

1. Company details

Name of entity:	Roto-Gro International Limited
ACN:	606 066 059
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. Results for announcement to the market

Revenue	up	2079.5% to	\$428,585
Loss from ordinary activities after tax attributable to the owners of Roto-Gro International Ltd	up	891.4% to	\$881,722
Loss for the half-year attributable to the owners of Roto-Gro International Ltd	up	891.4% to	\$881,722

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>(1.06)</u>	<u>(0.56)</u>

5. Net tangible assets

	Reporting period \$	Previous period \$
Net tangible assets per ordinary security	<u>\$0.022</u>	<u>\$0.003</u>

6. Control gained over entities

No new control gained over entities during the period.

7. Loss of control over entities

No new loss of control over entities during the period.

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 

Michael Carli
Managing Director

Date: 27 February 2018



ABN: 84 606 066 059

Interim Financial Report
For the Half-Year Ended December 2017

ROTO-GRO INTERNATIONAL LIMITED

**INTERIM FINANCIAL REPORT
For the Half-Year Ended 31 December 2017**

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ROTO-GRO INTERNATIONAL LIMITED

COMPANY DIRECTORY

MANAGING DIRECTOR

Michael Carli

NON-EXECUTIVE DIRECTORS

Michael Slater

Julian Atkinson

David Palumbo

COMPANY SECRETARY

David Palumbo

REGISTERED OFFICE

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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”) and controlled entities (referred to hereafter as the “Group”) for the half-year ended 31 December 2017.

DIRECTORS

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

Michael Carli	Managing Director
Michael Slater	Non-Executive Director
David Palumbo	Non-Executive Director
Julian Atkinson	Non-Executive Director (Appointed 5 February 2018)
Stephen Brockhurst	Non-Executive Director (Resigned 5 February 2018)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial period was the production and sale of automated rotary hydroponic advanced garden systems (Roto-Gro Systems).

RESULTS

The loss after tax for the half-year ended 31 December 2017 was \$881,722 (2016: \$88,939).

REVIEW OF OPERATIONS

Manufacturing and showroom facility

During the half-year ended 31 December 2017, RotoGro World Wide (Canada) Inc., a wholly owned subsidiary of Roto-Gro International Limited took possession of a new manufacturing and showroom facility located in the Town of Caledon, in the Province of Ontario, Canada (the “Facility”). The Facility has been completely built-out and provides for increased manufacturing and production; storage and dispatch; research and development; state-of-the-art grow rooms; and administrative offices.

The Company will plant its first growing trials at these facilities; both perishables and medicinal marijuana in the grow rooms during the next quarter to showcase the significant space, cost and yield advantages of the Roto-Gro System; display a side-by-side comparison of the equivalent space required to yield the same quantum of product under traditional ‘flat deck’ hydroponic conditions, and undertake trials to improve performance and specifications of the Company’s range of machines and services.

EuroAg

During the half-year ended 31 December 2017, the Company made delivery of 36 Roto-Gro Systems to EuroAg Corporation, in addition to the original 24 units placed into trial and pilot facilities (and which are still owned by the Company).

The original delivery schedule for EuroAg has been affected by the devastating 2017 Atlantic Hurricane Season and as such EuroAg will not complete their intended full draw down of units by the end of Q1 2018.

ROTO-GRO INTERNATIONAL LIMITED

DIRECTORS' REPORT

Due to the extenuating circumstances resulting from the devastating hurricanes, the Company is currently in dialogue with EuroAg subsequent to period end to extend the term of the original Distribution Agreement to December 31, 2018 in order to permit EuroAg to continue as a Roto-Gro Distributor for the duration of 2018.

The Company is pleased with its relationship with EuroAg and understands that the rebuilding of the CARICOM member nations after the hurricanes presents both the Company and EuroAg with a significant opportunity to develop long-term flagship perishable goods growing facilities in the region.

Amfil

The Company continues its collaborative relationship with Amfil for the integration of Amfil's proprietary GRO3 Antimicrobial System with the Roto-Gro System to provide enhanced cultivation solutions for the lawful cannabis and indoor farming industries.

Building on the first purchase order of one hundred (100) Roto-Gro Systems received from Amfil, the Company is currently working on the design and fit-out requirements for another Amfil facility which is projected to house two hundred and sixteen (216) Roto-Gro Systems. Amfil's first facility of 100 RotoGro Systems is still under construction and as such they have provided a non-refundable deposit against the first one hundred (100) Units but are yet to commence drawdown on delivery of Machines.

