beroni

Replacement Prospectus

Beroni Group Limited

ACN: 613 077 526

Proposed NSX Code: BTG

This Prospectus for:

- the offer of up to 17,434,000 Shares at an issue price of A$0.50 each to raise up to A$8.717 million with a Minimum Subscription of 13,560,000 Shares to raise $6.78 million (before cost) (**Public Offer**);
- the offer of approximately 3,559,712 Shares to Convertible Loan Investors in satisfaction of the Convertible Loans (**Loan Conversion Offer**); and
- satisfying the admission requirements to the NSX.

IMPORTANT NOTICE

This is a replacement prospectus for Beroni Group Limited dated 8 December 2016 (**Prospectus**) and was lodged with ASIC on that date. This Prospectus replaces a prospectus dated and lodged with ASIC on 30 November 2016 (**Original Prospectus**).

The Original Prospectus was subject to an exposure period of 7 days from the date of lodgement of the Original Prospectus with ASIC. This Prospectus is not subject to an exposure period due to ASIC Instrument 2016/74.

The Company applied to NSX for listing and quotation of its Shares on the NSX on 7 December 2016.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The principal difference between the Original Prospectus and this Prospectus may be summarised as follows:

- amending the chairman's letter to remove reference to the Company's intention in relation to plans to expand operations to Australia;
- removing the table comparing FogiBloc to other products in the market as those specific other products are no longer available at the market; and
- enhancing the graphics to allow clearer disclosure.

The NSX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liabilities whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus. ASIC takes no responsibility for the contents of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Web Site – Electronic Prospectus

A copy of this Prospectus will be available and can be downloaded from the website of the Company at www.beronigroup.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

Suitability of Investment & Risks

Before deciding to invest in the Company, prospective investors should read entirely this Prospectus and, in particular, the summary of the Company's business in section 3 and the risk factors in section 6. They should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional advisor before deciding to invest. Any investment in the Shares of the Company should be regarded as speculative.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Incorporation by reference

In accordance with section 712 of the Corporations Act this Prospectus includes the Legal Due Diligence Report lodged by the Company with ASIC together with this Prospectus, a copy of which will be provided to you free of charge if you contact the Company during business hours on +61 478 042 056.

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Corporate Directory

Directors Boqing ZHANG (Executive Chairman) Chris DENG (Executive Director) Hai HUANG (Executive Director) Yap Ting WONG (Non Exec. Director) Libing GUO (Non-Exec. Director)	**Company Secretary** Nicholas Ong **CFO** Chris Deng **CEO** Boqing Zhang
Registered and Business Office Level 36, Gateway Tower 1 Macquarie Place Sydney NSW 2000 Tel: +61 478 042 056 Email: beronigroup_aus@126.com	**Share Registry** Advanced Share Registry 110 Stirling Highway Nedlands WA 6009 Tel: +61 9 9389 8033 Fax: +61 8 9262 3723
Corporate Adviser AGC Capital Securities Pty Ltd Level 36, Gateway Tower 1 Macquarie Place Sydney NSW 2000	**Solicitors to the Offer and Nominated Advisors** Mills Oakley Lawyers Level 2 225 St Georges Terrace Perth WA 6000
PRC Lawyer Tianjin Lingyu Law Firm	**Investigating Accountant** Prosperity Advisers Group Level 11, 309 Kent Street Sydney NSW 2000
Website www.beronigroup.com	**Auditor** Shandong Haoxin CPA Co., Ltd

Indicative Timetable

Prospectus lodged with ASIC	8 December 2016
Opening date of the Offer	8 December 2016
Closing Date of the Offer	9 January 2017
Issue of Shares under the Prospectus	23 January 2017
Quotation of Shares on the NSX	30 January 2017

This timetable is indicative only, and may change. The Company reserves the right to extend the Closing Date or close the Offer early without notice, in its absolute discretion. Quotation of shares on NSX is at the discretion of NSX and is subject to the Company satisfying the listing requirements of NSX.

Key Offer terms

Offer price	$0.50
Maximum number of Shares offered under the Public Offer	17,434,000
Maximum gross proceeds from the Public Offer	$8,717,000
Shares offered under the Loan Conversion Offer[1]	3,559,712
Shares to be issued to Eagle IG Limited[2]	1,864,506
Shares currently on issue	35,255,782
Maximum number of Shares on issue following the Offers	58,114,000
Market capitalisation following the Offers	$27 - $29 million

1 See section 8.2 for details.
2 See section 5.2 for details.

1 CHAIRMAN’S LETTER

Dear Investor,

On behalf of Beroni Group Limited (**Company**, and together with its subsidiaries and controlled entities, the **Group**), I am pleased to invite you to participate in the offer of up to 17,434,000 Shares at an issue price of A$0.50 each to raise up to A$8.717 million with a Minimum Subscription of 13,560,000 Shares to raise $6.78 million (before costs).

The Group’s business is to promote and develop products in the fields of biotechnology, life science, environmental science and new energy. The Group’s business is based in Tianjin.

The Group currently has four main products: NicoBloc, Fogibloc, Multi Vigorous tablets (Bei Jingli) and Multi lung cleaning tablets (Bei Feiqing) among which NicoBloc, a smoking cessation liquid, is the Company’s flagship product at present.

Beroni Group’s overall strategic goal is to have a global presence in the biotechnology, bio-science and environmental science industries. Upon the Company’s listing on NSX, we will be open to and positively pursue any possible acquisition opportunities to expand the business and hence increase the Group’s market share.

We believe that the Company is well positioned in the industry as the Company:

- possesses strong research and development (**R&D**) skills in the biotechnology and life science field - the Group has obtained 23 approved patents and has applied for an additional 13 patents since its incorporation in 2014;
- has a strong research team - the majority of the team members hold masters or doctorate degree; and
- takes advantage of its domestic technological resource - since establishment, a strategic cooperation partnership has been established with the Biotechnology and Food Engineering Institute of Tianjin University of Commerce to jointly promote relevant R&D projects in the biotechnology and life science field.

Listing on the National Stock Exchange of Australia is an important and exciting step for us. It realises our commitments to our existing shareholders and investors and provides us with a platform for raising funds in the future to further expand our business.

My colleagues and I encourage you to read this document as well as the risks associated with investing in the Group set out in section 6, in particular the Tianjin Beroni commenced trading in 2014 and does not have a track record.

We look forward to welcoming you as a shareholder to witness this exciting growth opportunity with us.

Yours sincerely,

Boqing Zhang
Chairman
BERONI GROUP LIMITED

This information is a selective overview only and is not intended to provide full information for investors intending on applying for Shares offered under this Prospectus. Prospective investors should read the Prospectus in full, including the experts' reports in this Prospectus before deciding to invest in Shares.

<table>
<tr><th>Question</th><th>Response</th><th>Section</th></tr>
<tr><td>Introduction</td><td></td><td></td></tr>
<tr><td>Who is issuing this Prospectus?</td><td>Beroni Group Limited (ACN: 613 077 526), a company incorporated in Australia (Company) and the holding company of the Group which through the operating entity Beroni Biotechnology Co., Ltd (天津贝罗尼生物科技有限公司) (Tianjin Beroni), owns 100% of the Business.</td><td>3.1</td></tr>
<tr><td>What is the Group and what does it do?</td><td>Mr Boqing Zhang established Tianjin Beroni in May 2014. The Group's business consists of sourcing and distributing products from overseas; developing and patenting Beroni-branded products; and establishing distribution networks in China to facilitate the sale of its products.</td><td>3.1</td></tr>
<tr><td>What is the Company's capital structure prior to and following the completion of the Offer?</td><td>
<table>
<tr><th>Share capital</th><th colspan="2">Current</th><th colspan="2">Maximum Subscription</th></tr>
<tr><td></td><td>Number</td><td>%</td><td>Number</td><td>%</td></tr>
<tr><td>Existing shares on issue</td><td>35,255,782</td><td>100</td><td>35,255,782</td><td>60.67</td></tr>
<tr><td>Eagle IG Limited</td><td>N/A</td><td>N/A</td><td>1,864,506</td><td>3.21</td></tr>
<tr><td>Convertible Loan Holders</td><td>N/A</td><td>N/A</td><td>3,559,712</td><td>6.13</td></tr>
<tr><td>Shares to be issued under the Public Offer[1]</td><td>N/A</td><td>N/A</td><td>17,434,000</td><td>30.00</td></tr>
<tr><td>Total Shares</td><td>35,255,782</td><td>100</td><td>58,144,000</td><td>100</td></tr>
</table>
</td><td>3.16</td></tr>
<tr><td>What is Beroni's corporate structure?</td><td>
</td><td>3.1</td></tr>
<tr><td>What is the purpose of</td><td>This Prospectus is for:</td><td>8</td></tr>
</table>

Question	Response	Section
this Prospectus?	• the offer of up to 17,434,000 Shares at an issue price of A$0.50 each to raise up to A$8.717 million with a Minimum Subscription of 13,560,000 Shares to raise $6.78 million (before cost) (**Public Offer**); • the offer of approximately 3,559, 712 Shares to Convertible Loan Investors in satisfaction of the Convertible Loans (**Loan Conversion Offer**); and • satisfying the admission requirements to NSX.	8
Tianjin Beroni and its Business	The key elements of the Group's Business model: （a）Products I. NicoBloc – smoking cessation liquid; II. Fogibloc – anti-pollution air purifier machine; and III. Bei Feiqing and Bei Jingli – lung cleansing health supplement. （b）Customers The Group primarily targets smokers and health conscious consumers in the PRC. （c）Sales network The Group develops its sales network through both online and offline marketing as well as contracting local agents of different regions to sell the Group's products. As at the date of this Prospectus, Beroni has 11 regional sales representatives and has entered into sales agency agreement with each of these representatives under which parties agree on the specific products, unit price and quantity to be supplied and sold. （d）Research and development The Group aims to develop and commercialise more products with its own technology. It has a long term cooperative arrangement with Tianjin University of Commerce for future research and development programs. Currently Tianjin Beroni and Tianjin University of Commerce are in the process of jointly establishing a medical research program in relation to liver disease prevention.	3
Who is the Group's key supplier and what is the nature of the key distribution agreement?	NicoBloc fluid is currently the Group's key product generating more than half of the Group's sales revenue. NicoBloc is manufactured in the UK. Tianjin Beroni has an exclusive distribution agreement with NicoBloc PLC (UK) under which Tianjin Beroni has the right to distribute NicoBloc fluid within China.	3.3, 5.1
What is the	Fogibloc is Beroni's second key product and is Beroni's own	5.7

Question	Response	Section
nature of Beroni's manufacturing agreements?	product. Beroni has an established business relationship with Guangzhou Zanfeng Environmental Protection Equipment Industrial Co., Ltd (**Zanfeng**) and contracts Zanfeng to manufacture Fogibloc on an as need basis. Beroni has in the past entered into 6 such contracts with Zanfeng for the manufacturing of Fogibloc which were all completed prior to the date of this Prospectus. The Group currently has approximately 1,200 units manufactured under the 6 contracts with Zanfeng.	5.7
What material contracts have Beroni entered into?	Tianjin Beroni has entered the following material contracts: • Distribution Agreement with NicoBloc PLC; • Agreement with Beijing Eagle Investment Co., Limited for capital raising and project management (ended in October 2016); • AGC Capital Services Agreement for the provision of corporate advisory services; • Industry Academia Research Cooperative Agreement with Tianjin University of Commerce for the research and development of new products; • Strategic Cooperation Agreement with Tianjin University of Commerce for the establishment of a liver disease research centre; • Strategic Cooperation Agreement with Asia Hepato Gene Co., Ltd on 24 June 2015 for the establishment of the Beroni Liver Disease Prevention Medical Management Centre; • Convertible loan agreements with each of the Convertible Loan Investors under which each Convertible Loan Investors agreed to convert their convertible loans into equity upon the Company's listing on NSX; and • Executive service agreements with each of the Executive Directors. See section 8.3 for more details. Other agreements material to the operation of Tianjin Beroni's business include: • manufacturing agreements with Guangzhou Zanfeng Environmental Protection Equipment Industrial Co., Ltd (广州赞锋环保设备实业有限公司) for the supply of FogiBloc air purifiers; • supply agreements with Cashesu (Tianjin) Pharm-Tech Co., Ltd (中科和素（天津）医药科技有限公司) for the supply of Bei Feiqing and Bei Jingli; • sale agreements for the Group's products; • annual sales agency agreements with 11 regional agents for the sale of Beroni products. Apart from the agency agreements, the other agreements relevant to the operation of Tianjin Beroni's business are	5

<table>
<tr><th>Question</th><th colspan="4">Response</th><th>Section</th></tr>
<tr><td></td><td colspan="4">entered into on an as need basis.</td><td></td></tr>
<tr><td rowspan="9">What is the financial position of the Group?</td><td colspan="4">This Prospectus contains financial information about the Company which is set out in the Investigating Accountant's Report and includes a historical profit and loss statement, cash flow statement and balance sheet.
Historical profit and loss:</td><td rowspan="9">9, 10</td></tr>
<tr><td>(A$'000)</td><td>FY ended 31/12/2014(audited)</td><td>FY ended 31/12/2015(audited)</td><td>6 months to 30/06/2016(audited)</td></tr>
<tr><td>Revenue</td><td>182,510</td><td>1,104,186</td><td>2,166,578</td></tr>
<tr><td>EBITDA</td><td>(183,786)</td><td>(207,640)</td><td>400,717</td></tr>
<tr><td>NPAT</td><td>(139,806)</td><td>(159,145)</td><td>299,674</td></tr>
<tr><td colspan="4">Historical and pro forma balance sheet as at 30 June 2016:</td></tr>
<tr><td>(A$'000)</td><td>30/06/2016 (audited)</td><td>Minimum Subscription</td><td>Maximum Subscription</td></tr>
<tr><td>Total Assets</td><td>4,715,648</td><td>11,188,399</td><td>13,125,399</td></tr>
<tr><td>Total Liabilities</td><td>2,704,036</td><td>341,844</td><td>341,844</td></tr>
<tr><td></td><td>Net Assets</td><td>2,011,611</td><td>10,846,555</td><td>12,783,555</td><td></td></tr>
<tr><td></td><td colspan="4">The financial information presented above is intended as a summary only and should be read in conjunction with the more detailed discussion of the Pro Forma Historical Financial Information in section 9, including the assumptions, management discussion and analysis and sensitivity analysis, as well as the risk factors set out in section 6.</td><td></td></tr>
<tr><td>Is the Offer underwritten?</td><td colspan="4">No. The Offer is not underwritten.</td><td>8.7</td></tr>
<tr><td>What are the tax implications of investing in the Shares?</td><td colspan="4">The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.</td><td>11.1</td></tr>
<tr><td>Will the Company pay dividends?</td><td colspan="4">The Company's focus will be on generating capital growth. The Company has no immediate plan to declare or distribute dividends. Payment of future dividends will depend on matters such as the future profitability and financial position of the Company.</td><td>3.19</td></tr>
<tr><td>Why is the Company seeking to list on NSX?</td><td colspan="4">The Company is seeking to list on NSX to:
• give the Company a more visible and prominent profile to better promote, market and develop the operations of the Group;
• provide an orderly and transparent platform for the Company's existing shareholders and interested investors to trade in the Company's shares; and</td><td>3</td></tr>
</table>

