

FORM: Preliminary final report

Name of issuer

Beroni Group Limited

ACN or ARBN

606 066 059

Half yearly
(tick)

☐

Preliminary
final (tick)

☒

Half year/financial year ended
(‘Current period’)

Financial year ended 31
December 2019

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

Extracts from this statement for announcement to the market (see note 17).

				\$A,000
Revenue (item 1.1)	Down	26.05%	to	1,809
Profit (loss) for the period (item 1.9)	Down	210.20%	to	(7,774)
Profit (loss) for the period attributable to members of the parent (item 1.11)	Down	214.46%	to	(7,635)
Dividends		Current period	Previous corresponding period	
Franking rate applicable:		-	-	
Final dividend (preliminary final report only)(item 10.13-10.14)		-	-	
Amount per security				
Franked amount per security				
Interim dividend (Half yearly report only) (item 10.11 – 10.12)		-	-	
Amount per security				
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

Consolidated income statement *(The figures are not equity accounted)**(see note 3)**(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues <i>(item 7.1)</i>	1,809	2,446
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	9,393	5,044
1.3 Finance costs	30	2
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	(160)	-
1.5 Profit (loss) before income tax	(7,774)	(2,600)
1.6 Income tax expense <i>(see note 4)</i>	-	94
1.7 Profit (loss) from continuing operations	-	-
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) for the period	(7,774)	(2,506)
1.10 Profit (loss) attributable to minority interests	(139)	(77)
1.11 Profit (loss) attributable to members of the parent	(7,635)	(2,428)
1.12 Basic earnings per <i>security</i> <i>(item 9.1)</i>	(10.89)	(3.82)
1.13 Diluted earnings per <i>security</i> <i>(item 9.1)</i>	(10.89)	(3.82)
1.14 Dividends per <i>security</i> <i>(item 9.1)</i>	-	-

Comparison of half-year profits*(Preliminary final statement only)*

	Current period - \$A'000	Previous corresponding period - \$A'000
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(3,488)	(1,666)
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	(4,147)	(762)

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	3,011	5,748
3.2	Trade and other receivables	2,364	2,796
3.3	Inventories	828	48
3.4	Prepayments	3,802	4,427
3.5	Total current assets	10,004	13,019
Non-current assets			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in other entities	1,945	3,656
3.9	Equity-accounted investment	240	-
3.10	Deferred tax assets	128	129
3.11	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.12	Development properties (mining entities)	-	-
3.13	Property, plant and equipment (net)	358	210
3.14	Investment properties	-	-
3.15	Goodwill	-	-
3.16	Other intangible assets	1,413	1,337
3.17	Other (provide details if material)	861	282
3.18	Total non-current assets	4,946	5,614
3.19	Total assets	14,950	18,633
Current liabilities			
3.20	Trade and other payables	538	272
3.21	Short term borrowings	-	-
3.22	Current tax payable	(70)	23
3.23	Short term provisions	-	-
3.24	Current portion of long term borrowings	-	-
3.25	Other current liabilities (provide details if material)	671	93
		1,140	388
3.26	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.27	Total current liabilities	1,140	388
Non-current liabilities			

		Current period - \$A'000	Previous corresponding period - \$A'000
3.28	Long-term borrowings	-	-
3.29	Deferred tax liabilities	-	-
3.30	Long term provisions	-	-
3.31	Other (provide details if material)	556	-
3.32	Total non-current liabilities	556	-
3.33	Total liabilities	1,695	388
3.34	Net assets	13,255	18,245
	Equity		
3.35	Share capital	24,223	20,913
3.36	Other reserves	(222)	291
3.37	Retained earnings	(10,556)	(2,913)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale		
3.38	Parent interest	13,445	18,291
3.39	Minority interest	(190)	(46)
3.40	Total equity	13,255	18,245

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$'000	Previous corresponding period – A\$'000
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit for the period	(7,774)	(2,506)
4.3 Total recognised income and expense for the period		
Attributable to:		
4.4 Members of the parent	(7,635)	(2,429)
4.5 Minority interest	(139)	(77)
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	(8)	-
4.7 Minority interest	-	-