Growing Management Services

During the half-year ended 31 December 2017, the Company commenced working with several private and publicly-listed companies for the design and fit-out of their lawful cannabis growing facilities, two of which are currently growing in facilities under greenhouse conditions, and who are eager to utilise the Roto- Gro System to fast-track the vegetation and propagation of plants for transfer to their greenhouses.

With most greenhouses providing for one or two harvests per year (depending on geographical location and contingent on additional setup with light and temperature control), the plan is for Roto- Gro Systems to be used for traditional indoor hydroponic growing when not propagating plants for the greenhouses. The design support, drafting of specifications and liaising with local municipalities continues.

Strategic Partnerships and Complimentary Acquisitions

The Company is working towards a strategic partnership or acquisition in the fertigation space to provide complimentary and value add services to the Roto-Gro Hydroponic Garden System in addition to providing stand-alone solutions to greenhouse and traditional flat deck cultivators of lawful cannabis. An acquisition or strategic partnership in this space will provide for design solutions of controlled water treatment and nutrient management systems for all other purposes including pharmaceuticals, health and nutrition supplements, nutraceuticals and perishable foods. This will further expand the Company's revenue streams and its footprint as a global solutions provider to the agricultural industry.

ROTO-GRO INTERNATIONAL LIMITED

DIRECTORS' REPORT

The Company also continues its search and evaluation of a nutrients business for acquisition or a white labelling agreement in order to meet the Company's ongoing growing management service needs; post order, delivery and setup of customer operations. The Company sees a valuable revenue stream in both providing nutrients and supporting the Company's licensed iGrow™ software management system.

SUBSEQUENT EVENTS

On 15 January 2018, the Company issued 2,950,000 options at an exercise price of \$0.65 expiring 15 January 2020. The options were granted on 12 January 2018 and issued to employees and consultants under the Company's Incentive Plan.

On 5 February 2018, Julian Atkinson was appointed Non-Executive Director of the Company, replacing Stephen Brockhurst. The Company granted Mr Atkinson 250,000 options at an exercise price of \$0.70 expiring 30 June 2019 under the Company's Incentive Plan on 4 February 2018. The options were issued on 5 February 2018.

No other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2017 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



Michael Carli
Managing Director

Dated: 27 February 2018

ROTO-GRO INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the Half-Year Ended 31 December 2017

	31 December 2017	31 December 2016
	\$	\$
Revenue	428,585	206
Product manufacturing	(269,087)	-
Research and development expenses	(85,426)	-
Amortisation expense	(220,603)	-
Employee benefits and consulting expense	(544,374)	(22,946)
Corporate and administration expenses	(117,626)	(54,543)
Travel and accommodation	(39,112)	(3,024)
Office and occupancy expense	(34,079)	(8,632)
	<hr/>	<hr/>
Loss before income tax expense	(881,722)	(88,939)
Income tax expense	-	-
	<hr/>	<hr/>
Loss after income tax expense for the half-year	(881,722)	(88,939)
	<hr/>	<hr/>
Other comprehensive loss, net of tax		
<i>Item that may be reclassified subsequently to operating result</i>		
Foreign currency translation	39,663	-
	<hr/>	<hr/>
Other comprehensive income	39,663	-
	<hr/>	<hr/>
Total comprehensive loss for the half year	(842,059)	(88,939)
	<hr/>	<hr/>
Basic and diluted loss per share (cents per share)	(1.06)	(0.56)

The accompanying notes form part of this financial report

ROTO-GRO INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

		31 December 2017	30 June 2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,451,093	2,165,615
Trade and other receivables		121,709	28,577
Inventories		129,618	-
Prepayments	2	457,096	609,778
TOTAL CURRENT ASSETS		2,159,516	2,803,970
NON-CURRENT ASSETS			
Intangible assets		10,610,630	10,831,233
Property, plant and equipment		95,239	-
TOTAL NON-CURRENT ASSETS		10,705,869	10,831,233
TOTAL ASSETS		12,865,385	13,635,203
CURRENT LIABILITIES			
Trade and other payables	3	426,064	499,780
TOTAL CURRENT LIABILITIES		426,064	499,780
TOTAL LIABILITIES		426,064	499,780
NET ASSETS		12,439,321	13,135,423
EQUITY			
Issued capital	4	13,860,798	13,714,841
Reserves		1,059,262	1,019,599
Accumulated losses		(2,480,739)	(1,599,017)
TOTAL EQUITY		12,439,321	13,135,423