Question	Response	Section
	• provide a solid base for growth.	
Key risks There are a number of risks associated with investing in the share market generally and in the Company specifically. The following is a summary of the key risks that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations. Full details of these risks are set out in section 6 of this Prospectus. Please consider the risks described below and the information contained in other sections this Prospectus. You should also consider consulting with your professional advisers before deciding whether or not to apply for the Shares.		
Convertible Loans	Tianjin Beroni entered into convertible loan agreements with 71 investors and raised a total of RMB 10.584 million (approximately AUD$2.06 million) from these investors. The convertible loan agreements are on the same terms and conditions as summarised in section 5.6. The convertible loans become due on 31 December 2016 and the Convertible Loan Investors have a right to convert their respective loan amount into Shares upon the Company's listing on NSX. The Company has sent a loan extension letter to each of the Convertible Loan Investors to seek their consent to extend the due date for a further 60 days. In the event that the Company is not listed before 31 December 2016, and some or all of the Convertible Loan Investors did not give their consent to extend the due date of their loans, there is a risk that Tianjin Beroni may be requested to repay the loan amount back to the investor. As at the date of this Prospectus, the Group has approximately AUD$2.3 million in cash which is enough to repay all of the Convertible Loans. Thus repaying all convertible loans will not affect the Company's activities, Tianjin Beroni will have no potential insolvency issues in relation to this risk.	
Limited operating history	The Company was established in 17 June 2016. At completion, the Company's principal operating subsidiary will be Tianjin Beroni, which has only been in operation since May 2014. Though Tianjin Beroni has generated revenue, it has incurred losses in its first two years of operation and there is a risk that its products and services will not generate sufficient revenue to be profitable.	6.1(a)
Concentration of ownership	Upon listing, the Company's substantial shareholder Beroni Technology Ltd (Seychelles) will hold between 60.67% and 65% of the Company's issued share capital. The Company's Directors Boqing Zhang, Libing Guo and Hai Huang are shareholders of Beroni Technology Ltd holding 64.4%, 11.04% and 4.6% respectively. They are in a position to exercise substantial influence over matters requiring shareholder approval, including the election of directors, and in so doing, may not act in the best interests of minority	6.1(c)

Question	Response	Section
	shareholders. The concentration of ownership may also discourage, delay, or prevent a change in control of the Company, which would deprive the Company's shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company and might reduce the price for the Company's Shares.	
Pipeline products in development	The Group's sales revenue growth partly depends on the successful commercialisation of its pipeline products. There is a risk that some or all of the pipeline products may not be successfully commercialised, including any unfavourable results from its product research programs and difficulty in manufacturing any of the products which may in turn adversely affect its sales revenue in the future.	6.1(d)
Manufacturing risk	The Group currently relies on third party manufacturers in manufacturing its products. In the event that any of its outsourcing manufacturers discontinues its operations or have insufficient capacity for any reason, this may result in disruption to product supply and may result in material economic loss.	6.1(e)
Loss of key supplier	Tianjin Beroni entered into the Exclusive Distribution Agreement with NicoBloc PLC for the right to distribute NicoBloc fluid in China on 29 June 2016. The Agreement has a term of 5 years. There is a risk that NicoBloc PLC may not wish to renew the Exclusive Distribution Agreement upon expiry due to reasons including inability to agree fees, or the supplier choosing to use alternative distributors in China. Depending on the revenue such product generates at the time such event may occur, the impact of such event on the Group's operation and financial performance may vary. Tianjin Beroni is not aware of any intention from NicoBloc PLC to terminate or to not renew the current agreement. The Directors are confident that the Group's interest is and will continue to align with NicoBloc PLC's overall strategy and the two parties will enjoy a stable long term business relationship.	6.1(f)
Reputation risk and damage to the Group's brand	The Group's reputation may be adversely affected by factors beyond the control of the Group. These factors include any failure of its operating systems, or failure on the part of any of its employees or sales representatives in dealing with the Company's stakeholders or complying with any regulatory requirements. Such failures may materially damage the Group's brand and reputation which could cause harm to its existing relationships with customers, manufacturers and suppliers. This may adversely affect the Company's financial performance.	6.1(g)
Competitive activity	The Group operates in a relatively emerging and competitive market. Any price increase to its products, new entrants to the market or new product innovation by competitors may affect demand for the Group's products and result in a reduction in its sales revenue.	6.1(h)

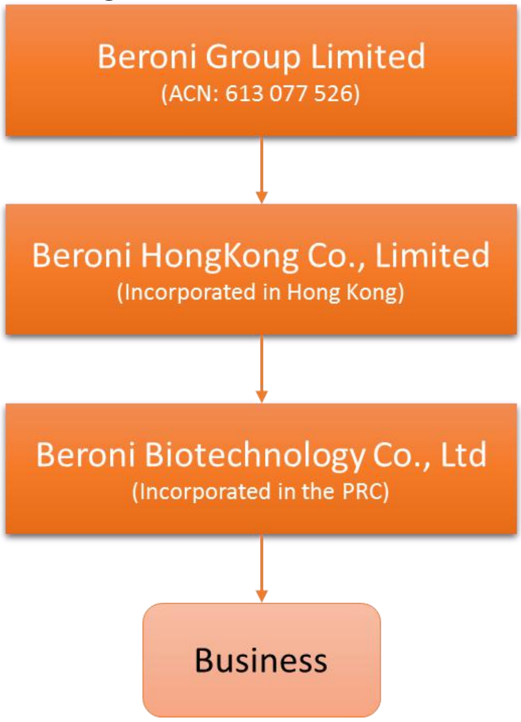
Question	Response	Section
	The Group recognises that its success depends on its ability to compete effectively in the relevant markets. The Group aims to do this by building a highly competent and driven regional sales teams and investing in research and development programs to introduce new products. The Group has not received notice of intention from any of its material suppliers of a price increase in their products.	
Change in existing regulatory frameworks	The Group's business operates in the PRC. Any changes to the existing regulatory framework could result in increased compliance and administrative costs for the Group which could impact adversely on the financial viability of the business. Transfer of profits generated within the Group is subject to PRC laws. There is a risk that these laws may affect the Group's ability to transfer funds outside PRC, including its parent company.	6.1(i)
Key personnel	The prospects of the Group depend, in part, on the entrepreneurial drive and business experience of key executives. These key personnel include both existing executive founding directors. There can be no assurance that the Group will be able to retain these key personnel. The loss of a number of key personnel without replacement by, or the inability to recruit and retain, persons of similar technical skills and experience may have an adverse effect on the business. This risk is mitigated to the extent that Messrs Boqing Zhang and Hai Huang are shareholders of Beroni Technology Ltd which upon listing will be a substantial holder of the Company and their interests are aligned with those of the Company.	6.1(j)
Internal controls	The system of internal controls currently implemented by the Group is designed for the operations of an owner-managed enterprise. The Directors are of the opinion that while this system of internal control is adequate and effective for the current level of operations, it may become inadequate after the Group's business expands. The Group's internal controls, including internal financial reporting procedures, are continuously being developed and the Group will need to allocate significant resources to meet the standards of internal controls expected of a larger publicly listed company. If the Group is not able to improve and subsequently maintain the quality of the Group's internal controls, any weaknesses could materially and adversely affect the Company's ability to properly manage the operations of the Group, provide timely and accurate information about the Group's operations and finance, and could cause the Group to be susceptible to internal fraud. The Directors will continuously review the Group's system of internal controls and ensure that they are developed to, and maintained at, a level of quality appropriate for a publicly listed company of comparable size and scale of operations.	6.1(k)

Question	Response	Section
	Further, to mitigate risks associated with compliance with continuous disclosure obligations, the Board proposes to implement efficient and robust internal controls, including adopting the ASX Corporate Governance Council's principles and recommendations.	
Growth	Expansion of the Group's business potentially involves sourcing or developing new products. There is a risk of a material adverse effect on the Group's financial performance if it is not able to manage its growth efficiently and effectively.	6.1(l)
Currency and Foreign Exchange	Revenue generated, and capital and operating costs incurred, by the Group will largely be denominated in China's currency, the Ren Min Bi (**RMB**). The Group expects to report financial results in RMB.	6.1(m)
Political economic and social reforms	There is no assurance that any change that occurs as a result of political, economic or social reforms in China will have a positive effect on China's economic development or that the Group's operating companies will benefit from or will be able to capitalise on these reforms.	6.1(n)
Risks specific to the PRC	In addition to the current and foreign exchange risks, there are specific risks relevant to the PRC including the Chinese consumer's purchasing power, uncertain economic conditions and the PRC legal system and legal risks.	6.2
General investment risks	Investing in the Company's Shares has general risks associated with investment in securities, economic conditions, changes in legislation and government regulation as well as taxation risks.	6.3
Directors and Management		
Who are the Directors of the Company and what benefits are being paid to Directors?	The Directors of the Company are: **Name** – **Designation** Boqing Zhang – Executive Chairman Hai Huang – Executive Director Chris Deng – Executive Director Libing Guo – Non-Executive Director Yap Ting (Peter) Wong – Non-Executive Director See section 7 for Directors' experience and remuneration.	7
Who are the senior management of the Group?	Boqing Zhang CEO Chris Deng CFO	7.4
Miscellaneous		
Where will the Shares be quoted?	An application will be made to the NSX for quotation of the Shares under the trading symbol "BTG".	
How can I obtain further	By speaking to your accountant, stockbroker or other professional advisor.	

Question	Response	Section
advice?		

3.1 Introduction

The Company was incorporated in Australia on 17 June 2016 as a holding company of the Group and for the sole purpose of acquiring the Business. The Group's corporate structure as at the date of the Prospectus is set out below. See section 3.14 for details of the Reorganisation.



The objective of the Group is to create shareholder value through carrying on and developing the Business.

3.2 Principal business

Tianjin Beroni was incorporated as a limited liability company on 21 May 2014 in the Science and Technology Industrial Park, Zhongbei, Xiqing District, Tianjin, PRC with the aim of promoting health and wellbeing.

Beroni's business model consists of the following:

(a)sourcing and distributing products from overseas;
(b)developing and patenting Beroni-branded products; and
(c)establishing distribution networks in China to facilitate the sale of its products,
(together, the **Business**).

Since its incorporation, Tianjin Beroni has focused on establishing a range of quality products within the areas of biotechnology, life science, environmental science and new energy.

Beroni has three key products which together generated approximately 85% of Tianjin Beroni's sales revenue for the half year ended 30 June 2016:

Product Name	Percentage of Sales Revenue
NicoBloc fluid	61.26%

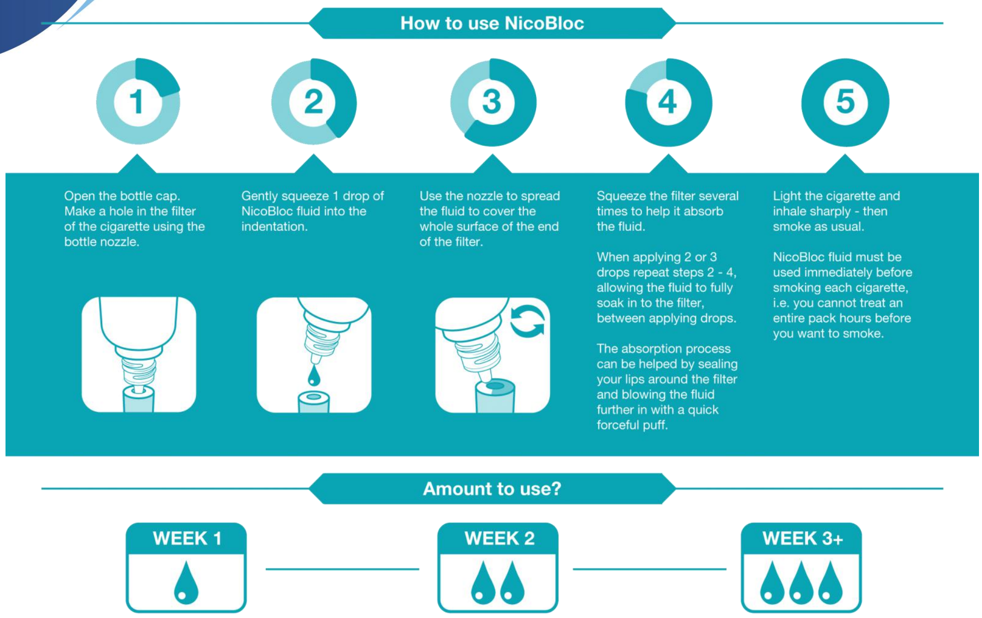
Fogibloc air purifier	16.46%
Bei Feiqing and Bei Jingli	7.63%

3.3 Product overview – NicoBloc fluid

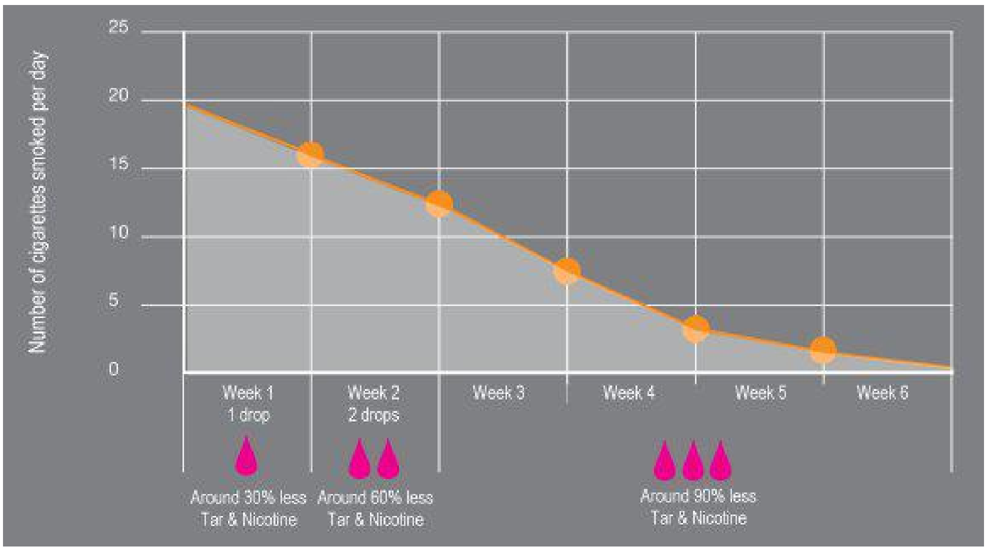
NicoBloc fluid is originated and manufactured in the UK. Tianjin Beroni is the sole distributor of this product in China. See section 5.1 for a summary of the Exclusive Distribution Agreement.

NicoBloc fluid is a smoking cessation / harm reduction product which stops tar and nicotine from reaching the smoker while the smoker continues to smoke normally. NicoBloc fluid (which was also previously called the “Accu Drop” and the “Rosen Fluid”) originated from a projected started by the late William Rosen in the US in the late 1980’s. In 1995 the product was trialled in the Irish corporate sector as the Rosen Program and the first UK program started in 1998.
Tianjin Beroni undertook a volunteer experience program in 2015 in China involving approximately 2,000 volunteer paticipants of which 14.76% were female and 85.24% were male. The experience program was for a period of 4 weeks and the volunteers were asked to use the NicoBloc fluid as directed and give daily feedback to the company. The data was compiled at the end of the program and the result showed that 7.89% of the paticipants reduced their daily intake to zero whereas most of the volunteers reduced their intake amount by 40% to 60%. 93.43% of the volunteers reduced their daily intake by 30% to 100%.

