

## Appendix 3

### Air Change International Limited

ABN 14 087 737 068

### Half yearly report Period ended 31 December 2019

#### Results for Announcement to the Market

Corresponding period is 31 December 2018

Total revenue & other income from ordinary activities	up/down	13.01%	to	\$A'000 10,750
Profit/ (loss) from ordinary activities after tax attributable to members	up/down	n/a%	to	423
Net profit/ (loss) for the period attributable to members	up/down	n/a%	to	423

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	n/a	-
Interim dividend	n/a	-

Record date for determining entitlements to the interim dividend  
N/A

n/a
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#### Explanation of Revenue

Refer attached half-year report

#### Explanation of Profit from ordinary activities after tax

Refer attached half-year report

#### Explanation of Net Profit

Refer attached half-year report

#### NTA Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary share	\$0.178	\$0.140

This report is based on accounts which have been reviewed by the auditors of Air Change International Limited. A report of their review appears in the half-year financial report.

# Air Change International Limited

ACN 087 737 068

## Half-year Report

For the half-year ended 31 December 2019

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<b>Directors:</b>	Alan Stephen Jones (Non-Executive Chairman) Raymond Neil Fimeri (Executive Director) Peter Anthony Curry (Independent Non-Executive)
<b>Secretary:</b>	Robert Lees
<b>Principal &amp; Registered Office:</b>	2 Ashford Avenue Milperra NSW 2214 Tel: (02) 8774 1400 e-mail: <a href="mailto:invest@airchange.com.au">invest@airchange.com.au</a>
<b>Share Registrar:</b>	Computershare Investor Services Pty Ltd Level 3, 60 Carrington Street Sydney NSW 1115
<b>Auditors:</b>	BDO East Coast Partnership Level 11, 1 Margaret St Sydney NSW 2000
<b>Bankers:</b>	ANZ Level 4, 20 Smith St Parramatta NSW 2150
<b>Solicitors:</b>	Addison Lawyers Level 12 60 Carrington Street Sydney NSW 2000
<b>Stock Exchange Listing:</b>	Air Change International Limited shares are listed on the National Stock Exchange of Australia Limited (Code: ordinary shares "AC1")
<b>Company number:</b>	ACN 087 737 068 ABN 14 087 737 068

## **DIRECTORS' REPORT**

Your directors present their report on the Air Change International Group, consisting of Air Change International Limited ("the Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

### **Directors and Officers**

The following persons were directors of the Company at any time during the half year and up to the date of this report:

Alan Stephen Jones (Chairman, Non-Executive Director)

John Michael Langley (Independent Non-Executive Director) – Resigned on 3 October 2019

Raymond Neil Fimeri (Executive Director)

Peter Anthony Curry (Independent Non-Executive Director) – Appointed on 3 October 2019

### **Principal Activities & Operational Structure**

The principal activity of the Air Change Group is the design, manufacture and sale of heating, cooling and ventilation equipment for industrial, commercial and institutional buildings and industrial processes. The operations are organised into three operational business units:

- dedicated outdoor air systems (DOAS) for building ventilation with temperature and humidity control;
- air handling and fan coil units (ahu's & fcu's) to heat and cool building elements; and
- cooling for industrial, food and manufacturing processes.

The Group has manufacturing operations in Australia and Malaysia.

### **Review of Operations**

Sales revenue for the half year to 31 December 2019 was up 13% from the corresponding period last year to \$10.751 million.

Revenue for the period was again adversely affected by a shortage of skilled and unskilled labour in both Australia and Malaysia. As noted in previous reports, a skilled labour shortage will continue to impact output and therefore revenue.

The Dunnair operation made a positive contribution for the period under review. Design and engineering changes to the Dunnair product offering that were foreshadowed last year are almost complete. Sales revenue will grow further as more specialised products are released to the market.

Process cooling sales for the period were down but this reflects the cyclical nature of this business operation and the fact that it is not the principal focus of the Group's operation. Although sales are small and irregular, this operation makes a positive contribution to the Group earnings.

Forward orders at year end were just under \$7 million with a substantial enquiry pipeline, particularly in South East Asia.

Gross profit margins have improved with the introduction and growth of more complex climate management systems. This has resulted in the Group returning to profitability in the half year to 31 December 2019.

However, margins continue to be impacted by intense price competition for the Group's basic ventilation products.

As foreshadowed in the last report, a review of operations is now almost complete to determine if the present operating structure can be improved.

**Dividends**

The Directors do not recommend the payment of a dividend at this time.

**Auditor's independence declaration**

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

Signed in accordance with a resolution of the Directors.