Consolidated statement of cash flows

(See note 6)

(as per AASB 107: Cash Flow Statements)

		Current period - \$A'000	Previous corresponding period - \$A'000
	Cash flows related to operating activities		
5.1	Receipts from customers	2,258	2,012
5.2	Payments to suppliers and employees	(5,762)	(5,482)
5.3	Interest and other costs of finance paid	-	-
5.4	Income taxes paid	(150)	(74)
5.5	Other – receipts from government	-	-
5.6	Net cash generated from/(used in) operating activities	(3,655)	(3,544)
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(9)	(250)
5.8	Proceeds from sale of property, plant and equipment	-	15
5.9	Payment for purchases of intangible assets	-	(1,336)
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to other entities	-	-
5.12	Prepayment for investment (Cystemix)	-	(550)
5.13	Investment in other entities	-	(3,656)
5.14	Interest and other items of similar nature received	-	36
5.15	Dividends received	-	-
5.16	Other (provide details if material)	7	(41)
5.17	Net cash used in investing activities	(2)	(5,782)
	Cash flows related to financing activities		
5.18	Proceeds from issues of securities (shares, options, etc.)	780	5,952
5.19	Proceeds from borrowings	129	203
5.20	Repayment of borrowings	-	-
5.21	Dividends paid	-	-
5.22	Other (provide details if material)	-	-
5.23	Net cash provided by financing activities	910	6,155
	Net increase in cash and cash equivalents	(2,747)	(3,171)
5.24	Cash at beginning of period (see Reconciliations of cash)	5,747	8,669
5.25	Exchange rate adjustments to item 5.23	9	249
5.26	Cash at end of period (see Reconciliation of cash)	3,010	5,747

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

	Current period \$A'000	Previous corresponding period \$A'000
6.1 Profit <i>(item 1.9)</i>	(7,774)	(2,506)
Adjustments for non-cash items:		
6.2 Depreciation & amortisation	257	85
6.3 Foreign exchange impact	849	(206)
6.4 Investment loss	160	
Movements in assets and liabilities:	-	
6.6 Increase/decrease in receivables	2,709	(1,135)
6.7 Increase/decrease in prepayments	625	(217)
6.8 Increase/decrease in inventory	(779)	115
6.9 Increase/decrease in payables	97	25
6.10 Increase/decrease in other liabilities	201	(139)
6.11 Net cash from operating activities <i>(item 5.6)</i>	(3,655)	(3,544)

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

		Current period - \$A'000	Previous corresponding period - \$A'000
	Revenue		
	Services and commissions	1,697	2,164
	Interest	10	36
	Government subsidies	58	219
	Others	44	27
7.1	Total Revenue	1,809	2,446
	Expenses		
	Wages and salaries	739	568
	Depreciation and amortisation	257	85
	Rental	156	65
	IPO & dual listing expenses	675	606
	Others	7,755	3,720
7.2	Total Expenses	9,583	5,044
	Profit (loss) before tax	(7,774)	(2,600)

Ratios

		Current period	Previous corresponding period
	Profit before tax / revenue		
8.1	Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	(429.8%)	(106.3%)
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	(56.8%)	(13.3%)

Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

Basic earnings per share amounts are calculated by dividing profit after income tax by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing profit after income tax by the weighted average number of ordinary share outstanding during the year (adjusted for the effects of any dilutive options or preference shares).