(a) How does NicoBloc work?
NicoBloc is a viscous fluid, which is applied to the filter immediately prior to smoking. It works by trapping the nicotine and tar in the filter of the cigarette as it is smoked.



One drop traps approximately 30%, two drops 60% and three drops approximately 90%. Using as directed, smokers are able to gradually wean themselves off nicotine addiction and reduce consumption until they are ready to stop smoking altogether without experiencing the severe withdrawal symptoms usually associated with stopping smoking.



(b) Comparative advantage of Nicobloc

The market for smoking cessation products is relatively competitive. The main competitors globally include:

(i) Champix from Pfizer;
(ii) Nicobate/Zeban from GlaxoSmithKline;
(iii) Nicotinell from Novartis;
(iv) Nicotette from Johnson & Johnson; and
(v) Tabex from Sophama Pharmaceuticals.

NicoBloc fluid differentiates itself from its competitors because it uses an alternative method to the common cessation methods, called the Gradual Reduction Method (**GRM**). NicoBloc fluid is a form of liquid with all natural

(b) ingredients and works like a filter when applied to the cigarette butt which reduces smokers' intake of nicotine and tar.

The feature comparability of nicotine replacement therapy is set out below.

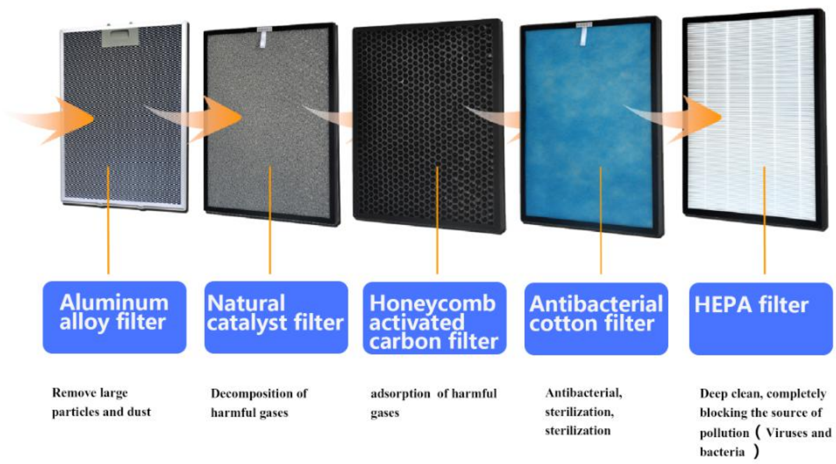
NML: Feature Comparability

Key Feature Comparison	NicoBloc Fluid	Champix/ Chantix	NiQuitin,Nicabate/NicoDerm CQ	Nicorette	Nicotinell	Zyban	Tabex	E-Cigarette
Price	✓✓✓✓	✓	✓✓	✓✓	✓✓	✓	✓	✓
OTC Accessibility	✓✓✓✓	O	✓✓	✓✓	✓✓	O	O	✓✓✓
Non-NRT*	✓✓✓✓	✓✓✓✓	O	O	O	✓✓✓✓	✓✓✓✓	O
Tar Reduction	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓
Success Rates	✓✓✓✓	✓✓✓	✓	✓	✓	✓✓	✓	✓

Source: NML Management, NRT – Nicotine Replacement Therapy

3.4 Product overview – Fogibloc

Fogibloc forms an important part of Beroni's "Lung Cleansing" range of products. Fogibloc aims to tackle the worsening of air quality in cities of China. Fogibloc features 5 layers of filtration net and negative ion air purifying system and is a pioneer in the air purifying system industry.



Air Ion is charged atom or group of atoms in the air. The positive charged ions are called positive ions and the negative charged ions are call anion. When neutral air molecules encounter some external forces (electric field, collisions, radiation, etc), the outer electron will get rid of the nucleus bound, then become a free electron. Free electronics will soon be attached to the gas molecules or atoms and particularly easy attached to the oxygen molecules or water molecules, and become negative air ions.

The main source of negative ions in nature in the air is due to cosmic rays, ultraviolet rays, radioactive elements in rock and soil release ray excitation, and the role of lightning excitation and storms, waterfalls impact and friction. In addition, rain, forest, manufacturing plat photosynthesis will produce fresh air that contains negative ions.

Air negative ions under the artificial conditions possesses some defects, which, when generating ions, a lot of ozone will be produced. Waterways to produce negative air ion has the advantage that does not produce harmful gases, but the structure of device is more complex, and comes at a high costs.

At the beginning of 2015, Beroni invested heavily in the research and development of this product and has achieved a number of technical innovation and breakthrough in this field. Beroni has obtained 7 patents for this product as listed in section 3.6 below. Fogibloc is a leading product in the China air purifier market. A total of 15 invention patents and utility model patents has been approved or are in the approval process.

Fogibloc is developed by the Company and is in production. The products are manufactured by Guangzhou Zanfeng Environmental Protection Equipment Industrial Co., Ltd (广州赞锋环保设备实业有限公司). See section 5.7 for a summary of the manufacturing agreement.

3.5 Product overview – Bei Feiqing and Bei Jingli

Beroni’s nutrient supplement tablets range currently includes two products: Bei Feiqing and Bei Jingli.

Bei Feiqing’s formula uses liquorice, the root of balloon flower and tremella as its main ingredients and ingredients developed through the high-end purification technology of Chinese Academy of Sciences. It prevents infection of the respiratory system, reduces the symptoms of coughing and breathing difficulties and repairs the damaged cells of the respiratory system.

Bei Jingli is an auxiliary product of NicoBloc fluid and assists smokers to cleanse their lungs and enhance lung functions after they stop smoking.

3.6 Patents

As at the date of this Prospectus, the Company has legal or beneficial rights over 23 patents, 7 of which are relevant to Beroni’s current products and are set out as follows:

No	Patent number	Description	Date of application	Acceptance date	Period of validity (years)
Patents relevant to NicoBloc					
1	ZL201310320019.X[1]	Preparation and method for reducing composition of gross particle phase tar and nicotine	26/07/2013	29/07/2015	20
Patents relevant to FogiBloc					
2	ZL201520672848.9	Antibacterial cotton	2015.09.01	2016.02.17	10

		filter screen			
3	ZL201520671958.3	Automatic power-off protection device of air purifier	2015.09.01	2016.02.17	10
4	ZL201520675070.7	Aluminium alloy filter screen for air purifier	2015.09.01	2016.02.17	10
5	ZL201520677827.6	Intelligent air purifier with multiple filter l ayers	2015.09.01	2016.02.17	10
6	ZL201520673489.9	Ultraviolet sterilization device for air purifier	2015.09.02	2016.02.17	10
7	ZL201510555610.2	Honeycomb screen filter	2015.09.01	2015.09.21	20

1 This patent is jointly held by Tianjin Beroni and Beijing Benehealth Biotechnology Co. Ltd (北京益生汇康生物技术有限公司), a company associated with Mr Zhang, the Chairman.

Patents in the PRC are principally protected under the Patent Law of the PRC. The duration of a patent right is either 10 years or 20 years from the date of application, depending on the type of patent right.

The Group has 13 patent applications which are currently going through the relevant approval process. These applications together with other patents of the Group not listed above relate to pipeline products Beroni is currently developing which Beroni may be commercialise in the future.

3.7 Copyright

Tianjin Beroni owns its online shopping software called “Beicheng” and has registered the following copyright in relation to the software.

No	Name of Software	Completion Date	First Publication Date	Method of Obtaining Rights	Scope of Rights	Reg. No.
1	Beicheng E-Mall System v1.0	6/1/2015	6/1/2015	Original	All rights	2015SR20 1456
2	Beicheng Store APP System V1.0	28/1/2015	28/1/2015	Original	All rights	2015SR20 1265
3	Beicheng Logistics System V1.0	8/6/2015	8/6/2015	Original	All rights	2015SR20 0943
4	Beichng Employee Management System V1.0	11/2/2015	11/2/2015	Original	All rights	2015SR20 2131
5	Beroni Financial Management System	5/3/2015	5/3/2015	Original	All rights	2015SR20 1249
6	Beroni Website Marketing System V1.0	14/4/2015	14/4/2015	Original	All rights	2015SR20 1253

Copyright in the PRC, including copyrighted software, is principally protected under the Copyright Law of the PRC and related rules and regulations. Under the Copyright Law, the term of protection for copyrighted software is 50 years.

3.8 Other intellectual property

Beroni has applied for a number of trademarks relevant to its Business, including its trading name "Beroni" and its product names "NICOBLOC" and "FOGIBLOC". As at the date of this Prospectus, although registration has not yet been granted, the application process has been completed for the following trademarks:

No	Trademark	Category	Date of application	Application number	Date of acceptance
1	NICOBLOC	Category 5	2015.03.17	16503404	2015.06.26
2	FOGIBLOC	Category 11	2015.03.17	16503455	2015.06.26
3	beroni and bi	Category 5	2014.11.20	15747317	2014.12.04

Registered trademarks are protected under the Trademark Law of the PRC and related rules and regulations. Trademarks are registered with the Trademark Office of the State Administration for Industry and Commerce. Where registration is sought for a trademark that is identical or similar to another trademark which has already been registered or given preliminary examination and approval for use on the same or similar commodities or services, the application for registration of such trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

In addition, Beroni has registered the following domain names:

No.	Domain name	Registration date of the domain name	Due date of the domain name	Registered institution of the domain name

1	ctcav.com[1]	2015.07.31	2019.07.31	HI CHINA ZHICHENG TECHNOLOGY LTD.
2	sinobln.com[2]	2014.05.25	2018.05.25	HI CHINA ZHICHENG TECHNOLOGY LTD.
3	zhbln.com[3]	2014.05.25	2018.05.25	HI CHINA ZHICHENG TECHNOLOGY LTD.

1 This is a website for a non-profitable smoking control volunteers association which promotes the harm of smoking, knowledge and method for smoking control and assists families and individuals to quit smoking.

2 This is an online platform for the sale of the Group's products.

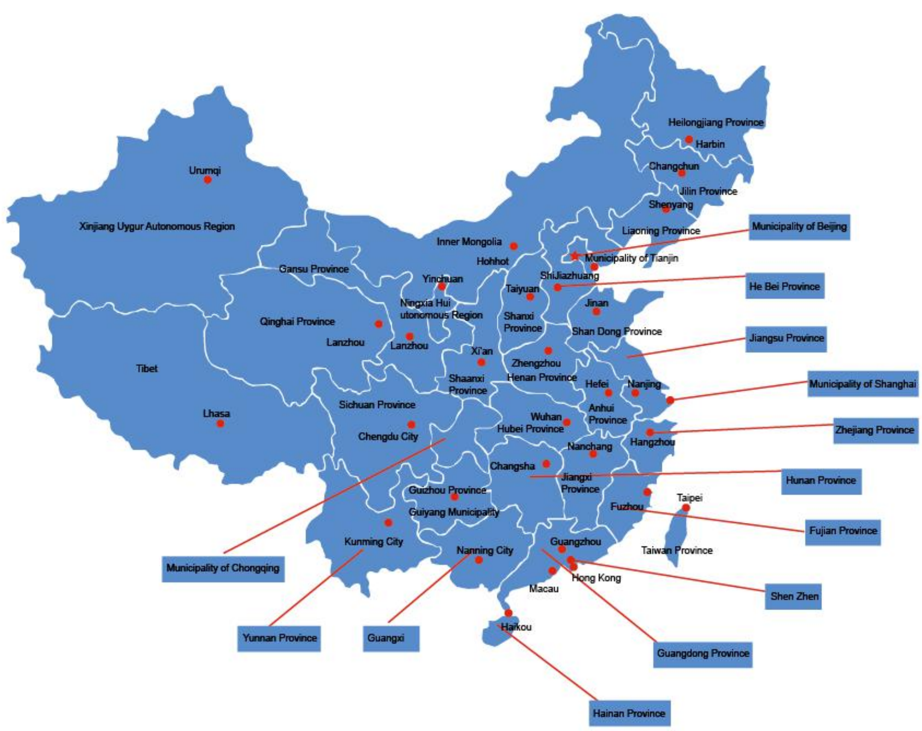
3 This is Tianjin Beroni's company website.

Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

3.9 Sales strategy

The Group generates its sales revenue mainly through an online-to-offline commerce (**O2O**) business strategy. O2O draws potential customers from online channels to physical stores by establishing a national agent service centre network. The Group has recently established its sales networks with 11 services agents nationally, covering, without limitation, Beijing, Shanghai and Guangzhou, the three biggest cities in China.

Agent Center Distribution Sketch Map in China



The service agents are responsible for offline product sales and promotion, product and strategic training, firm culture training and the provision of after-sale customer services. The Group has an incentive program for these agents based on their performance assessed against their assigned sales targets. Sales agents which exceeds their assigned sales target will receive a 2% bonus of the annual sales revenue they generate which will be paid at the end of each year. Other than the bonus, the Group is not responsible for other commissions.

The Group aims to establish up to 150 service centres by the end of 2017 with part of the funds raised under the Prospectus.

3.10 Marketing strategy

The Group promotes its products through the following means:

(a) Online marketing and television marketing

The Group markets its products through popular social network websites such as Weibo, Wechat, other online forums and television channels. The Company considers online and television marketing to be an effective way of promoting its brands to potential customers.

(b) Pilot programs and media exposure

During 2015 and 2016, not long after the introduction of regulations on smoking control in Beijing, the Group initiated a pilot program giving smokers the opportunity to try NicoBloc fluid for free. This pilot program was well-publicised by mainstream media and had a positive impact on the Group's image and client base.

(c) Social welfare programs

Social welfare programs help to gain recognition of the Group in the general community. In the past, the Group held a social welfare activity to promote smoking control. In July 2016, Beroni funded and established a school for autistic children. The Group will continue to promote social welfare programs in the future.

Marketing expenses and disbursements contributes to approximately 5-8% of sales revenue.

3.11 Strategic plans

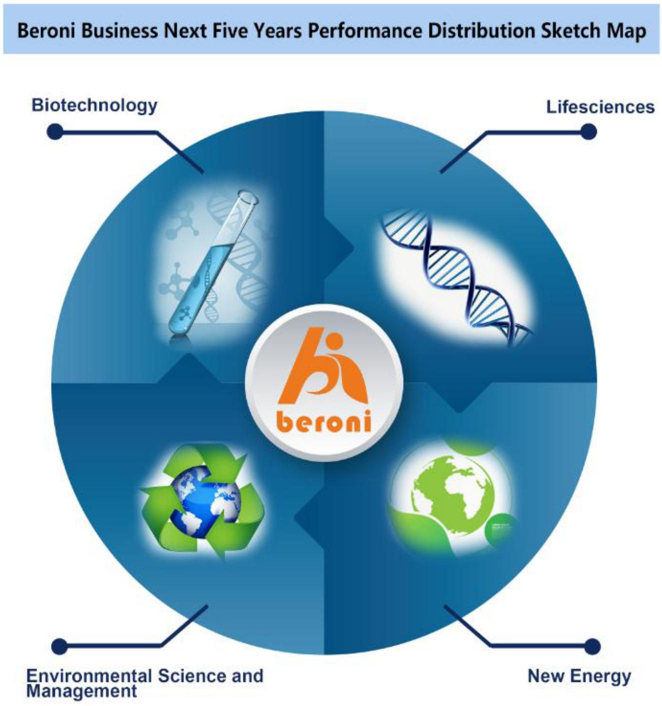
To source additional products from existing and new suppliers and to further expand its research development program and introduce more Beroni-branded products, Beroni plans to undertake the following activities within the next two years:

(a) commercialise its current products under development;

(b) continuing existing and introducing new research and development programs to develop and patent more Beroni-branded products;

(c) establish its own manufacturing facility so that products can be manufactured in- house reducing costs and mitigating risks associated with outsourcing manufacturing arrangements; and

(d) access overseas markets either to source potential new products to distribute in China or to promote Beroni-branded products.