**Raymond N Fimeri**  
**Managing Director**

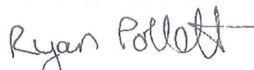
**Sydney**  
**28 February 2020**

**DECLARATION OF INDEPENDENCE RYAN POLLETT TO THE DIRECTORS OF AIR CHANGE INTERNATIONAL LIMITED**

As lead auditor for the review of Air Change International Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Air Change International Limited and the entities it controlled during the period.

  
Ryan Pollett  
Partner

**BDO East Coast Partnership**

Sydney, 28 February 2020

**Air Change International Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**for half year ended 31 December 2019**

		<b>Half-year</b>	
	<b>Note</b>	<b>31 December 2019 \$'000</b>	<b>31 December 2018 \$'000</b>
Revenue		10,480	9,002
Other income		270	511
<b>Total revenue &amp; other income</b>		<b>10,750</b>	<b>9,513</b>
Changes in inventories		104	(266)
Raw materials and consumables used		(6,158)	(5,098)
Administration costs		(480)	(450)
Occupancy costs		(401)	(569)
Employee benefits expenses		(2,894)	(3,141)
Depreciation and amortisation expenses		(192)	(237)
Depreciation on right-of-use assets	8	(146)	-
Finance costs		(76)	(57)
Other expenses		(113)	(72)
<b>Profit/ (loss) before income tax</b>		<b>394</b>	<b>(377)</b>
Income tax benefit	6	29	29
<b>Net profit/ (loss) for the period</b>		<b>423</b>	<b>(348)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		4	14
<b>Other comprehensive income for the period, net of tax</b>		<b>4</b>	<b>14</b>
<b>Total comprehensive income/ (loss) for the period</b>		<b>427</b>	<b>(334)</b>
Basic earnings per share		<b>\$0.024</b>	<b>(\$0.020)</b>
Diluted earnings per share		<b>\$0.024</b>	<b>(\$0.020)</b>

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Air Change International Limited**  
**Consolidated statement of financial position**  
**as at 31 December 2019**

		31 December 2019	30 June 2019
	Note	\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents		114	58
Trade & other receivables		3,586	4,368
Inventories		2,715	2,611
<b>Total current assets</b>		<b>6,415</b>	<b>7,037</b>
<b>Non-current assets</b>			
Plant, equipment and leasehold improvements		387	440
Right-of-use assets	8	1,788	-
Rental bonds		68	68
Intangible assets	7	3,339	3,457
Deferred tax assets		402	373
<b>Total non-current assets</b>		<b>5,984</b>	<b>4,338</b>
<b>TOTAL ASSETS</b>		<b>12,399</b>	<b>11,375</b>
<b>Current liabilities</b>			
Trade & other payables		2,971	3,227
Borrowings	9	93	1,144
Employee entitlements		851	751
Lease liabilities	8	671	-
<b>Total current liabilities</b>		<b>4,586</b>	<b>5,122</b>
<b>Non-current liabilities</b>			
Lease liabilities	8	1,173	-
Employee entitlements		141	181
<b>Total non-current liabilities</b>		<b>1,314</b>	<b>181</b>
<b>TOTAL LIABILITIES</b>		<b>5,900</b>	<b>5,303</b>
<b>Net Assets</b>		<b>6,499</b>	<b>6,072</b>
<b>Equity</b>			
Contributed equity	4	7,105	7,105
Reserves		(15)	(19)
Retained earnings		(591)	(1,014)
<b>Total Equity</b>		<b>6,499</b>	<b>6,072</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*



**Air Change International Limited**  
**Consolidated statement of changes in equity**  
**for half year ended 31 December 2019**

**HALF-YEAR ENDED 31 December 2019**

	<b>Issued capital</b>	<b>Reserves</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
As at 1 July 2019	7,105	(19)	(1,014)	6,072
Profit for the period	-	-	423	423
Other comprehensive income, net of tax	-	4	-	4
<b>Total comprehensive income for the period</b>	-	4	423	427
<b>As at 31 December 2019</b>	<b>7,105</b>	<b>(15)</b>	<b>(591)</b>	<b>6,499</b>

**HALF-YEAR ENDED 31 December 2018**

	<b>Issued capital</b>	<b>Reserves</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
As at 1 July 2018	7,105	(5)	(553)	6,547
(Loss) for the period	-	-	(348)	(348)
Other comprehensive income, net of tax	-	14	-	14
<b>Total comprehensive income/(loss) for the period</b>	-	14	(348)	(334)
<b>As at 31 December 2018</b>	<b>7,105</b>	<b>9</b>	<b>(901)</b>	<b>6,213</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**Air Change International Limited**  
**Consolidated statement of cash flows**  
**for the half-year ended 31 December 2019**