The accompanying notes form part of this financial report

ROTO-GRO INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2017

	Issued Capital \$	Accumulated Losses \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 July 2016	700,351	(587,094)	-	-	113,257
Loss for the period	-	(88,939)	-	-	(88,939)
Other comprehensive income	-	-	-	-	-
	-	(88,939)	-	-	(88,939)
Transactions with equity holders in their capacity as owners					
Grant of shares (net of costs)	30,000	-	-	-	30,000
Balance at 31 December 2016	730,351	(676,033)	-	-	54,318
Balance at 1 July 2017	13,714,841	(1,599,017)	1,000,000	19,599	13,135,423
Loss for the period	-	(881,722)	-	-	(881,722)
Other comprehensive income	-	-	-	39,663	39,663
	-	(881,722)	-	39,663	(842,059)
Transactions with equity holders in their capacity as owners					
Grant of shares (net of costs)	145,957	-	-	-	145,957
Balance at 31 December 2017	13,860,798	(2,480,739)	1,000,000	59,262	12,439,321

The accompanying notes form part of this financial report

ROTO-GRO INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	474,941	-
Payments to suppliers and employees	(1,126,105)	(62,001)
Interest received	1,204	206
	<hr/>	<hr/>
Net cash used in operating activities	(649,960)	(61,795)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(95,239)	-
	<hr/>	<hr/>
Net cash used in investing activities	(95,239)	-
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	30,000
Proceeds from intended issue of shares	-	831,168
Payments for capital raising costs	(4,043)	(87,059)
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	(4,043)	774,109
	<hr/>	<hr/>
Net increase/(decrease) in cash held	(749,242)	712,314
	<hr/>	<hr/>
Cash and cash equivalents at beginning of period	2,165,615	134,107
Effect of movement in exchange rates on cash held	34,720	-
	<hr/>	<hr/>
Cash and cash equivalents at end of reporting period	1,451,093	846,421
	<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 2017

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 2017 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 2017 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 Group 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 Group's accounting policies.

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

2. PREPAYMENTS

	31 December 2017	30 June 2017
	\$	\$
Advance to Roto-Gro Technologies Inc ¹	302,715	600,601
Bond and rental prepayment	131,464	-
Other prepayments	22,917	9,177
	<u>457,096</u>	<u>609,778</u>

¹ During the year ended 30 June 2017, the Company advanced \$600,601 to Roto-Gro Technologies Inc. as part payment for the manufacture and purchase of 150 Roto-Gro units, pursuant to the OEM Supply Agreement. A further \$140,857 was advanced during the half-year ending 31 December 2017 towards the same purchase order. As at 31 December 2017, 72 units had been completed by Roto-Gro Technologies Inc. and delivered (30 June 2017: nil).

ROTO-GRO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

3. TRADE AND OTHER PAYABLES

	31 December 2017 \$	30 June 2017 \$
Trade and other payables	324,002	445,278
Income received in advance – non-refundable deposits for Roto-Gro units	102,062	54,502
	<u>426,064</u>	<u>499,780</u>

4. ISSUED CAPITAL

	31 December 2017 \$	30 June 2017 \$
(a) Issued and paid up capital		
Ordinary shares fully paid	<u>13,860,798</u>	<u>13,714,841</u>

	Number	\$
(b) Movement in ordinary shares on issue		
Balance at 1 July 2017	83,411,501	13,714,841
375,000 shares granted but unissued at 31 December 2017 (issued 15 January 2018)	-	150,000
Capital raising costs	-	(4,043)
Balance at 31 December 2017	<u>83,411,501</u>	<u>13,860,798</u>

5. DIVIDENDS

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

6. SEGMENT INFORMATION

The Group 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 Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Group operates predominately in one industry, being the sale of automated rotary hydroponic advanced garden systems.

The main geographic areas that the entity operates in are Australia and Canada. The Group only has operations in Canada. The parent entity is registered in Australia. The Group's intangible assets are maintained in Mauritius.

ROTO-GRO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

6. SEGMENT INFORMATION (continued)

The following tables present revenue, expenditure and certain asset and liability information regarding geographical segments for the half-year ended 31 December 2017 and 2016:

Geographical information

	Australia	Canada	Mauritius	Total
	\$	\$	\$	
Half-year ended 31 December 2017				
Revenue				
Sales to external customers	-	427,381	-	427,381
Interest income	72	1,132	-	1,204
Segment revenue	72	428,513	-	428,585
Other segment information				
Amortisation expense	-	-	220,603	220,603
Result				
Loss before tax	(344,032)	(317,087)	(220,603)	(881,722)
Income tax expense	-	-	-	-
Loss for the period	(344,032)	(317,087)	(220,603)	(881,722)
Asset and liabilities				
Segment assets	34,408	2,220,347	10,610,630	12,865,385
Segment liabilities	(60,797)	(365,267)	-	(426,064)