3.12 Research and development

The primary focus of Beroni's existing and future research and development programs is green technology, health and biotechnology. Its research and development strategy is to gradually develop Beroni's own technologies which will then be commercialised.

Beroni has a long term co-operative relationship with Tianjin University of Commerce (**TUC**) and is in the process of jointly establishing a medical research program for liver disease prevention.

See section 5.5 for a summary of the co-operation agreement.

3.13 Use of funds raised under the Public Offer

The proposed use of funds raised under the Public Offer is as follows, assuming existing funds on hand of approximately A$2 million as at the date of this Prospectus.

Description	Minimum Subscription (A$'000)	Maximum Subscription (A$'000)
Available funds		
Cash on hand (as at 30/06/2016)	2,000	2,000
Funds to be raised under the Prospectus	6,780	8,136
Total funds available	**8,780**	**10,136**

Expenditure		
Product research and development	1,356	1,743
Development of factory and production line	1,356	1,743
Expenses associated with due diligence and negotiation of future acquisitions of businesses	1,356	1,743
Market development and promotion	1,356	1,743
Brand building	678	872
General working capital	-	194
Expenses for the listing	678	678
Total expenditure	**6,780**	**8,136**

In the event that moneys are received beyond the Minimum Subscription, the net funds are intended to be applied roughly equally between the expenditure items (excluding expenses for the listing).

The Company will in the event that where it is required to repay the Convertible Loans in full (see section 6.1(a)), equally reduce expenditure on all items, other than the costs of the Offer.

The use of funds set out above represents the Group's current intentions based upon its present plans and business conditions. The amounts and timing of the actual expenditures may vary significantly and will depend upon numerous factors, including the timing and success of the Group's development efforts.

The Directors are of the opinion that the Group will have enough working capital to carry out its business objectives as described in this Prospectus.

3.14 Reorganisation

Prior to the date of the Prospectus, the Group undertook a restructuring process which is set out in chronological order below:

(a) On 21 May 2014, Beijing Benehealth Biotechnology Co. Ltd (北京益生汇康生物技术有限公司) incorporated Tianjin Beroni as its wholly owned subsidiary;

(b) On 30 May 2016, Mr Boqing Zhang incorporated Beroni Hongkong Co., Limited (an entity associated with Beijing Eagle Investment Co., Ltd) and is the sold shareholder with a paid-in capital of HKD 10,000.

(c) On or about 8 September 2016, Tianjin Beroni placed 0.99% shares to Eagle IG Limited for a cash consideration of RMB 100,000;

(d) On 9 September 2016, Beijing Benehealth Biotechnology Co. Ltd (北京益生汇康生物技术有限公司) and Eagle IG Limited sold the entire issued capital of Tianjin Beroni to Beroni HongKong Co., Limited for a cash consideration of RMB 10,010,000 under a share sale agreement;

(e) On 24 October 2016, Mr Zhang transferred all of his shares in Beroni HongKong Co., Limited to Beroni Group Limited for HKD10,000 which completed the final step of the restructuring process,

(together the "Reorganisation").

As at the date of the Prospectus, Beroni Group Limited holds 100% of Beroni HongKong Co., Limited which in turn holds 100% of Tianjin Beroni. The post-Reorganisation Group structure is as shown in section 3.1.

Further details of the Reorganisation can be found in the Legal Due Diligence Report.

3.15 PRC Legal Due Diligence Report

The Company has obtained a legal due diligence report (Legal Due Diligence Report) from Tianjin Lingyu Law Firm, with respect to the following matters of the laws of the PRC in force as at 23 November 2016:

(a) Basic history and company information of Tianjin Beroni;
(b) Process and validity of the Reorganisation;
(c) Tianjin Beroni's assets and liabilities;
(d) Tianjin Beroni's past and current contracts;
(e) Compliance with relevant PRC laws; and
(f) Tianjin Beroni's internal organisational system.

Information material to the Business has been disclosed under the relevant headings in this Prospectus.

The Legal Due Diligence Report may contain information primarily of interest to professional analysts or advisers or investors with similar specialist information and therefore has been lodged with ASIC under section 712 of the Corporations Act.

Copies of the Legal Due Diligence Report can be obtained for no cost from the Company by phoning +61 478 042 056 during business hours.

3.16 Capital structure

The capital structure of the Company before and after the Offers is as follows:

Share capital	Minimum Subscription($6.78 million)		Maximum Subscription($8.72 million)	
	Number	%	Number	%
As at the date of this Prospectus:				
Existing Shares on issue	35,255,782	65.00	35,255,782	60.67
Shares to be issued following completion of the Offers:				
Eagle IG Limited	1,864,506	3.44	1,864,506	3.21
Convertible Loan Investors	3,559,712	6.56	3,559,712	6.13
Shares offered under the Public Offer[1]	13,560,000	25.00	17,434,000	30.00
Total	**54,240,000**	**100**	**58,114,000**	**100**

[1] Assuming the maximum amount is raised.

Details of Directors' holdings are set out in section 7.2.

As at the date of this Prospectus, the Company does not have any other class of securities on issue.

3.17 Substantial Shareholders

The following are substantial shareholders (as defined in the Listing Rules) of the Company as at the date of this Prospectus:

Shareholders	Number of Shares	%
Beroni Technology Ltd (incorporated in Seychelles)	35,255,782	100

3.18 Employee Share Option Plan

The Company has established an employee share option plan (**Incentive Plan**) to provide an opportunity to eligible participants to participate in the Company's future growth and provide an incentive to contribute to that growth. The Incentive Plan is further designed to assist in attracting and retaining employees.

Subject to prior shareholder approval, Directors are entitled to participate in the Incentive Plan. No invitations have been as yet issued under the Incentive Plan. The Directors do not currently participate in the Incentive Plan, but may do so in the future. The extent of any future participation in the Incentive Plan is unknown.

A summary of the terms of the Incentive Plan is set out below:

(a) The Company must obtain Shareholder approval under the Listing Rules and/or the Corporations Act before the participation under the Incentive Plan of any eligible participant who is a Director of or otherwise a related party of the Company.

(b) Subject to the Corporations Act and the Listing Rules, the Board may at such times as it determines, issue invitations (in such form as the Board decides from time to time) to eligible participants, or any one or more of them, inviting applications for a grant of incentive securities up to the number specified in the invitation (**Specified Securities**) and specifying an acceptance period.

(c) The number of Specified Securities will be determined by the Board in its absolute discretion.

(d) Awards granted under the Incentive Plan (**Awards**) will be granted free of charge.

(e) The Board may impose performance criteria for the vesting of Specified Securities.

(f) The Board may in its absolute discretion determine the general terms of the Awards subject to the Corporations Act, the Listing Rules and the Company's Constitution.

(g) In the event of a takeover bid for the Company, any Awards granted to an eligible participant will vest where, in the Board's absolute discretion, pro rata performance is in line with the performance conditions applicable to those Awards. In addition, in the event of a court-ordered arrangement or compromise, compulsory acquisition following a takeover bid or the winding up of the Company, the Board may, in its absolute discretion, determine that some or all of an eligible participant's Awards vest if pro rata performance is in line with the performance conditions applicable to those Awards.

(h) Where a participant ceases to be an employee of the Company, that participant's Awards will continue to be held by the participant (or by his or her estate as representative) and continue to be subject to the terms of the

Incentive Plan except that any continuous service condition will be deemed to have been waived.

(i) However, prior to or within 60 days after a participant ceases to be an employee of the Company, the Board may determine (in its absolute discretion) that some or all of a participant's Awards will:
- (i) vest or become exercisable;
- (ii) are only exercisable for a prescribed period and will otherwise lapse;
- (iii) continue to be subject to some or all of the performance conditions; or
- (iv) lapse on the date of cessation of employment.

(j) Unless otherwise determined by the Board, the exercise price of each Specified Security will be a minimum of the market value of a Share when the Board resolves to offer the securities.

(k) An invitation or offer of incentive securities may only be made under the Incentive Plan if the number of Shares that may be acquired when aggregated with:
- (i) the number of Shares which would be issued if each outstanding offer or Award, being an offer made or option or performance right acquired pursuant to the Incentive Plan or any other employee share scheme was to be accepted or exercised; and
- (ii) the number of Shares issued during the previous 3 years pursuant to the Plan or any other employee share scheme,

but disregarding any offer made, or Award acquired or Share issued, by way of or as a result of:
- (iii) an offer to a person situated outside of Australia at the time of receipt of the offer; or
- (iv) an offer which did not require disclosure to investors under the Corporations Act; or
- (v) an offer made under a disclosure document (within the meaning under the Corporations Act),

does not exceed 5% of the total number of issued Shares of the Company as at the time of the invitation or offer.

3.19 Dividend policy

The Company does not intend to pay dividends on securities for the financial year ending 31 December 2016.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors. However, where possible, the Directors intend to adopt a policy of declaring the highest possible rates of dividends after taking into account factors such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors.

3.20 Company tax status and financial year

The Company will not carry on business in, or operate with management control out of, Australia. Hence, the Directors do not expect the Company to be considered a tax resident in Australia.

From the next financial year, the financial year of the Company will end on 31 December annually.

3.21 Litigation

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, the Company or its subsidiary or its controlled entity is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company, its subsidiary or its controlled entity.

Beroni is a participant in health and anti-pollution product markets in China. It is currently selling and promoting the smoking cessation product, lung cleansing products and air purifier machines

4.1 Smoking cessation market

China has enjoyed rapid technological and societal advancement. Chinese people are paying more attention to health.

According to a report published by the World Health Organisation (**WHO**), there are more than 1 billion smokers worldwide. Tobacco is one of the biggest public health threats the world has ever faced, killing around 6 million people a year. More than 5 million of those deaths are the result of direct tobacco use while more than 600,000 are the result of non-smokers being exposed to second-hand smoke.

Studies show that few people understand the specific health risks of tobacco use. For example, a 2009 survey in China revealed that only 38% of smokers knew that smoking causes coronary heart disease and only 27% knew that it causes stroke.

According to a 2015 investigation report (**2015 Report**) done by China Centre for Disease Control and Prevention, as at the end of 2015, China has approximately 316 million smokers. The number of smokers in China increased by 15 million in the past 5 years. The daily intake has also increased by 1 to 15.2 cigarettes per day.

The 2015 Report also concluded that China's general population was supportive of smoking control in public space and recommended the implementation of regulations for national smoking control in public space regulation be implemented.

On 1 June 2015, Beijing Smoking Control Regulation was published and implemented indicating a national consensus of controlling smoking amongst the general population and the government's initiative in making smoking control an important national policy.

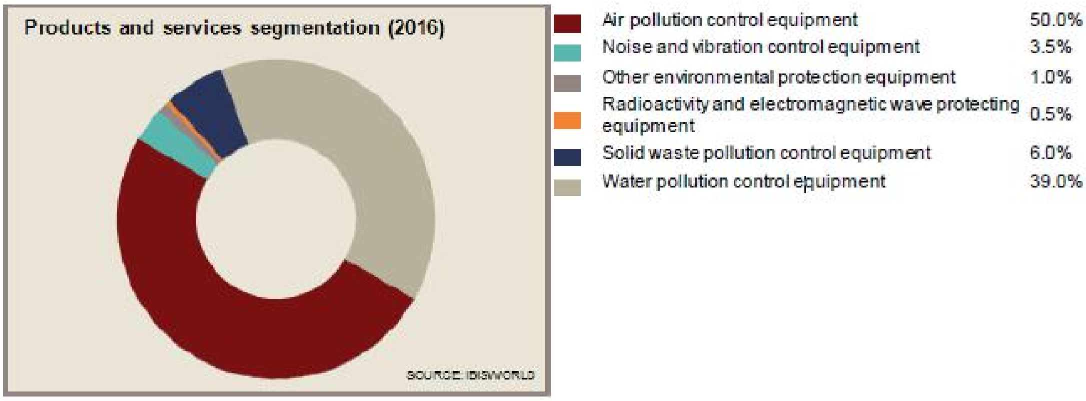
At a WHO conference this year, a PRC government health spokesman indicated that the nationwide regulation to control smoking in public is undergoing the legislative process and is proposed to be carried out this year.

4.2 Air purifier product market

The air purifier market in China is estimated to be about USD 0.965 billion in 2014 according to the Research and Markets Adds Report: China Air Purifier Market Outlook 2015-2021. China's rising industrialisation and increasing population affects the pollution in the country which lead to increasing number of heart attacks and other air borne disease. Rising health concerns, changing consumer lifestyle and increasing disposable income are boosting the adoption of air purifiers in China. The report indicates that the China market is expected to experience robust growth.

In September 2013, Air Pollution Prevention and Treatment Planning was put forward by the State Council. It put forward a series of measures to improve air quality from 2013 through to 2017.

According to a report done by IBISWorld, Pollution Treatment Equipment Manufacturing in China, worsening air quality in China's large cities is also increasing demand for air pollution treatment equipment. Improving living standards will also positively affect the development of the industry, especially the development of its consumer products, such as indoor air pollution control equipment. Air pollution control equipment is the largest segment of this industry which is expected to account for 50% of the industry revenue in 2016.



This segment has developed rapidly in the past several years due to the high level of technology, booming downstream industries, great public attention resulting from the Beijing Olympic Games, and increasingly stringent regulations.

In 2015, there were approximately 3.52 million air purifiers sold in China which was an 8% increase to that of 2014. The total sales revenue was approximately RMB 7.5 billion, a 10% increase to that of 2014. On average, there were only 4 air purifiers per 100 households which was very low compared to air conditioners and televisions which were 140 units and 170 units per 100 households respectively. Also, most people in China use air purifiers because of the air pollution whereas air purifiers in developed countries are also used for pollen, odour, pet fur and other germs. Thus the air purifier market in China still has a lot of potential in terms of demand.

4.3 Health food market/supplements

A media release by Hong Kong Trade Development Council dated 30 August 2016 indicated that according to reports, market sources in the mainland estimate that China's health food and nutritional supplement market is worth more than RMB 1 trillion. This market is expected to continue to grow because of Chinese people's rising health awareness.

Survey data from China Health Care Association show that sales of health food in China are around RMB 200 billion annually. As people's living standard continues to rise, seniors are paying more and more attention to keeping healthy and enhancing their body resistance. Market forecast shows that in 2014-2050, the consumer market of China's elderly population will jump from about RMB 4 trillion to about RMB106 trillion and it is estimated that spending on health, wellness and medical care will grow particularly sharply.

According to China Food and Drug Administration's Food & Drug Statistical yearbook 2014, there were 2,587 health food manufacturing enterprises in China as at 2014 year end. The concentration rate of China's health food industry remains low. It is estimated that large enterprises with more than RMB 100 million in total investment account for only 2% of the total.

