this financial report

ROTO-GRO INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY For the Half-Year Ended 31 December 2016

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 July 2015	170,851	(138,069)	32,782
Loss for the period	-	(338,746)	(338,746)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(338,746)	(338,746)
<i>Transactions with owner directly recorded in equity:</i>			
Shares issued during the period	329,500	-	329,500
Balance at 31 December 2015	500,351	(476,815)	23,536
Balance at 1 July 2016	700,351	(587,094)	113,257
Loss for the period	-	(88,939)	(88,939)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(88,939)	(88,939)
<i>Transactions with owner directly recorded in equity:</i>			
Shares issued during the period	30,000	-	30,000
Balance at 31 December 2016	730,351	(676,033)	54,318

The accompanying notes form part of this financial report

ROTO-GRO INTERNATIONAL LIMITED

STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2016

	31 December 2016 \$	31 December 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(62,001)	(312,434)
Interest received	206	-
	<hr/>	<hr/>
Net cash used in operating activities	(61,795)	(312,434)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	30,000	329,500
Proceeds from intended issue of shares	831,168	50,000
Payments for capital raising costs associated with intended initial public offering	(87,059)	-
	<hr/>	<hr/>
Net cash provided by financing activities	774,109	379,500
	<hr/>	<hr/>
Net increase in cash held	712,314	67,066
	<hr/>	<hr/>
Cash and cash equivalents at beginning of period	134,107	53,229
	<hr/>	<hr/>
Cash and cash equivalents at end of reporting period	846,421	120,295
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of this financial report

ROTO-GRO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2016

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2016 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Roto-Gro International Limited in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial period, except in relation to the matters disclosed below.

New and Revised Accounting Standards

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Company.

ROTO-GRO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2016

2. CASH AND CASH EQUIVALENTS

	31 December 2016	30 June 2016
	\$	\$
Cash at bank	15,253	134,107
Restricted cash – share application funds	831,168	-
	<u>846,421</u>	<u>134,107</u>

3. PREPAYMENTS

	31 December 2016	30 June 2016
	\$	\$
Prepayments for capital raising costs associated with initial public offering	257,399	-
Other prepayments	-	6,352
	<u>257,399</u>	<u>6,352</u>

4. TRADE AND OTHER PAYABLES

	31 December 2016	30 June 2016
	\$	\$
Trade creditors and accruals	219,956	29,204
Share application funds	831,168	-
	<u>1,051,124</u>	<u>29,204</u>

5. ISSUED CAPITAL

	31 December 2016	30 June 2016
	\$	\$
(a) Issued and paid up capital		
Ordinary shares fully paid	<u>730,351</u>	<u>700,351</u>

	Number	\$
(b) Movement in ordinary shares on issue		
Balance at 1 July 2016	15,495,001	700,351
Seed shares issued during the period	300,000	30,000
Balance at 31 December 2016	<u>15,795,001</u>	<u>730,351</u>

ROTO-GRO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2016

6. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

7. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Company does not have any operating segments at 31 December 2016.

8. EVENTS SUBSEQUENT TO REPORTING PERIOD

On 6 February 2017, the Company issued 50,000,000 fully paid ordinary shares and 30,000,000 performance rights to acquire a 100% interest in RWW, a company incorporated under Mauritius Companies Act, 2001, which has:

- an exclusive worldwide license to manufacture, market and sell the Roto-Gro System, and any improvements, for the purposes of the lawful production of medical cannabis;
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On 10 February 2017, official quotation of the Company's securities commenced.

On 14 February 2017, Michael Slater was appointed Non-Executive Director of the Company.

No other matters or circumstances have arisen since the end of the period which 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.

9. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

ROTO-GRO INTERNATIONAL LIMITED

DIRECTORS' DECLARATION

For the Half-Year Ended 31 December 2016

In the opinion of the Directors of Roto-Gro International Limited ('the Company'):

1. The financial statements and notes thereto of the Company, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2016 and its performance for the half-year then ended.
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.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to Section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stephen Brockhurst
Non-Executive Director

Perth
Dated: 28 February 2017

RSM Australia Partners

8 St Georges Terrace Perth WA 6000

GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ROTO-GRO INTERNATIONAL LIMITED**

We have reviewed the accompanying half-year financial report of Roto-Gro International Limited which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

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 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 company'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 Roto-Gro International 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Roto-Gro International Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

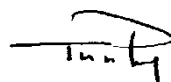
Conclusion

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 Roto-Gro International Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the 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 the *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 28 February 2017

RSM Australia Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111
www.rsm.com.au

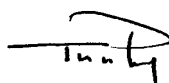
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Roto-Gro International Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 28 February 2017