	Note	31 December 2019 \$'000	31 December 2018 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		12,672	10,598
Payments to suppliers, employees and creditors		(11,350)	(10,258)
Interest received		2	2
Finance costs		(67)	(57)
Income tax paid		-	-
<b>Net cash inflow from operating activities</b>		<b>1,257</b>	<b>285</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Contingent consideration payment		(32)	-
Payment for acquisition of patents & intellectual property	7	(7)	-
Purchase of plant, equipment & leasehold improvements		(13)	(11)
Proceeds from disposal of plant & equipment		2	-
<b>Net cash (outflow) from investing activities</b>		<b>(50)</b>	<b>(11)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		8,833	5,910
Repayment of borrowings		(9,885)	(5,925)
Payment of lease liability		(99)	-
<b>Net cash (outflow) from financing activities</b>		<b>(1,151)</b>	<b>(15)</b>
<b>NET INCREASE IN CASH HELD</b>			
		<b>56</b>	<b>259</b>
Cash at the beginning of the reporting period		58	88
Exchange differences on cash & cash equivalents		-	-
<b>Cash at the end of the reporting period</b>		<b>114</b>	<b>347</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. Basis of preparation of half-year report**

- (i) This general purpose financial report for the interim half-year reporting period ended 31 December 2019 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities.

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 2019 and any public announcements made by Air Change International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**(ii) AASB 16 Leases**

The Group has elected to apply AASB 16 Leases from 1 July 2019. In accordance with the transitional provisions in AASB 16, the new rules have been adopted with the cumulative effect of initially applying the new standard recognised on 1 July 2019 with comparatives for 30 June 2019 financial year not being restated.

On adoption of AASB 16, the Group has recognised lease liabilities of \$416,969 in relation to leases which had previously been classified as "operating leases" under the principles of AASB 117 Leases. These liabilities have been measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 July 2019 of approximately 7.0%.

The associated right-of-use assets for property leases of \$416,969 were measured at the amount equal to the lease liability under the modified retrospective method's second option to measure the right-of-use assets at the same values as lease liabilities on adoption.

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard.

- The accounting for operating leases with a remaining lease term equal to or less than 12 months as at 1 July 2019 as short-term leases and expensed as rent on a straight line basis.
- The exclusion of initial direct costs for the measurement of the right-to-use asset at the date of initial application.

From 1 July 2019 each lease payment has been allocated between the liability and finance cost. The finance cost will be charged to profit and loss over the lease period. The right-of-use asset will be depreciated over the lease term on a straight-line basis.

Refer note 8 Non-financial assets and liabilities for the details.

**(iii) New, revised or amending Accounting Standards and Interpretations adopted**

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

None of the new standards and amendments to standards other than AASB 16 as detailed in above that are mandatory for the first time for the financial year beginning 1 July 2019 affected any amounts recognised in the current period or any prior period financial statements and are not likely to affect future period financial statements.

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

**Air Change International Limited**  
**Notes to and forming part of the financial statements**  
**for the half-year ended 31 December 2019**

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**Note 2. Operating Segments**

**Operating segment information**

	Segment Revenues		Segment Results	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Heating, cooling &amp; ventilation</b>	10,750	9,513	394	(377)
Operating profit/ (loss) before income tax			394	(377)
Operating profit/ (loss) after income tax benefit			423	(348)
Net profit/ (loss) attributable to members of Air Change International Limited			423	(348)

**Note 3. Dividends**

There were no dividends paid during the period.

**Note 4. Equity securities on issue**

	December 2019 Shares	June 2019 Shares	December 2019 \$'000	June 2019 \$'000
<b>Share Capital</b>				
Ordinary shares, fully paid	17,714,009	17,714,009	7,105	7,105

**Air Change International Limited**  
**Notes to and forming part of the financial statements**  
**for the half-year ended 31 December 2019**

**Note 5.      Contingent liabilities**

**Bank Guarantees**

**2019 and 2018**

Bank guarantees have been provided in relation to a right-of-use asset entered in the normal course of business of \$165,000 (2018: \$164,036), \$30,000 in relation to the commercial credit card facility (2018: \$30,000), \$34,814 in relation to operating license (2018: \$23,997) and \$nil in relation to performance guarantee in respect of contract (2018: \$14,000), all are supported by term deposits.

**Note 6.      Income tax expense**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/ (loss) from ordinary activities before income tax expense	394	(377)
Income tax calculated at 27.5% (2018 – 27.5%)	108	(104)
Tax effect of amounts not deductible in calculating taxable income		
Research & development refundable tax offset	(73)	(121)
Other	13	11
Prior year under provision of income tax	-	-
	<b>48</b>	<b>(214)</b>
Net taxable losses not recognised	-	200
Temporary differences not recognised	(4)	(5)
Previously unrecognised tax losses now utilised to reduce current tax expense	(73)	-
Recoupment of foreign subsidiary's tax losses not previously recognised	-	(10)
<b>Income tax (benefit)</b>	<b>(29)</b>	<b>(29)</b>