China has been adopting an examination and approval system for its health food market. The new Food Safety Law of China became effective on 1 October 2015. In this new food safety law, 13 provisions are related to "health food", providing various stipulations in market-access permission, production administration, market supervision, advertising administration and penalties in case of violations. Under the new law, the concurrent implementation of a record-filing system and a registration system of health food is proposed for the first time. Regulatory authorities would maintain records on the production and sales of registered products are maintained by regulatory authorities for comprehensive supervision.

With the low concentration rate of the health food industry in China and the growing demand for health related products especially among seniors, Beroni continues to focus and will focus on developing new health food products.

5.1 Exclusive Distribution Agreement – NicoBloc

Parties	Tianjin Beroni NicoBloc PLC
Background	NicobBoc Plc appoints Tianjin Beroni as its sole and exclusive distributor, with the right to import, sell, market and distribute Nicobloc fluid to China.
Date of agreement	29 June 2016
Term of agreement	5 years and an automatic renewal of another 3 years subject to Beroni completing the agreed purchase quantity for the initial 5-year term.
Minimum annual purchase quantity	The annual purchase quantity for the initial term is as follows: Year: Minimum purchase quantity (units) 2016: 100,000 2017: 500,000 2018: 1,000,000 2019: 2,000,000 2020: 5,000,000
Trademark and sub-distribution rights	NICOBLOC PLC grants to Tianjin Beroni an exclusive royalty free licence for the term of this agreement to use its trademarks, trade names, domain names, websites and/or patents to permit Tianjin Beroni to fulfil its obligation under this agreement. Tianjin Beroni is entitled to sub-licence its rights under this clause to sub-distributors on substantially the same terms and conditions as set out in this agreement.
Termination	The agreement may be terminated by written notice at least 3 months prior to the end of the initial term or the extended term (as the case may be). NICOBLOC PLC has a right to terminate the agreement if the minimum annual purchase quantity is not met.
Governing law	The agreement is governed by the laws of England and Wales.

Prior to entering the Exclusive Distribution Agreement with NICOBLOC PLC on 29 June 2016, Tianjin Beroni purchased Nicobloc fluid from Beijing Benehealth Biotechnology Co. Ltd (北京益生汇康生物技术有限公司), a company associated with Mr Zhang, the Company's Chairman. Prior to 29 June 2016 Beijing Benehealth Biotechnology Co. Ltd held rights to distribute Nicobloc fluid in China.

5.2 Agreement with Beijing Eagle Investment Co., Limited

Parties	Tianjin Beroni Beijing Eagle Investment Co., Limited (**Eagle Investment**)
Background	Tianjin Beroni appoints Eagle Investment for the capital raising, and project management.
Date of agreement	11 August 2015
Term of agreement	11 August 2015 to 10 August 2016
Service fee	Service fees paid, or to be paid, to Eagle Investment include the following: • Consulting fee: RMB 5.4 million in cash and RMB 5.4 million in Shares; • a 6-8% fee on the total capital raising amount; • a 6% fee on funds raised through private equity.
Governing law	The agreement is governed by the PRC law.

The parties subsequent to the execution of this agreement agreed that Eagle IG Limited would receive the equity component of the service fees as nominee for Beijing Eagle Investment Co., Ltd.

5.3 Agreement with the Corporate Adviser

Parties	Tianjin Beroni AGC Capital Securities Pty Ltd ("Corporate Adviser")
Background	The Corporate Adviser will assist Tianjin Beroni in the preparation and progression of the proposed listing on NSX.
Date of agreement	4 March 2016
Service fee	The corporate advisory fee will be RMB 2.5 million or equivalent Australian dollars and will be paid in four instalments with the last 20% payable 3 days after the receipt of NSX's conditional admission letter.
Default events	If Tianjin Beroni unilaterally terminates this agreement after this agreement becomes effective, it must pay 20% of the corporate advisory fee to the Corporate Adviser. Late payments will be charged a daily interest of 0.1% and will be borne by Tianjin Beroni. If the Corporate Adviser cannot perform its duties under the agreement as a result of overdue payments, the Corporate Adviser has a right to terminate the agreement and will not refund corporate advisory fee that has been paid by Tianjin Beroni before termination
Governing law	The agreement is governed by the PRC law.

The parties entered into a supplemental agreement on 11 October 2016 and agreed that the corporate advisory fee was included in the fees paid to Beijing Eagle Investment Co., Limited and Tianjin Beroni would not need to pay any additional fees to the Corporate Adviser.

5.4 Industry Academia Research Cooperative Agreement

Parties	Tianjin Beroni Tianjin University of Commerce (**TUC**)
Date of agreement	19 May 2015
Term of agreement	Three years from the signing date
Beroni's rights and obligations	a) Promote the overall cooperation between the parties; b) Refer research and development program to TUC; c) Assist with the commercialisation of any technological innovations; d) Assist with the professional practice of students of TUC; and e) May establish scientific research centres in the TUC and may hire TUC laboratories and human resources in its research and development projects and financially support TUC.
TUC's rights and obligations	a) Promote the overall cooperation between the parties; b) Training of Ph.D, mater degree talents for Beroni; c) Recommend outstanding graduates to Beroni; d) Provide various non-degree related training to Beroni's staff; e) Arrange for Beroni to attend academic conferences, exchanges and researches organised by the TUC and assist Beroni with using TUC's library resources; and f) May establish a scientific research centre jointly with Beroni, provide laboratories and human resources in its research and development projects, develop relevant products jointly and apply for government scientific research projects jointly.
Governing law	The agreement is governed by the PRC law.

5.5 Strategic Cooperation Agreement

Tianjin Beroni entered into a Strategic Cooperation Agreement with Asia Hepato Gene Co., Ltd on 24 June 2015 for the establishment of the Beroni Liver Disease Prevention Medical Management Centre. The centre aims to promote stem cell research programs and progress the application of biotechnology in the medical field.

The agreement is valid for a term of 3 years and as at the date of this Prospectus, and the establishment of the centre is still at the planning stage.

5.6 Convertible Loan Agreement

The Company has raised RMB 10.584 million through convertible loans from 71 Convertible Loan Investors. A standard form convertible loan agreement was used with each of the 71 Convertible Loan Investors.

Under the Convertible Loan Agreement:

(a) the money raised must be used for working capital; and

(b) The loans will be converted into Shares upon the Company's listing on NSX. The loans will be repayable on 31 December 2016.

There is no interest payable on the loan amount. The agreement is governed by the PRC law.

The 71 Convertible Loan Investors and each of their loan amounts are disclosed in the PRC Legal Due Diligence Report, a copy of which can be obtained on request free of charge from the Company's registered office.

5.7 Manufacturing Agreement – FogiBloc

Fogibloc is developed by the Group and is the Group's second key product. Tianjin Beroni has an established business relationship with Guangzhou Zanfeng Environmental Protection Equipment Industrial Co., Ltd (广州赞锋环保设备实业有限公司) (**Zanfeng**) and contracts Zanfeng to manufacture Fogibloc on an as need basis and on terms customary to a manufacturing agreement. The Group has in the past entered into 6 such contracts with Zanfeng for the manufacturing of Fogibloc which were all fully performed prior to the date of this Prospectus. The Group has approximately 1200 units which have been manufactured till date.

5.8 Supply Agreement – Bei Feiqing and Bei Jingli

Cashesu (Tianjin) Pharm-Tech Co., Ltd (中科和素（天津）医药科技有限公司) (**Cashesu**) is the supplier for Bei Feiqing and Bei Jingli tablets. Tianjin Beroni contracts Cashesu to supply Bei Feiqing and Bei Jingli on an as need basis and on terms customary to a supply agreement. Beroni entered into a supply contract with Cashesu on 7 March 2016 for the supply of 700,000 tablets of each product. This contract was fully performed prior to the date of this Prospectus.

5.9 Sale Agreements

The Group sells its products directly to purchasers via standard once-off sale agreements. These agreements are generally short-term and are completed as soon as the relevant products are delivered to the purchaser and the sales proceeds are paid.

5.10 Sales Agency Agreements

The Company has entered into standard form sales agency agreement with 11 agents. The Sales Agency Agreements were entered into around May 2016 for a term of one year. Each agreement specifies the allocated region and the products to be sold by the sales agent.

The names of the 11 agents and the execution date of each sales agency agreement are provided in the PRC Legal Due Diligence Report which has been incorporated into this Prospectus under section 712 of the Corporations Act. A copy of the Report can be obtained on request free of charge from the Company's registered office.

5.11 Executive Service Agreements

See section 7.5 for a summary of contracts the Company has entered into with Directors and management.

An investment in the Company is not risk free. Before deciding to trade in the Shares, Shareholders and interested investors should read the entire Prospectus, consider at least the following risk factors in light of their personal circumstances and investment objectives (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional advisor.

The operating and financial performance and position of the Group, the value of Shares and the amount and timing of any dividends that the Company may pay will be influenced by a range of factors. Many of these factors will remain beyond the control of the Group and the Directors. Accordingly, these factors may have a material effect on the Group's performance and profitability which may cause the market price of Shares to rise or fall over any given period.

This section identifies the areas the Directors regard as major risks associated with an investment in the Company. This list is not intended to be an exhaustive list of the risk factors to which the Group is exposed.

6.1 Specific risks

In addition to the general risks outlined below, there are specific risks associated with the Group’s existing and proposed business operations. These include:

(a) Convertible Loans

Tianjin Beroni entered into convertible loan agreements with 71 investors and raised a total of RMB 10.584 million (approximately AUD$2.06 million) from these investors. The convertible loan agreements are on the terms and conditions summarised in section 5.6. The convertible loans are due on 31 December 2016 and the Convertible Loan Investors have a right to convert their respective loan amount into Shares upon the Company’s listing on NSX.

The Company has sent a loan extension letter to each of the Convertible Loan Investors to seek their consent to extend the due date for a further 60 days. In the event that the Company is not listed before 31 December 2016, and some or all of the Convertible Loan Investors do not give their consent to extend the due date of their loans, there is a risk that Tianjin Beroni may be requested to repay the loan amount to the investor which, depending on the extent of the amount Tianjin Beroni needs to repay, may have a material adverse effect on the Group’s financial positions and operations.

As at the date of this Prospectus, the Group has approximately $2.3 million in cash which is sufficient to repay all of the Convertible Loans.

(b) Limited operating history

The Company was established on 17 June 2016. At completion, the Company’s principal operating subsidiary will be Tianjin Beroni, which has only been in operation since May 2014. Though Tianjin Beroni has generated revenue, there is a risk that its products and services will not generate sufficient revenue or be profitable.

(c) Concentration of ownership

Upon listing, the Company’s substantial shareholder Beroni Technology Ltd (Seychelles) will hold between 60.67% and 65% of the Company’s issued share capital. The Company’s Directors Boqing Zhang, Libing Guo and Hai Huang are shareholders of Beroni Technology Ltd holding 64.4%, 11.04% and 4.6% respectively. They are in a position to exercise substantial influence over matters requiring shareholder approval, including the election of directors, and in so doing, may not act in the best interests of minority shareholders. The concentration of ownership may also discourage, delay, or prevent a change in control of the Company, which would deprive the Company’s shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company and might reduce the price for the Company’s Shares.

(d) Pipeline products in development

Beroni’s sales revenue growth partly depends on the successful commercialisation of its pipeline of products. There is a risk that some or all of the pipeline products may not be successfully commercialised, including any unfavourable results from its product research programs and difficulty in manufacturing any of the products which may in turn adversely affect its sales revenue in the future.

(e) Manufacturing risk

Beroni currently relies on third party manufacturers in manufacturing its products. In the event that any of its outsourcing manufacturers discontinues its operations or have insufficient capacity for any reason, this may result in disruption to product supply and may result in material economic loss.

(f) Loss of key supplier

Tianjin Beroni entered into the Exclusive Distribution Agreement with NicoBloc PLC (UK) for the right to distribute NicoBloc fluid in China for a term of 5 years. There is a risk that NicoBloc PLC may not wish to renew the Exclusive Distribution Agreement upon expiry due to reasons including inability to agree fees, or the supplier choosing to use alternative distributors in China. Depending on the revenue such product generates at the time such event may occur, the impact of such event on the Group’s operation and financial performance could be significant.

Tianjin Beron is not aware of any basis upon which NicoBloc PLC could terminate or not renew the current agreement.

The Directors are confident that Beroni’s interest is and will continue to align with NicoBloc PLC’s overall strategy and the two parties will enjoy a stable long term business relationship.

(g) Reputation risk and damage to the Group’s brand

The Group’s reputation may be adversely affected by factors beyond the control of the Group. These factors include any failure of its operating systems, or failure on the part of any of its employees or sales representatives in dealing with the Company’s stakeholders or complying with any regulatory requirements. Such failures may materially damage the Group’s brand and reputation which could cause harm to its existing relationships with customers, manufacturers and suppliers. This may adversely affect the Company’s financial performance.

(h) Competitive activity

The Group operates in a relatively competitive market. Any price increase to its products, new entrants to the market or new product innovation by competitors may affect demands for the Group’s products and result in a reduction in its sales revenue.

The Group recognises that its success depends on its ability to compete effectively in the relevant markets. The Group aims to do this by building highly competent and driven regional sales teams and investing in research and development programs to introduce new products.

The Group has not received notice of intention from any of its material suppliers of a price increase in their products.

(i) Changes in existing regulatory frameworks

The Group's business is in the PRC. A summary of the relevant PRC laws is in section 11.2.

Any changes to the existing regulatory framework in PRC could result in increased compliance and administrative costs for the Group which could impact adversely on the financial viability of the business.

(j) Key personnel

The prospects of the Group depend, in part, on the entrepreneurial drive and business experience of key executives. These key personnel include both existing executive founding directors. There can be no assurance that the Group will be able to retain these key personnel. The loss of a number of key personnel without replacement by, or the inability to recruit and retain, persons of similar technical skills and experience may have an adverse effect on the business. This risk is mitigated to the extent that Messrs Boqing Zhang and Hai Huang are shareholders of Beroni Technology Ltd which upon the Company's listing will be a substantial holder of the Company and their interests are aligned with those of the Company.

(k) Internal controls

The system of internal controls currently implemented by Tianjin Beroni is designed for the operations of an owner-managed enterprise. It comprises a number of undocumented procedures which require the substantial hands-on involvement of the owner-manager. The Directors are of the opinion that while this system of internal control is adequate and effective for the current level of operations, it may become inadequate after the Group's business expands. The Group's internal controls, including internal financial reporting procedures, are continuously being developed and the Group will need to allocate significant resources to meet the standards of internal controls expected of a larger publicly listed company. If the Group is not able to improve and subsequently maintain the quality of the Group's internal controls, any weaknesses could materially and adversely affect the Company's ability to properly manage the operations of the Group, provide timely and accurate information about the Group's operations and finance, and could cause the Group to be susceptible to internal fraud. The Directors will continuously review the Group's system of internal controls and ensure that they are developed to, and maintained at, a level of quality appropriate for a publicly listed company of comparable size and scale of operations. Further, to mitigate risks associated with compliance with continuous disclosure obligations, the Board proposes to implement efficient and robust internal controls, including adopting the ASX Corporate Governance Council's principles and recommendations.

(l) Growth

Expansion of the Group's business potentially involves the Group sourcing or developing new products. The effectiveness of the Group's operations in User and Project listings will require the Group to continue to improve, and where appropriate, upscale its operational and financial systems, procedures and controls as well as expand, retain, manage and train its employees. There is a risk of a material adverse effect on the Group's financial performance if it is not able to manage its growth efficiently and effectively.

