

15 March 2018

NSX Announcement

PRODUCT UPDATE AND STRATEGY FORWARD

Beroni Group Limited (NSX: BTG) (“Beroni” or the “Company”) is pleased to provide an update on its products performance and business growth strategy.

Products Performance

As announced in its half year 2017 report, the Company has been diversifying its product mix by developing new products with strategic partners, or cross selling products in partnership with other vendors. This is in line with the strategy of reducing reliance on its major product, the Nicobloc. In 2017, Nicobloc sales has been affected by the delays in shipment from its UK supplier. Beroni is now working with the supplier to resolve the delayed delivery of the goods.

While Nicobloc sales have decreased by more than half in FY2017, other products sales such as Fogibloc air purifier and Olansi water filter have almost doubled. At the beginning of this year, Beroni has added a cosmetic stem-cell conditioned product, the ODD facial care series which is supplied by a Japanese vendor, into its product range. Demand for ODD facial care series is expected to be strong in China.

Business Growth Strategy

Product innovation is a significant part of Beroni’s business growth strategy. Beroni hopes to achieve business growth through new products development or acquiring businesses with strong complementary products. Beroni is currently reviewing several business opportunities, namely:

- (a) *PENAO* - as announced on 2 November 2017, Beroni has signed a MOU with the University of New South Wales to fund the joint development of the anti-cancer drug called GSAO (now called PENAO). The research will soon enter the second stage of clinical trials. The parties are still in the final negotiation stage and the Company will release an announcement to market once a final agreement has been reached;
- (b) *Immune Cell Therapy* - Beroni is in advanced discussions with a Japanese company to establish a partnership in immune cell therapy business. Immune cell therapy is now being used as a cancer treatment in which immune cells are cultured artificially and activated to suppress cancer cells; and
- (c) *Precision Medicine R&D Centre* – The Company plans to establish a precision medicine R&D center with the Nankai University. Precision medicine is an emerging approach for



disease treatment and prevention that takes into account individual variability in genes, environment, and lifestyle for each person. Further details of this R&D center will be announced in due course.

- (d) *Research Partnership* – Beroni is considering working together with the Columbia University (USA) to develop a PCR-based molecular diagnostic assay for detecting diseases such as Zika, Dengue, West Nile and Chikungunya for the Chinese market. A research centre will be established in China to conduct the R&D work.

Through strategic partnerships and alliances in Australia, USA, China and Japan, Beroni will reap the benefits from commercialisation of new products and selling or licensing of patents and intellectual properties. Beroni will continue to review its working capital requirement to match the timing of these investments.

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About Beroni Group Limited (NSX:BTG) (FSE:6B9)

Beroni Group's currently has four main products: NicoBloc, Fogibloc, Multi Vigorous tablets (Bei Jingli) and Multi lung cleaning tablets (Bei Feiqing). Beroni Group's overall strategic goal is to have a global presence in the biotechnology, bio-science and environmental science industries. The Company is open to acquisition opportunities to expand the business and increase its market share.