The following reflects the income and share data used in the basic and diluted earnings per share computations;

Profit (loss) after income tax expense	(\$7,773,580)	N/A
Weighted average number of ordinary shares for basic and diluted earnings per share	71,364,732	N/A

Dividends

- 10.1 Date the dividend is payable

N/A

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

N/A

- 10.3 If it is a final dividend, has it been declared? N/A

(Preliminary final report only)

- 10.4 The dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices to the dividend or distribution plans

N/A

- 10.5 Any other disclosures in relation to dividends or distributions

N/A

Dividends paid or provided for on all securities*(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)*

	Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
Dividends paid or provided for during the reporting period			
10.6 Current year interim	-	-	-
10.7 Franked dividends	-	-	-
10.8 Previous year final	-	-	-
10.9 Franked dividends	-	-	-
Dividends proposed and not recognised as a liability			
10.10 Franked dividends			-

Dividends per security*(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)*

	Current year	Previous year	Franking rate applicable
Dividends paid or provided for during the reporting period			
10.11 Current year interim	-	-	-
10.12 Franked dividends – cents per share	-	-	-
10.13 Previous year final	-	-	-
10.14 Franked dividends – cents per share	-	-	-
Dividends proposed and not recognised as a liability			
10.15 Franked dividends – cents per share	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A'000	Previous corresponding period \$A'000
11.1 Opening balance	-	-
11.2 Expenditure incurred during current period	-	-
11.3 Expenditure written off during current period	-	-
11.4 Acquisitions, disposals, revaluation increments, etc.	-	-
11.5 Expenditure transferred to Development Properties	-	-
11.6 Closing balance as shown in the consolidated balance sheet (item 3.10)	-	-

Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Opening balance	-	-
12.2 Expenditure incurred during current period	-	-
12.3 Expenditure transferred from exploration and evaluation	-	-
12.4 Expenditure written off during current period	-	-
12.5 Acquisitions, disposals, revaluation increments, etc.	-	-
12.6 Expenditure transferred to mine properties	-	-
12.7 Closing balance as shown in the consolidated balance sheet (item 3.11)	-	-

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$'000	Previous corresponding period – A\$'000
13.1 Revenue	-	-
13.2 Expense	-	-
13.3 Profit (loss) from discontinued operations before income tax	-	-
13.4 Income tax expense <i>(as per para 81 (h) of AASB 112)</i>	-	-
13.5 Gain (loss) on sale/disposal of discontinued operations	-	-
13.6 Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>	-	-

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.1	Preference securities <i>(description)</i>	-	-	-	-	-
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5	Balance at end of period	-	-	-	-	-
14.6	Ordinary securities <i>(description)</i>	-	-	-	-	-
14.7	Balance at start of period	70,102,348	70,102,348	-	20,913	11,372
14.8	a) Increases through issues	2,870,000	2,870,000	-	3,310	9,541
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10	Balance at end of period	72,972,348	72,972,348	-	24,223	20,913
14.11	Convertible Debt Securities <i>(description & conversion factor)</i>	-	-	-	-	-
14.12	Balance at start of period	-	-	-	-	-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	-	-
14.15	Balance at end of period	-	-	-	-	-

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.16	Options <i>(description & conversion factor)</i>	-	-	-	-	-
14.17	Balance at start of period	-	-	-	-	-
14.18	Issued during period	-	-	-	-	-
14.19	Exercised during period	-	-	-	-	-
14.20	Expired during period	-	-	-	-	-
14.21	Balance at end of period	-	-	-	-	-
14.22	Debentures <i>(description)</i>	-	-	-	-	-
14.23	Balance at start of period	-	-	-	-	-
14.24	a) Increases through issues	-	-	-	-	-
14.25	b) Decreases through maturity, converted	-	-	-	-	-
14.26	Balance at end of period	-	-	-	-	-
14.27	Unsecured Notes <i>(description)</i>	-	-	-	-	-
14.28	Balance at start of period	-	-	-	-	-
14.29	a) Increases through issues	-	-	-	-	-
14.30	b) Decreases through maturity, converted	-	-	-	-	-
14.31	Balance at end of period	-	-	-	-	-
14.32	Total Securities	-	-	-	-	-