(m) Currency and foreign exchange

Revenue generated, and capital and operating costs incurred, by the Group will largely be denominated in China's currency, the RMB. The Group expects to report financial results in RMB.

(n) Political, economic and social reforms

There is no assurance that any change that occurs as a result of political, economic or social reforms in China will have a positive effect on China's economic development or that the Group's operating companies will benefit from or will be able to capitalise on these reforms.

6.2 Risks specific to the PRC

(a) Risk related to the decrease of the Chinese consumer's purchasing power

With the Chinese economic growth slowing down, there is a negative growth in relation to Chinese consumer's purchasing power which may adversely affect the Group's business and its future growth.

(b) Uncertainty to the PRC economy

The Group conducts its business operation in the PRC. Accordingly, Beroni's result of operations, financial condition and prospects are significantly dependent on economic and political developments in the PRC. There is no guarantee that the Chinese economy will continue to grow or grow at a steady rate. The uncertainty surrounding the economy in the PRC makes it difficult for the Group to foresee and manage certain risks. A significant deterioration of economic conditions in the PRC may have a negative impact on the performance of the Group and the value of its Shares.

(c) PRC legal system and legal risks

The Group's operations in the PRC are governed by the PRC laws and regulations. The Group's PRC subsidiaries are foreign-invested enterprises and are subject to laws and regulations applicable to foreign investment in the PRC. The legal system in the PRC is based on the PRC Constitution and is made up of written laws, regulations, circulars and directives. The Chinese government is still in the process of developing its legal system so as to meet the needs of investors to encourage foreign investment. As the Chinese economy tends to grow at a faster pace than its legal system, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances. Some of the laws and regulations, and the interpretation, implementation and enforcement of such laws and regulations are still subject to policy changes. The introduction of new laws, changes to existing laws and the interpretation or application of laws, or the delays in obtaining approvals from the relevant authorities, may have an adverse impact on the Group's business or operations. Further, precedents on the interpretation, implementation and enforcement of the Chinese laws and regulations are limited and, unlike other common law countries such as Australia, decisions on precedent cases are not binding on lower courts. As such, the outcome of litigation may not be consistent or predictable as in other more developed jurisdictions and it may be difficult to obtain swift or equitable enforcement of the laws in the PRC, or obtain enforcement judgment by a court of another jurisdiction. The legislative trend in the PRC in recent years has been to enhance the protection afforded to foreign investment and to allow for more active control by foreign parties of foreign invested enterprises. However, there is no assurance that such a trend will continue. Any restrictive rules against foreign investments may severely affect the Group's ability to expand its operations in the PRC.

6.3 General investment risks

In addition to the above specific risks associated with the Group's existing and proposed business operations there are also general risks associated with an investment in the Shares. These include:

(a) Investment in securities

Shareholders and interested investors should be aware that there are risks associated with any investment in securities such as the Shares, and should recognise that the price of securities may fall as well as rise. In particular, the trading price of securities at any given time may be higher or lower than the price paid by the investor for these securities. Further, there can be no assurance that an active trading market will develop in the Shares.

Many other factors will affect the price of the Shares, including general fluctuations in the performance of local and international stock markets, movements in interest and exchange rates, general as well as industry-specific economic conditions and investor sentiment. Stock markets have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies. There can be no guarantee that trading prices and volumes of any securities will be sustained. These factors may materially affect the market price of the Shares, regardless of the Group's operational performance.

No guarantee can be given by the Company in respect of the payment of dividends, any returns of capital or the market value of the Shares. Such issues are dependent on the Group's performance after listing, the control of costs and the need for working capital and other funding requirements.

(b) Economic risk

Changes in the general economic climate in which the Group operates may adversely affect the financial performance of the Group. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Group, industrial disruption and the rate of growth of the gross domestic product in China where it operates, interest and exchange rates and the rates of inflation.

No assurances can be given or forecasts made regarding the continuing growth experienced by the Chinese economy or whether or when it will slow materially or shrink. If the Chinese economy does not continue to grow or if it slows materially, stops growing or goes into recession, there may be a diminished market for the Group's products and services. This would have a material adverse effect on the performance and profitability of the Group.

(c) Changes in legislation and government regulation

The introduction of new legislation or amendments to existing legislation and regulations by governments, and the decisions of courts and tribunals, can impact adversely on the operations and, ultimately, the financial performance of the Group. Financial and economic changes such as changes in both monetary and fiscal policies, import regulations and tariffs, taxation, methods of taxation and currency exchange could affect the profitability of the Group and adversely affect the return to Shareholders.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

7.1 Directors

The Company is managed by the board of Directors which currently comprises five directors, namely:

Name	Place of Residence	Designation
Boqing ZHANG	PRC	Executive Chairman
Chris DENG	Australia	Executive Director
Hai HUANG	PRC	Executive Director
Yap Ting (Peter) WONG	Australia	Non-Executive Director
Libing GUO	PRC	Non-Executive Director

The business and working experience of each Director is summarised below:

(a) Boqing Zhang (appointed 17 June 2016)

Mr Zhang is the founder, Chairman and CEO of Tianjin Beroni and is the Chairman of the Company. Mr Zhang is also the vice-chairman and the Asia-pacific region CEO of NicoBloc Plc. Mr Zhang has a bachelor degree from the school of biotechnology and food science in Tianjin School of Commerce, an MBA from Nankai University and a PhD from University of Sussex.

Prior to studying in the United Kingdom, Mr Zhang worked at China North Industries Group Corporation, Shanshui Industrial Co., Ltd as the head/manager of human resources and director of marketing.

During Mr Zhang's time overseas, he was employed as the chief strategic consultant of SIG Group and project general manager. After joining NicoBloc Plc, Mr Zhang was the project manager, general manager of research and development, strategic planning and an executive director of the board. Mr Zhang participated in improving NicoBloc product formula and is currently fully responsible for NicoBloc Plc's global strategic planning and market development.

Mr Zhang does not hold any interest in Nicobloc PLC and is a resident of the PRC.

(b) Hai Huang (appointed 3 November 2016)

Mr Huang is one of the founding director of Tianjin Beroni. He has a business management degree from the Capital University of Econimics and Business.

Mr Huang worked for a world Top 500 company for approximately 15 years and was responsible for commodity import and export and domestic trade business. Mr Huang has extensive international trade experience and more than 10 years experience in business franchising, e-commerce business planning and implementation and team building.

Mr Huang is a resident of the PRC.

(c) Libing Guo (appointed 3 November 2016)

Mr Guo is one of th founding directors of Tianjin Beroni. He has a financial management degree from Henan University.

Mr Guo has approximately 20 years experience in cold-chain logistics particularly in areas of infrastructure planning, construction, fund raising, allocation of resources and implementation. Mr Huang also is experienced in professional team building, training and daily management.

Mr Guo is a resident of the PRC.

(d) Yap Ting (Peter) Wong (appointed 30 September 2016)

A Chartered Accountant by profession, Peter Wong is a 30-year veteran in the financial services industry. He has gained extensive experience across a wide spectrum of business functions such as audit, taxation, finance, operations, technology, HR, risk management, compliance and control.

Peter started his career in the accounting profession in 1984 and trained with two major international accounting firms; Deloitte and Price Waterhouse Coopers. He subsequently joined several large corporations where he took up senior positions managing large portfolio of functions and people. The companies he has worked with include Citibank, Hong Leong Group (Malaysia), Hong Kong Stock Exchange and Hong Kong Telecom. Before coming to Australia, Peter was in Shanghai, China where he spent 3 years with Citibank China and another 2 years with Shanghai Pudong Development Bank, a strategic partner of Citibank. He travelled extensively within China conducting seminars and giving advice to the staff and management of the Chinese bank.

Having worked in England, Hong Kong, Malaysia, China and Australia, Peter is familiar with the different financial and business practices across Asia. He is well equipped to advise clients on cross-border trade and investment. He focuses on providing financial, taxation and investment advice to Australian and Asian enterprises wanting to invest or do business in the Asia-Pacific region.

Mr Wong resides in Sydney, Australia.

(e) Chris Deng (appointed 30 September 2016)

Mr Chris Deng holds a Bachelor of Accounting from the Tianjin University of Commerce. He also holds Masters Degrees in Project Management and Accounting Information Systems from the University of Sydney and University of Technology Sydney respectively.

From 2004 to 2015, Mr Deng held Project Management, Project Director, and Chief Financial Director roles in the business software and financial technology industries.

Mr Deng is now an executive director of Investment and Real Estate company based in Sydney. His key responsibilities are business development, analysing business model and business processes, ensure and coordinating compliance as well as managing an offshore team based in Shanghai.

Mr Deng is a resident of Australia.

7.2 Directors' holdings

On Completion, the Directors' interests in Shares of the Company will be as follows:

Directors	Directly Held	Indirectly Held
Boqing ZHANG	Nil	35,255,782[1]
Hai HUANG	Nil	Nil[1]

Libing GUO	Nil	Nil[1]
Yap Ting WONG	Nil	Nil
Chris DENG	Nil	Nil

[1] Messrs Boqing Zhang, Libing Guo and Hai Huang are shareholders of Beroni Technology Ltd holding 64.4%, 11.04% and 4.6% respectively.

7.3 Remuneration of the Directors and their related entities

Benefits paid to the Directors in the previous two years prior to the date of this Prospectus and the remuneration the Directors will be paid by the Company are as follows:

Directors	Annual Director's fee	Benefits paid in the previous two years
Boqing ZHANG	$40,000	N/A
Hai HUANG	$30,000	N/A
Libing GUO	$20,000	N/A
Yap Ting WONG[1]	$40,000	N/A
Chris DENG[1]	$30,000	N/A

[1] The Company has entered into non-executive letters of appointment with these Directors.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

7.4 Management

Mr Zhang is acting as the Company's CEO and Mr Deng, the Company's CFO. Messrs Zhang and Deng are bilingual in the English and Chinese languages. Mr Zhang is the founder of Tianjin Beroni and Mr Deng has a professional accounting and finance background.

7.5 Executive service agreement

Beroni and each of the Executive Directors have entered into an executive service agreement under which the Executive Director is appointed and an annual salary as disclosed in section 7.3 is agreed plus performance based short and long-term incentives as negotiated.

7.6 No other Directors Interests

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company; or

(b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offers; or

(c) the Offers; and

no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

(d) to a Director or proposed Director to induce him or her to become, or to qualify as, a Director; or

(e) for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offers.

7.7 Corporate Governance Statement

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

To the extent applicable, given the Company's size and nature, the Company will adopt the principles and recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) (**CG Recommendations**). The CG Recommendations are not prescriptive, but guidelines.

Disclosure of these corporate governance practices as well as a corporate governance statement disclosing the extent to which it has followed the CG Recommendations in the relevant reporting period will be available on the Company's website.

8.1 Public Offer

Under this Prospectus, the Company invites investors to apply for up to 17,434,000 Shares at an issue price of A$0.50 per Share to raise up to A$8.717 million with a Minimum Subscription of 13,560,000 Shares to raise $6.78 million (before costs).

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

8.2 Loan Conversion Offer

The Company by way of this Prospectus offers approximately 3,559,712 Shares to Convertible Loan Investors in satisfaction of the Convertible Loans.

The Company raised a total of RMB 10.584 million (approximately AUD$2.06 million) (**Convertible Loans**) from 71 investors (**Convertible Loan Investors**) by way of convertible loans.

Shares will be issued to Convertible Loan Investors at different deemed issue prices due to the timing difference for the provision of loans to Tianjin Beroni.

The deemed issue prices for the conversion of the Convertible Loans range from approximately AUD$0.17 to AUD$2.06. On average, the deemed issue price for the conversion of the Convertible Loans is AUD$1.60.

8.3 Opening and Closing Dates of the Public Offer

The Opening Date of the Offer will be 8 December 2016 and the Closing Date will be 9 January 2017 at 5:00pm WST, unless otherwise extended.

The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

8.4 Application for Securities

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of A$0.50 per Share.

Completed Application Forms and accompanying cheques must be mailed the Company as follows:

Delivery by post	Delivery by hand
Beroni Group Limited C/- Advanced Share RegistryPO Box 1156Nedlands WA 6909	Beroni Group Limited C/- Advanced Share Registry110 Stirling HighwayNedlands WA 6009

Cheques should be made payable to “**Beroni Group Limited – Share Offer Account**” and crossed “Not Negotiable”. Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

8.5 Minimum subscription

The Minimum Subscription in respect of the Public Offer is $6.78 million. No Shares will be issued pursuant to this Prospectus until the Minimum Subscription is reached and conditional approval has been given by NSX for the Company to be admitted to the Official List.

If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, the Company will either repay the Application moneys to

Applicants or issue a supplementary or replacement prospectus to allow Applicants one month to withdraw their Application and be repaid their Application money. No interest will be paid on this money.

8.6 Allocation and Issue of Shares

The issue of Shares under the Offers will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the Application moneysies will be for the benefit of the Company and will be retained by the Company irrespective of whether any shares are issued and each applicant waives the right to claim any interest.

The Company reserves the right to reject any Application or to allocate to any Applicant fewer Shares than the number applied for. The Company also reserves the right to reject or aggregate multiple applications in determining final allocations.

In the event an Application is not accepted or accepted in part only, the relevant portion of the Application moneys will be returned to Applicants, without interest.

The Company reserves the right not to proceed with the Offers or any part of it at any time before the allocation of the Shares to Applicants. If the Offers or any part of it is cancelled, all Application moneys, or the relevant Application moneys will be refunded.

The Company also reserves the right to close the Offer or any part of it early, or extend the Offer or any part of it, or accept late Applications Forms either generally or in particular cases.

8.7 Not Underwritten

The Public Offer is not underwritten.

8.8 NSX

In February 2000, NSX became the second stock exchange to be approved under the then Corporations Law in Australia and is licensed under the Corporations Act. NSX is a fully operational and fully regulated stock exchange. NSX creates a market for a wide range of interests including alternative investments and traditional equity securities. The investments listed by NSX cover various areas of the economy that require a market platform. NSX is focused on listing small to medium-sized enterprises, as there is a great need for growth entities to have a capital market in which they can raise further capital and provide a mechanism for the transferability of shares or other listed interests.

Additional information about NSX and the market which it operates can be obtained on its website (www.nsxa.com.au).

8.9 NSX Listing

The Company will apply to NSX within 7 days of the date of this Prospectus for admission to the Official List and for official quotation of its Shares on NSX. If NSX does not grant permission for the quotation of the Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In these circumstances, all applications will be dealt with in accordance with the Corporations Act including the return of all application moneys without interest.

The fact that NSX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or Shares now offered for subscription.

NSX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the content of this Prospectus.

The Directors expect that trading of the Shares on the stock market conducted by NSX will commence as soon as practicable after approval for admission to the Official List of NSX is granted and all conditions (if any) applicable thereto have been fulfilled.

8.10 Applicants outside Australia

The distribution of the Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of the Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities law. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed to enable them to acquire Shares.

The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

8.11 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisors, and to NSX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

8.12 Nominated Adviser

Companies intending to list on NSX are required to have a Nominated Adviser. It is contemplated that, with a Nominated Adviser for each entity, investors will be offered better protection because Nominated Advisers are required to make sure that companies meet the ongoing requirements for listing on NSX and the requirements of the Act. The Company has appointed Mills Oakley as Nominated Adviser.

8.13 Restricted securities

The NSX may classify certain securities as being subject to the restricted securities provisions of the Listing Rules. In particular, Directors, other related parties and promoters may receive escrow on securities held by them for up to 24 months from the date of quotation of the Company's Shares on NSX.