**Air Change International Limited**  
**Notes to and forming part of the financial statements**  
**for the half-year ended 31 December 2019**

**Note 7. Intangible assets**

<b>Non-current asset</b>	<b>Agency</b>	<b>Design &amp;</b>	<b>Goodwill</b>	<b>Patents</b>	<b>Total</b>
<b>Year ended 30 June 2019</b>	<b>Agreements</b>	<b>Intellectual</b>			
	<b>\$'000</b>	<b>Property</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying value at 1 July 2018	20	71	2,965	797	3,853
Additions	-	-	-	-	-
Adjustment to acquisition value	-	-	(148)	-	(148)
Amortisation charge	-	-	-	(249)	(249)
Carrying value at 30 June 2019	20	71	2,817	548	3,456
<b>At 30 June 2019</b>					
Cost	20	71	2,817	3,590	6,498
Accumulated amortisation	-	-	-	(3,042)	(3,042)
<b>Net book amount</b>	<b>20</b>	<b>71</b>	<b>2,817</b>	<b>548</b>	<b>3,456</b>
<b>Non-current asset</b>	<b>Agency</b>	<b>Design &amp;</b>	<b>Goodwill</b>	<b>Patents</b>	<b>Total</b>
<b>Period ended 31 December 2019</b>	<b>Agreements</b>	<b>Intellectual</b>			
	<b>\$'000</b>	<b>Property</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying value at 1 July 2019	20	71	2,817	548	3,456
Additions	-	-	-	7	7
Amortisation charge	-	-	-	(124)	(124)
Carrying value at 31 December 2019	20	71	2,817	431	3,339
<b>At 31 December 2019</b>					
Cost	20	71	2,817	3,597	6,505
Accumulated amortisation	-	-	-	(3,166)	(3,166)
<b>Net book amount</b>	<b>20</b>	<b>71</b>	<b>2,817</b>	<b>431</b>	<b>3,339</b>

**Air Change International Limited**  
**Notes to and forming part of the financial statements**  
**for the half-year ended 31 December 2019**

**Note 8. Right-of-use assets and lease liabilities**

(i) *Amounts recognised in the balance sheet*

The balance sheet shows the following amounts relating to:

	2019	2018
	\$'000	\$'000
<b>Right-of-use assets</b>		
Properties	1,788	-
 <b>Reconciliation of right-of-use assets</b>		
Right-of-use assets recognised on adoption	417	-
Lease arrangements entered into during the year	1,517	-
Amortisation expense	(146)	-
<b>Balance at 31 December 2019</b>	<b>1,788</b>	<b>-</b>
 <b>Lease liabilities</b>		
Current	671	-
Non-current	1,173	-
 <b>Reconciliation of lease liabilities</b>		
Lease liabilities recognised on adoption	417	-
Lease arrangements entered into during the year	1,517	-
Interest expense	21	-
Lease payments	(111)	-
<b>Balance at 31 December 2019</b>	<b>1,844</b>	<b>-</b>

(ii) *Amounts recognised in the statement of profit or loss:*

**Depreciation charge of right-of-use assets**

Properties	(146)	-
 Interest expense (included in finance cost)	(21)	-
Expense relating to short-term leases (included in occupancy costs and administrative expenses)	(251)	-

The total cash outflow for leases for the 6 months ended in December 2019 was \$360,995.

**Note 8. Right-of-use assets and lease liabilities (continued)**

*(iii) The Group's leasing activities and how these are accounted for*

The Group leases various properties and the rental contracts are typically made for fixed periods of 2 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease payments are discounted using the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**Note 9. Borrowing**

The Group has finance facilities secured by a general security deed over present and future property of the Group companies. The facility limits are \$2,500,000 (\$1,300,000 at 30 June 19) subject to the available qualifying receivable assets.

**Note 10. Events occurring after reporting date**

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 11. Rounding of amounts to the nearest thousand dollars**

The Company satisfies the requirements of ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the directors' report and the financial statements to the nearest thousand dollars.

Amounts have been rounded off in the directors' report and the financial statements in accordance with that legislative instrument.



**Air Change International Limited**  
**Directors' declaration**  
**for half-year ended 31 December 2019**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

- (a) The financial statements and notes set out on pages 6 to 15 are in accordance with the Corporations Act 2001 and:
  - (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
- (b) 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 pursuant to section 303(5) of the Corporation Act 2001, and is signed for and on behalf of the directors by

Dated at Sydney

  
**Raymond N Fimeri**  
**Director**

**Sydney**  
**28 February 2020**

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Air Change International Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Air Change International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### 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 Group's financial position as at 31 December 2019 and its financial 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 the Group, 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### **BDO East Coast Partnership**

BDO  
  
Ryan Pollett  
Partner

Sydney, 28 February 2020