		Current period – A\$'000	Previous corresponding period – A\$'000
Reserves			
14.33	Balance at start of period	290	8
14.34	Transfers to/from reserves	(513)	282
14.35	Total for the period	(513)	282
14.36	Balance at end of period	(223)	290
14.37	Total reserves	(223)	290
Retained earnings			
14.38	Balance at start of period	(2,912)	(565)
14.39	Changes in accounting policy	(8)	-
14.40	Restated balance	(2,920)	-
14.41	Profit for the balance	-	-
14.42	Total for the period	(7,635)	(2,347)
14.43	Dividends	-	-
14.44	Balance at end of period	(10,555)	(2,912)

Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity PENAO PTY LTD

Reporting entities percentage holding 40%

		Current period - \$A'000	Previous corresponding period - \$A'000
15.1	Profit (loss) before income tax	(400,000)	-
15.2	Income tax	-	-
15.3	Profit (loss) after tax	(400,000)	-
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	Share of net profit (loss) of associates and joint venture entities	(160,000)	-

Control gained over entities having material effect

(See note 8)

16.1 Name of *issuer* (or *group*) N/A

		\$A'000
16.2	Consolidated profit (loss) after tax of the <i>issuer</i> (or <i>group</i>) since the date in the current period on which control was acquired	-
16.3	Date from which profit (loss) in <i>item 16.2</i> has been calculated	-
16.4	Profit (loss) after tax of the <i>issuer</i> (or <i>group</i>) for the whole of the previous corresponding period	-

Loss of control of entities having material effect*(See note 8)*

17.1	Name of <i>issuer</i> (or <i>group</i>)	N/A
		\$A'000
17.2	Consolidated profit (loss) after tax of the entity (or <i>group</i>) for the current period to the date of loss of control	-
17.3	Date from which the profit (loss) in <i>item 17.2</i> has been calculated	-
17.4	Consolidated profit (loss) after tax of the entity (or <i>group</i>) while controlled during the whole of the previous corresponding period	-
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	-

Material interests in entities which are not controlled entities*The economic entity has an interest (that is material to it) in the following entities.*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
		-	-	<i>Equity accounted</i>	
		-	-	-	-
		-	-	-	-
		-	-	-	-
18.2	Total	-	-	-	-
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i>)	
		-	-	-	-
18.4	Total	-	-	-	-

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

Please see Segment Information Statement in the Appendix A.

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.16	\$0.24

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	N/A
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International Financial Reporting Standards

Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	N/A
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Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	N/A
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Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (*as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting*)

- (a) On 20 June 2018, Beroni entered into a binding agreement to acquire 100% of Medicine Plus Co., Ltd, a pharmaceutical company based in Osaka, Japan for JPY1.178 billion (about A\$14.37 million) via a combination of cash and shares. In October 2018, Beroni issued 2,067,900 shares at \$1.75 to the owners of Medicine Plus as partial settlement for the acquisition of the latter company. The original settlement price of \$14.3 million agreed in June 2018 was increased by 10% to approximately \$15.8 million in October 2018 as a result of the owners of Medicine Plus agreeing to extend the settlement date. In the event this acquisition is not successfully completed, the cost of the shares issued to Medicine Plus amounting to \$3,618,825 will be recognised as an expense in the income statement. The settlement date has been mutually extended and the company is currently raising capital to settle this acquisition before the end of this year.
- (b) In June 2019, Beroni signed a shareholder agreement to acquire 40% of the total share capital of PENAO Pty Ltd with NewSouth Innovations Pty Limited (NSI) owning the other 60%. NSI is the subsidiary arm of the University of New South Wales. PENAO Pty Ltd is a company recently set up to take over from Cystemix Pty Ltd the development of the anti-cancer drug called PENAO for treatment of cancer tumours. PENAO Pty Ltd will take over the licensing rights to the new drug. Beroni has initially paid \$400,000 to Cystemix Pty Ltd for this investment and will pay a further \$9.45 million over the next 2 years to own a total of 40% shares in PENAO Pty Ltd. In the event Beroni is not able to pay the additional \$9.45 million, then PENAO Pty Ltd can issue on the same terms to NSI the shares which were to be issued to Beroni and Beroni will grant NSI an option to purchase all of the shares then held by Beroni for the lesser of and at NSI's sole discretion:
- the price per share paid by a genuine third-party investor for shares in PENAO Pty Ltd; or
 - at a 20% discount on the price paid by Beroni for the Beroni Shares