None of the Shares offered under the Public Offer will be treated as restricted securities and will be freely transferable from their date of allotment.

8.14 Rights and liabilities attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

(a) detailed in the Company's Constitution, copies of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and

(b) in certain circumstances, regulated by Australian law (in particular the Corporations Act 2001), the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(c) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there is only one class of shares), at meetings of Shareholders of the Company:

(i) Each Shareholder who is entitled to vote may vote in person or by proxy, attorney or representation;

(ii) On a show of hands, every person present who is a Shareholder, proxy, attorney or representation of a Shareholder has 1 vote; and

(iii) On a poll, every person present who is a Shareholder, proxy, attorney or representation of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, have 1 vote.

(d) Dividends

The Directors may declare that a dividend is to be paid to Shareholders entitled to the dividend. Dividends declared will (subject to any special rights or restrictions attached to a class of shares created as to any arrangement as to dividend) be payable on shares in accordance with the Corporations Act.

(e) Future issues of securities

Subject to the Constitution and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(f) Transfer of Shares

Subject to the Constitution, the Corporations Act, the Listing Rules and the ASX Settlement Rules, a shareholder may transfer Shares by a transfer document duly stamped (if necessary) in writing in any usual or common form or in any other form approved by the Directors and delivered to the Company.

(g) Variation or Cancellation of Rights

Subject to the Corporations Act and Listing Rules, all or any of the rights attached to a class of shares (unless otherwise provided by the terms of issue of shares of that class) may be varied or cancelled with the consent in writing of the holders of at least 75% of the shares issued in that class or with the sanction of a special resolution passed at a meeting of holders of the shares in that class. In relation to any meeting to approve that resolution:

(i) the necessary quorum is the holders present personally or by proxy, attorney or representative and entitled to vote in respect of at least 5% of the issued Shares in that class; and

(ii) the provisions contained in this Constitution relating to notice of meetings, the appointment of a chairman and of proxies attorneys and representatives, the depositing and form and validity of proxies and the conduct of general meetings will otherwise apply to any meeting of a class.

(h) Meetings and Notices

Annual General Meetings of the Company are to be held in accordance with the Corporations Act and the Listing Rules. Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, and other documents required to be sent to shareholders under the Constitution, Corporations Act or the Listing Rules.

Shareholders may request meetings in accordance with the Constitution.

(i) Election of Directors

There must be a minimum of 3 Directors, and until otherwise determined by the Company in general meeting, no more than 10. The Election of Directors must be by resolution of the company in general meeting. At every annual general meeting one-third of the Directors (rounded to the nearest whole number) must retire from office. If the Company has less than 3 Directors, 1 Director must retire from office together with any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting. These retirement rules do not apply to the managing director, but if there is more than 1 managing director, only 1 is entitled not to be subject to this requirement.

(j) Winding Up

If in a winding up there remains assets available for distribution to members, then subject to the rights of holders of shares (if any) issued with special rights in a winding up, the Constitution, the Act and the Listing Rules, those assets will be distributed among members in proportion to the amount paid up on Shares held by them.

(k) Shareholder Liability

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

In accordance with section 162 of the Corporations Act, the Constitution can be amended by a special resolution. At least 28 days written notice, specifying the intention to propose the resolution as a special resolution, must be given. At least 75% of the votes cast by members entitled to vote and present must be in favour of the resolution for it to be passed.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

8.15 CHESS

NSX has established a transfer service agreement between NSX and ASX CHESS. This agreement recognises the NSX as an Australian market operator pursuant to the ASX Settlement and Operating Rules and allows NSX to be a recipient of the transfer service provided by ASX.

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the ASX Settlement Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored subregister and an electronic CHESS subregister. These 2 subregisters together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive holding statements that set out the number of Shares each Shareholder owns. If a Shareholder is broker-sponsored, ASX Settlement will send the shareholder a CHESS statement. This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (SRN) in the case of a holding on the issuer-sponsored sub-register.

A CHESS statement or issuer-sponsored statement will routinely be sent to Shareholders at the end of every calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time; however a charge may be imposed for additional statements.

8.16 Expenses of the Offer

The total estimated expenses of this Offer are estimated to be $936,910 consisting of the following:

Nature of Expense	($)
Corporate Advisory fee	500,000
Legal fees (including fees for offshore lawyers and Nominated Adviser fees)	187,010
Investigating accountant, auditors and consultants	89,900
ASIC and NSX fee	70,000

Prospectus design and printing	30,000
Other miscellaneous expenses	60,000
Total	936,910

9.1 Introduction

This section summarises the Group's selected financial information from the audited financial statements for the two financial years ended 31 December 2014, 31 December 2015 and for the half year ended 30 June 2016, as well as the pro forma financial information.

The audited financial information are prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act.

The financial information has been converted from the RMB and presented in Australian Dollars using the following AUD/RMB exchange rates:

	Year ended 31 December 2014	Year ended 31 December 2015	Half year ended 30 June 2016
Average exchange rate for the financial year (used for the Notional Consolidated Statement of Profit and Loss and other Comprehensive Income)	5.5284	4.6951	4.8259
Spot exchange rate for the financial year as at 31 December or 30 June (used for the Notional Consolidated Statements of Financial Position)	5.0859	4.7442	4.9344

The information set out in this section and the pro forma financial information should be read together with:

(a) the risk factors described in section 6;

(b) the Investigating Accountant's Report on the Historical and Pro Forma Financial Information set out in section 10; and

(c) the other information contained in this Prospectus.

The financial information is presented in an abbreviated format and does not contain all of the disclosures and other mandatory reporting requirements required by the AASB and the Corporations Act. The complete set of the notional consolidated financial statements together with the Investigating Accountant's Report as prepared by Prosperity Audit Services, are shown in section 10 of this Prospectus.

9.2 Audited Financial Statements

The historical financial information has been extracted from the Company's audited financial reports for the full financial years ended 31 December 2014 and 31 December 2015 and the half financial year ended 30 June 2016, which were reviewed by Prosperity Audit Services Pty Ltd, in accordance with Australian Auditing Standards applicable to review engagements. The financial statements of the operating company, Tianjin Beroni for the years ended 31 December 2014, 31 December 2015 and the half year ended 30 June 2016 were audited by Shandong Haoxin CPAs Co. Ltd, who are based in China.

9.3 Pro forma consolidated financial statements

The pro forma consolidated financial statements have been prepared to demonstrate the impact of a capital raising pursuant to this Prospectus as follows:

- The issue pursuant to this Prospectus of a minimum of 13.56 million ordinary shares at A$0.50 per share, raising A$6.78 million.
- The issue pursuant to this Prospectus of a maximum of 17.434 million ordinary shares at A$0.50 per share, raising A$8.717 million.
- The payment of the estimated costs of the offer of A$1,869,163 as incurred by the Company in relation to the capital raising and the subsequent write-off of part of these costs (A$619,214 for minimum subscription and A$695,872 for maximum subscription) against issued capital.

9.4 Historical and pro forma consolidated statement of comprehensive income

The historical statement of comprehensive income has been extracted from the audited financial statements of the Company for the full financial years ended 31 December 2014 and 31 December 2015 and the half financial year ended 30 June 2016.

The pro forma consolidated statement of comprehensive income for the period ended 30 June 2016 reflects the significant events and proposed transactions as set out in the Investigating Accountant's Report, as if they had occurred as at 30 June 2016.

	Actual Consolidated 21 May to 31 December 2014	Actual Consolidated1 January to 31 December 2015	Actual Consolidated 1 January to 30 June 2016	ProformaConsolidated1 January to 30 June 2016(Minimum subscription)	Proforma Consolidated 1 January to 30 June2016(Maximum subscription)
	A$	A$	A$	A$	A$
Revenue	182,510	1,104,186	2,166,578	2,166,578	2,166,578
Cost of sales	124,343	351,873	693,423	693,424	693,424
Gross profit	**58,167**	**752,313**	**1,473,155**	**1,473,155**	**1,473,155**
Distribution expenses	91,081	182,389	184,218	184,218	184,218
Administrative expenses	186,523	885,415	891,758	1,294,796	1,218,138
Other income and gains/(losses)	35,465	108,164	2,638	2,638	2,638
Finance income	187	475	972	972	972
Finance costs	-	787	72	72	72
Profit/(loss) before income tax	**(183,786)**	**(207,640)**	**400,717**	**(2,322)**	**74,336**
Income tax expense	43,980	48,495	(101,043)	(101,043)	(101,043)
Profit/(loss) for the year	**(139,806)**	**(159,145)**	**299,674**	**(103,365)**	**(26,707)**
Total comprehensive income/(loss) for the year	**(139,806)**	**(159,145)**	**299,674**	**(103,365)**	**(26,707)**

9.5 Historical and pro forma consolidated statement of cash flows

The historical statement of cash flows has been extracted from the audited financial statements of the Company for the full financial years ended 31 December 2014 and 31 December 2015 and the half financial year ended 30 June 2016.

The pro forma consolidated statement of cash flows for the period ended 30 June 2016 reflects the significant events and proposed transactions as set out in the Investigating Accountant's Report, as if they had occurred as at 30 June 2016.

	Actual Consolidated 21 May to 31 December 2014(Audited)	Actual Consolidated 1 January to 31 December 2015(Audited)	Actual Consolidated 1 January to 30 June2016(Audited)	ProformaConsolidated 1 January to 30 June 2016(Minimum subscription)	Proforma Consolidated 1 January to 30 June 2016(Maximum subscription)
	A$	A$	A$	A$	A$
Cash flows from operating activities:					
Receipts from customers	175,130	652,564	1,675,814	1,675,814	1,675,814
Payments to suppliers and employees	(275,561)	(1,657,230)	(2,034,145)	(2,034,145)	(2,034,145)
Interest paid	-	(787)	(72)	(72)	(72)
Income tax paid	-	-	(22,666)	(22,666)	(22,666)
Net cash generated from operating activities	**(100,431)**	**(1,005,453)**	**(381,069)**	**(381,069)**	**(381,069)**
Cash flows from financing activities:					
Proceeds from issue of equity, net of transaction costs	217,061	1,767,800	(743,302)	5,946,700	7,883,700
Proceeds from borrowings	-	17,039	2,415,301	2,415,301	2,415,301
Repayments of borrowings	-	-	(16,577)	(233,828)	(233,828)
Net cash used in financing activities	**217,061**	**1,784,840**	**1,655,421**	**8,128,173**	**10,065,173**
Cash flows from investing activities:					
Purchase of property, plant and equipment	(45,960)	(10,636)	(1,682)	(1,682)	(1,682)
Payments for intangible assets	(362)	-	-	-	-
Interest received	187	475	972	972	972
Net cash used in investing activities	**(46,135)**	**(10,161)**	**(710)**	**(710)**	**(710)**
Net increase in cash and cash equivalents	70,496	769,225	1,273,641	7,746,393	9,683,393
Cash and cash equivalents at beginning of the year	-	76,629	843,413	843,413	843,413
Exchange gains/(losses) on cash and cash equivalents	6,133	(2,422)	(60,515)	(60,515)	(60,515)
Cash and cash equivalents at end of the year	**76,629**	**843,413**	**2,056,539**	**8,529,291**	**10,466,291**

9.6 Historical and pro forma consolidated statement of financial position

The historical statement of financial position has been extracted from the audited financial statements of the Company for the full financial years ended 31 December 2014 and 31 December 2015 and the half financial year ended 30 June 2016.

The pro forma consolidated statement of financial position as at 30 June 2016 reflects the significant events and proposed transactions as set out in the Investigating Accountant's Report, as if they had occurred as at 30 June 2016.

	Actual Consolidated as at 31 December 2014 (Audited)	Actual Consolidated as at31 December 2015 (Audited)	Actual Consolidated as at30 June2016 (Audited)	Proforma Consolidated as at30 June2016(Minimum subscription)	Proforma Consolidated as at 30 June 2016(Maximum subscription)
	A$	A$	A$	A$	A$
CURRENT ASSETS					
Cash and cash equivalents	76,629	843,413	2,056,539	8,529,291	10,466,291
Trade and other receivables	104,516	751,691	1,759,969	1,759,969	1,759,969
Amounts due from related parties	9,625	222,562	33,425	33,425	33,425
Prepayments and other current assets	-	29,510	67,403	67,403	67,403
Amounts prepaid to related parties	-	-	434,325	434,325	434,325
Inventories	-	442,493	328,510	328,510	328,510
TOTAL CURRENT ASSETS	**190,770**	**2,289,669**	**4,680,171**	**11,152,922**	**13,089,922**
NON-CURRENT ASSETS					
Property, plant and equipment	44,188	43,462	35,353	35,353	35,353
Intangible assets	317	199	124	124	124
Deferred income tax assets	47,807	99,243	-	-	-
Other assets	-	-	-	-	-
TOTAL NON-CURRENT ASSETS	**92,312**	**142,905**	**35,477**	**35,477**	**35,477**
TOTAL ASSETS	**283,082**	**2,432,574**	**4,715,648**	**11,188,399**	**13,125,399**
CURRENT LIABILITIES					
Trade and other payables	184,528	133,592	-	-	-
Convertible notes payable	-	-	2,362,192	-	-
Employee entitlements	14,577	33,065	37,856	37,856	37,856
Amounts due to related parties	-	567,021	303,988	303,988	303,988
Borrowings	-	16,863	-	-	-
TOTAL CURRENT LIABILITIES	**199,105**	**750,541**	**2,704,036**	**341,844**	**341,844**
TOTAL LIABILITIES	**199,105**	**750,541**	**2,704,036**	**341,844**	**341,844**
NET ASSETS	**83,977**	**1,682,033**	**2,011,611**	**10,846,555**	**12,783,555**
EQUITY					
Share capital	235,946	2,002,445	2,026,589	11,284,835	13,145,177
Reserve	(12,164)	(21,462)	(15,701)	(35,965)	(35,965)
Retained earnings/(Accumulated losses)	(139,977)	(298,950)	723	(402,315)	(325,657)
TOTAL EQUITY	**83,977**	**1,682,033**	**2,011,611**	**10,846,555**	**12,783,555**

9.7 Pro forma consolidated share capital

The pro forma share capital and number of shares issued as at 30 June 2016 reflects the significant events and proposed transactions as set out in the Investigating Accountant's Report.

	Minimum Capital Raise			Maximum Capital RaiseA$		
	Number of. Shares	%	A$	Number of Shares	%	A$
Beroni Technology Limited	35,255,782	65%	2,046,855	35,255,782	60.67%	2,046,855
Shares on issue at date of Prospectus	**35,255,782**	**65%**	**2,046,855**	**35,255,782**	**60.67%**	**2,046,855**
Debt to equity conversion of convertible notes	3,559,712	6.56%	2,144,941	3,559,712	6.13%	2,144,941
Eagle Investment Group Offer	1,864,506	3.44%	932,253	1,864,506	3.20%	932,253
Shares to be issued pursuant to the Prospectus	13,560,000	25%	6,780,000	17,434,000	30%	8,717,000
Share issue costs (Refer Note 4)	-	-	(619,214)	-	-	(695,872)
Total shares on issue at completion of the Offer	**54,240,000**	**100%**	**11,284,835**	**58,114,000**	**100%**	**13,145,177**

9.8 Management discussion and analysis of the financial information

Below is a discussion of the main factors which affected the Company's operations and relative financial performance for the years ended 31 December 2014, 2015 and the first half year in 2016. The discussion of these general factors is to provide a brief summary only and does not detail all factors that affected the Company's historical operating and financial performance, nor everything that may affect its operations and financial performance in the future.