Geographical information

	Australia	Canada	Mauritius	Total
	\$	\$	\$	
Half-year ended 31 December 2016				
Revenue				
Sales to external customers	-	-	-	-
Interest income	206	-	-	206
Segment revenue	206	-	-	206
Other segment information				
Amortisation expense	-	-	-	-
Result				
Loss before tax	(88,939)	-	-	(88,939)
Income tax expense	-	-	-	-
Loss for the period	(88,939)	-	-	(88,939)
Asset and liabilities				
Segment assets	1,105,442	-	-	1,105,442
Segment liabilities	(1,051,124)	-	-	(1,051,124)

ROTO-GRO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

7. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

8. RELATED PARTY TRANSACTIONS

The Group incurred the following transactions with related parties during the half-year ended 31 December 2017:

- Mining Corporate Pty Ltd, an entity which Stephen Brockhurst is a director and shareholder, has been paid a total of \$40,000 for director fees and \$48,000 for accounting, company secretarial and corporate advisory services.
- Roto-Gro International Inc. and its subsidiary Roto-Gro Technologies Inc., both entities which Michael Carli is a director and are outside of the Roto-Gro International Limited Group:
 - Received \$140,857 as part advance towards the manufacture and purchase of 150 Roto-Gro units, pursuant to the OEM Supply Agreement. As at 31 December 2017, a total of \$302,715 remains a prepayment;
 - Received \$85,426 excluding HST for research and development costs associated with IT software and hardware design of the Roto-Gro units;
 - Manufactured a total of 72 units under the OEM Supply Agreement and invoiced the Company \$398,705 excluding HST;
 - Subleased a manufacturing facility, offices, a showroom, and growing rooms located at 140 Healey Road, Caledon, Ontario to Roto-Gro World Wide (Canada) Inc. for a period of 5 years (refer to Note 10);
 - Received \$102,062 in advanced rent pursuant to a sub-lease agreement for the manufacturing and showroom facility. As at 31 December 2017, a total of \$67,983 remains a prepayment;
 - Received \$60,576 excluding HST for leasehold improvements associated with the manufacturing and showroom facility.

9. EVENTS SUBSEQUENT TO REPORTING PERIOD

On 15 January 2018, the Company issued 2,950,000 options at an exercise price of \$0.65 expiring 15 January 2020. The options were granted on 12 January 2018 and issued to employees and consultants under the Company's Incentive Plan.

On 5 February 2018, Julian Atkinson was appointed Non-Executive Director of the Company, replacing Stephen Brockhurst. The Company granted Mr Atkinson 250,000 options at an exercise price of \$0.70 expiring 30 June 2019 under the Company's Incentive Plan on 4 February 2018. The options were issued on 5 February 2018.

No other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

ROTO-GRO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Half-Year Ended 31 December 2017

10. COMMITMENTS

On 1 October 2017, the Group agreed to sub-lease a manufacturing facility, offices, a showroom, and growing rooms comprising approximately 21,370 square feet located at 140 Healey Road, Caledon (Bolton), Ontario for a period of 5 years from Roto-Gro International Inc. Total commitments are as per below:

	31 December 2017	30 June 2017
	\$	\$
<i>Lease commitments – operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	136,316	-
One to five years	539,321	-
More than five years	-	-
	<u>675,637</u>	<u>-</u>

On 7 March 2017, the Group placed a purchase order with Roto-Gro Technologies Inc. for the manufacture and purchase of 150 Roto-Gro units pursuant to the OEM Supply Agreement. As at 31 December 2017, Roto-Gro Technologies Inc. has been advanced \$741,458 (30 June 2017: \$600,601) with the balance of \$162,599 (30 June 2017: \$303,456) committed. 72 units were completed and delivered as at 31 December 2017 (Nil: 30 June 2017).

ROTO-GRO INTERNATIONAL LIMITED

DIRECTORS' DECLARATION

For the Half-Year Ended 31 December 2017

In the opinion of the Directors of Roto-Gro International Limited:

1. The financial statements and notes 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 Group's financial position as at 31 December 2017 and its performance for the half-year then ended.
2. 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



Michael Carli
Managing Director

Dated: 27 February 2018

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**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 2017, 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 of the consolidated entity comprising the company and the entities it controlled at the half-year 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 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 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 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.

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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.

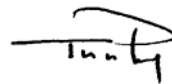
Conclusion

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 consolidated entity's financial position as at 31 December 2017 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*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 27 February 2018

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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 2017, 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: 27 February 2018