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

NIL

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

The Franking Credit balance as at 31 December 2019 was NIL

The Board will determine the ability of the Company to pay dividends in the future on an annual basis.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

The group has changed its accounting policies and make retrospective adjustments as a result of adopting AASB 16 Leases which is effective for annual periods beginning on or after 1 January 2019. The group has adopted AASB 16 retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

The group has elected to apply the simplified transition approach. The transition exemptions are available for leases with a remaining term of 12 months or less and for low value assets (both on a lease-by-lease basis).

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. *(as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)*

NIL

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year *(as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

NIL

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

On 18 June 2018, the Company invested JPY100 million (A\$1.22 million) into a capital fund, the Youtokukai Fund which was set up to fund the establishment and development of the Tokyo Ginza International Medical Clinic to be operated by Youtokukai, a medical group based in Japan specialising in regenerative medicine technology such as gene therapy, immune cell therapy, and stem cell therapy. The Medical Clinic is wholly owned by Youtokukai. For this investment, Beroni Group is to receive a monthly dividend from January 2019 onwards based on the operating surplus of the business and its share of the total investment in this joint venture. The investment can be fully redeemed after 30 June 2021. However, due to the investment terms not being met by Youtokukai Foundation, Beroni has decided to withdraw from this investment and is now seeking a refund for the full payment. In December 2019, Beroni has obtained a court-ordered repayment agreement with the owners of Youtokukai which is guaranteed by one of its medical doctors. Due to the uncertainty of recoverability of the repayment, Beroni has made a 100% provision for credit losses for this repayment. Any future amounts recovered from this investment will be recognised as other income.

Beroni has made a significant increase of \$1.033 million in its provision for doubtful debts for the trade debts outstanding in the China's books. Of the total trade receivables of \$3.32 million, doubtful debts of \$1.46 million has been provided. The significant increase in provision is to recognise the economic uncertainty in China and the impact to many businesses arising from the coronavirus pandemic.

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

NIL

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place	Level 36 Gateway 1 Macquarie Place, Sydney NSW 2000
Date	To Be Determined
Time	To Be Determined
Approximate date the annual report will be available	30 April 2020

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

Not Applicable

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/~~does not~~ *(delete one)* give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- ☐ The financial statements have been audited. ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☒ The financial statements are in the process of being audited or subject to review. ☐ The financial statements have *not* yet been audited or reviewed.
5. If the accounts ~~have been or are being audited or subject to review~~ and the audit report is not attached, details of any qualifications ~~are attached~~/will follow immediately they are available* *(delete one). (Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.)*
6. The issuer has/~~does not have~~ *(delete one)* a formally constituted audit committee.



Sign here: Date: ...16 March 2020.....
 (Director/~~Company secretary~~)

Print name:Peter Yap Ting Wong.....

Appendix A

Beroni Group Limited Preliminary Financial Report for the Year Ended 31 December 2019

Segment Information

Segment	Segment Revenue		Segment Gross Profit	
	2019 AUD	2018 AUD	2019 AUD	2018 AUD
Nicobloc	1,539,188	213,969	1,197,806	185,963
Fogibloc air purifier	488	946,464	232	688,235
Olansi water filter	0	415,557		407,011
MRET water activator	0	148		-270
Health supplements	0	240,461		204,829
Cell therapies	12,060	48,393	-48,586	14,578
All other	145,366	299,338	111,502	159,863
Total for all segments	1,697,102	2,164,330	1,260,955	1,660,209
Other income			101,893	246,376
Unallocated selling and distribution expenses			-461,733	-279,554
Central general and administrative expenses			-8,653,757	-4,260,955
Net finance costs			-20,475	33,817
Profit / (loss) before income tax			-7,773,117	-2,600,107