9.9 General factors affecting the operating results of the historical financial information

(a) Revenue

Although the Company was incorporated on 21 May 2014, it has built a strong presence and strong reputation which has contributed to the significant growth in its revenue after the initial year. It is expected that the revenue for the full year in 2016 will be close to A$4 million. The Company is confident that its future sales prospects will be much better than the first couple of years. It is also looking to expand into other health-related products.

(b) Profit margin

The Company has a relatively low cost base that provides it with operating leverage and the ability to grow earnings faster than revenue. It will focus on achieving significant gross profit margins through a deep understanding of each specific product and their cost factors. The management team expects its gross profit margin to improve tremendously once it has reached a critical mass in the market.

(c) Costs of doing business

Costs of doing business include selling and distribution expenses, general and administrative expenses, and other expenses. The Company has a higher than normal administration expenses in 2016 which was attributed to the prepayment for its listing costs.

(d) Profit before income tax

Profit before income tax has improved from a loss in both FY2014 and FY2015 to about A$400,000 in the first half of FY2016 as a result of strong growth in revenue and stable costs of doing business.

9.10 Working capital

The Directors consider that the Company has sufficient working capital to support its existing business and the launch of new products. Notwithstanding the foregoing, the Directors intend to expand the Company's business by exploring new markets and such expansion plans require the deployment of significant additional capital. The Directors plan to use the new equity capital raised from its listing to facilitate its expansion into new products and new markets.

9.11 Subsequent events

On 10 October 2016, the Company acquired 100% of the registered equity of Beroni HongKong Co., Limited. Before this acquisition, Beroni HongKong Co., Limited has on 9 September 2016 acquired 100% of the registered capital of Tianjin Beroni for a total consideration of RMB 10,100,000.

9.12 No prospective financial forecasts

The Directors have considered the matters outlined in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings because the variable and uncertain nature of the Company's revenue. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Notwithstanding the above, this Prospectus includes, or may include, forward looking statements including, without limitation, forward looking statements regarding the Company's financial position, business strategy, and plans and objectives for its business and future operations (including development plans and objectives), which have been based on the Company's current expectations. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future.

Matters not yet known to the Company or not currently considered material to the Company may impact on these forward looking statements. These statements reflect views held only as at the date of this Prospectus. In light of these risks, uncertainties and assumptions, the forward-looking statements in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

prosperity audit services

25 November 2016

PRIVATE & CONFIDENTIAL

The Directors
Beroni Group Limited
C/- AGC Capital Securities Pty Limited
Level 36 Gateway Tower
1 Macquarie Place
Sydney NSW 2000

Dear Sirs,

SUBJECT: Investigating Accountant's Report – Beroni Group Limited

Introduction

This Investigating Accountant's Report ("Report") has been prepared at the request of the Directors of Beroni Group Limited ("BTG", "the Company" or "the Group"), for inclusion in a prospectus to be lodged with the National Stock Exchange of Australia ("NSX") on or around 25 November 2016 ("Prospectus"). The Company is seeking to list on the NSX to give the Company a more visible and prominent profile to better promote, market and develop the operations of the Group, and to provide an orderly and transparent platform for the Company's existing shareholders and interested investors to trade in the Company's shares, whilst providing a solid base for growth.

Basis of Preparation

The report has been prepared to provide investors with information on historical results and pro-forma financial information of the Group as at 30 June 2016 adjusted to include funds raised by the Prospectus and other transactions as referred to in Appendix 1.

The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the Corporations Act 2001.

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prosperity audit services

This report does not address the rights attaching to the Shares to be issued in accordance with the Prospectus, nor the risks associated with the investment. Prosperity Advisers Audit Services Pty Limited ("Prosperity Audit Services") has not been requested to consider the Prospectus for BTG nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Prosperity Audit Services accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Section 6 of the Prospectus.

Background

The principal activities of the BTG group consist of sourcing and distributing heath products from overseas, developing and patenting smoking control products (NicoBloc), air purifier and healthcare products and supplements, and establishing distribution networks in China. Further information about BTG and its future plans can be found in other sections of the Prospectus.

Prior to the date of the Prospectus, BTG undertook a restructure of the Group as set out below:

(a) On 21 May 2014, Tianjin Beroni was incorporated with its initial shareholder, Beijing Yisheng Huikang holding 100% of its share capital;

(b) On 30 May 2016, Beroni HongKong Co., Limited was incorporated with a paid-in capital of HKD 10,000 and a sole shareholder, Mr Zhang Boqing.

(c) On or about 8 September 2016, Tianjin Beroni placed 0.99% shares to Eagle IG Limited for an investment of RMB 10,000;

(d) On 9 September 2016, Beijing Yisheng Huikang and Eagle IG Limited under a share sale agreement with Beroni HongKong Co. Limited sold the entire issued capital of Tianjin Beroni to Beroni HongKong Co., Limited for a consideration of RMB 10,010,000;

(e) On 24 October 2016, Mr Zhang transferred all of his shareholding in Beroni Hong Kong Co to Beroni Group Limited.

(f) As at the date of the Prospectus, Beroni Group Limited is 100% owned by Beroni Technology Limited a company incorporated and domiciled in the Seychelles.

Pursuant to the Prospectus, the Company is offering for subscription a minimum number of 13,560,000 shares at an issue price of A$0.50 (50 cents per share), payable in full on application to raise up to A$6,780,000 and a maximum number of 17,434,000 shares at an issue price of A$0.50 (50 cents per share) payable in full on application to raise up to A$8,717,000 ("Capital Raising" or the "Offer").

In addition, 3,559,712 shares will be issued in satisfaction of convertible notes totaling A$2,144,942, and 1,864,506 shares with a value of $932,253 (at $0.50 per share) will be issued to Eagle IG Limited.

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BTG's proposed capital structure following completion of the Offer is as follows:

	Minimum Capital Raise		Maximum Capital Raise	
	No. Shares	**%**	**No. Shares**	**%**
Beroni Technology Limited	35,255,782	65%	35,255,782	60.67%
Shares on issue at date of Prospectus	**35,255,782**	**65%**	**35,255,782**	**60.67%**
Debt to equity conversion of convertible notes	3,559,712	6.56%	3,559,712	6.13%
Eagle IG Limited	1,864,506	3.44%	1,864,506	3.20%
Shares to be issued pursuant to the Prospectus	13,560,000	25%	17,434,000	30%
Total shares on issue at completion of the Offer	**54,240,000**	**100%**	**58,114,000**	**100%**

All amounts presented in this Report are in Australian Dollars ("AUD"). The functional currency of Tianjin Beroni is Chinese Yuan ("RMB"). Entities with functional currencies other than Australian dollars have been translated into Australian Dollars under the principles of AASB 121 *"The Effects of Changes in Foreign Exchange Rates"*.

For the purposes of this Report, the following exchange rates were applied:

	A$/RMB
Closing rate - 30 June 2016	A$1 = RMB4.9344
Closing rate - 31 December 2015	A$1 = RMB4.7442
Closing rate - 31 December 2014	A$1 = RMB5.0859
Average rate 1 January 2016 to 30 June 2016	A$1 = RMB4.8259
Average rate 1 January 2015 to 31 December 2015	A$1 = RMB4.6951
Average rate - 21 May 2014 to 31 December 2014	A$1 = RMB5.5284

Scope of Report

Prosperity Audit Services has been requested to prepare an Independent Accountant's Report on:

(a) The notional consolidated Statement of Profit or Loss and Other Comprehensive Income of the BTG Group for period 21 May 2014 to 30 June 2016;

(b) The notional consolidated Statement of Financial Position of the BTG Group as at 30 June 2016;

(c) The notional consolidated pro-forma Statement of Financial Position of the BTG Group as at 30 June 2016 adjusted to include:

i) 13,560,000 shares issue totaling A$6,780,000 (minimum capital to be raised) and 17,434,000 shares issue totaling A$8,717,000 (maximum capital to be raised),
ii) the issue of 3,559,712 shares to satisfy the convertible notes totalling A$2,144,942;
iii) the issue of 1,864,506 shares at a value of $0.50 per share, totalling $932,253 to Eagle IG Limited pursuant to the Prospectus; and
iv) capitalisation of share issue costs against share capital of $619,214 (minimum capital raise) and A$695,872 (maximum capital raise) from the estimated share issued cost totalling A$1,869,163, and the completion of certain other transactions as disclosed in this report.

(d) The notional consolidated Statement of Cash Flows of the BTG Group for the period 21 May 2014 to 30 June 2016.

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The financial information presented in our report has been notionally consolidated for the period 21 May 2014 to 30 June 2016 because BTG did not acquire Beroni Hong Kong Ltd comprising the BTG Group of companies until after that date. The acquisition by BTG of Tianjin Beroni resulted in no substantive change to the operations of Tianjin Beroni or its assets and liabilities, hence presentation of notionally consolidated financial information reflects the historical financial performance and financial position of the BTG Group.

Scope of Review

The historical financial information has been extracted from the unaudited management accounts of BTG, Beroni Hong Kong Co. Ltd as at 30 June 2016, and the audited financial statements of Tianjin Beroni for the period 21 May 2014 to 30 June 2016.

The financial statements for Tianjin Beroni for the period 21 May 2014 to 30 June 2016 were audited by Shandong Haoxin CPA Co Limited who are based in the People's Republic of China.

The Directors of BTG are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions.

Our responsibility

The Investigating Accountant's responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement and review of the historical financial information in accordance with the Standard on Assurance Engagement ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document.*

We made such enquiries and performed such procedures as we, in our professional judgment, consider reasonable in the circumstances, including:

- enquiry of directors, management and others;
- analytical procedures on the historical information;
- a review of work papers, accounting records and other documents;
- comparison of consistency in application of the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by BTG; and
- review of work papers for the audit of Tianjin Beroni performed by Shandong Haoxin CPA Co. Limited for the period 21 May 2014 to 30 June 2016.

The review procedures were substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards.

We have reviewed the Financial Information in order to state whether, on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Financial Information is not prepared, in all material aspects, by the Directors on the basis of the stated basis of preparation.

As noted, our review of the Financial Information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is

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substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in and audit. Accordingly, we do not express an audit opinion.

Our review of the Financial Information did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Historical Financial Information and Pro forma Statement of Financial Position.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the notional pro-forma financial information, as set out in the appendices of this report is not presented fairly in accordance with the basis of preparation in the appendices and assumptions set out therein and with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by BTG.

Subsequent Events

To the best of our knowledge and belief, there have been no material items, transactions or events subsequent to 30 June 2016 not otherwise disclosed in this report or its appendices that have come to our attention during the course of our review which would cause the information included in this report to be misleading or deceptive.

Independence

Prosperity Audit Services does not have any interest in the outcome of the listing of the shares, other than in connection with the preparation of this report for which a professional fee will be received. Prosperity Audit Services were not involved in the preparation of any part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Directors' Responsibility

The Directors are responsible for the preparation of the Historical Financial Information and the pro forma financial information, including the selection and determination of pro forma adjustments included in the Pro Forma Statement of Financial Position. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and the Pro Forma Statement of Financial Position are free from material misstatement, whether due to fraud or error.

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Consent

Prosperity Audit Services consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

Prosperity Audit Services

PROSPERITY AUDIT SERVICES

Luke Malone

LUKE MALONE
Director

Encl.

Appendix 1 – Historical and Pro-Forma Financial Information

Beroni Group Limited
Statement of Profit or Loss and Other Comprehensive Income

Summarised below is BTG's notional consolidated Statement of Profit or Loss and Other Comprehensive Income for the period 21 May 2014 to 31 December 2014 (audited), year ended 31 December 2015 (audited) and for the 6 months ended 30 June 2016 (audited). The notional consolidated statement of Comprehensive Income illustrates what the financial performance of the Company would have been had it owned the other entities comprising the BTG Group of companies from 21 May 2014.

	Notes	Audited Actual Consolidated 21 May 2014 to 31 December 2014	Audited Actual Consolidated 1 January 2015 to 31 December 2015	Audited Actual Consolidated 1 January 2016 to 30 June 2016	Notional Consolidated post adjustments 30 June 2016 (Minimum capital raise)	Notional Consolidated post adjustments 30 June 2016 (Maximum capital raise)
		AUD	AUD	AUD	AUD	AUD
Revenue		182,510	1,104,186	2,166,578	**2,166,578**	**2,166,578**
Cost of sales		(124,343)	(351,873)	(693,423)	**(693,423)**	**(693,423)**
Gross profit		58,167	752,313	1,473,155	**1,473,155**	**1,473,155**
Distribution expenses		(91,081)	(182,389)	(184,218)	**(184,218)**	**(184,218)**
Administrative expenses		(186,523)	(885,415)	(44,847)	**(44,847)**	**(44,847)**
Listing expenses	4	-	-	(846,910)	**(1,249,949)**	**(1,173,291)**
Other income and gains/(losses)		35,465	108,164	2,638	**2,638**	**2,638**
Finance income		187	475	972	**972**	**972**
Finance costs		-	(787)	(72)	**(72)**	**(72)**
Profit/(loss) before income tax		**(183,786)**	**(207,640)**	**400,717**	**(2,322)**	**74,336**
Income tax expense		43,980	48,495	(101,043)	**(101,043)**	**(101,043)**
Profit/(loss) for the period		(139,806)	(159,145)	299,674	**(103,365)**	**(26,707)**
Profit/(loss) attributable to:						
Owners of the Company		(139,806)	(159,145)	299,674	**(103,365)**	**(26,707)**
Profit/(loss) for the period		**(139,806)**	**(159,145)**	**299,674**	**(103,365)**	**(26,707)**
Total comprehensive income/(loss) for the period		**(139,806)**	**(159,145)**	**299,674**	**(103,365)**	**(26,707)**

Appendix 1 – Historical and Pro-Forma Financial Information

Beroni Group Limited
Consolidated Statement of Financial Position

	Notes	Notional Actual Consolidated as at 31 December 2014	Notional Actual Consolidated as at 31 December 2015	Notional Actual Consolidated as at 30 June 2016	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Minimum capital raise)	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Maximum capital raise)
CURRENT ASSETS		AUD	AUD	AUD	AUD	AUD
Cash and cash equivalents	5	76,629	843,413	2,056,539	**8,529,291**	**10,466,291**
Trade and other receivables	6	104,516	751,691	1,759,969	**1,759,969**	**1,759,969**
Amounts due from related parties	6	9,625	222,562	33,425	**33,425**	**33,425**
Prepayments and other current assets		-	29,510	67,403	**67,403**	**67,403**
Amounts prepaid to related parties	6	-	-	434,325	**434,325**	**434,325**
Inventories		-	442,493	328,510	**328,510**	**328,510**
TOTAL CURRENT ASSETS		**190,770**	**2,289,669**	**4,680,171**	**11,152,922**	**13,089,922**
NON-CURRENT ASSETS						
Property, plant and equipment		44,188	43,462	35,353	**35,353**	**35,353**
Intangible assets		317	199	124	**124**	**124**
Deferred tax assets		47,807	99,243	-	**-**	**-**
TOTAL NON-CURRENT ASSETS		**92,312**	**142,905**	**35,477**	**35,477**	**35,477**
TOTAL ASSETS		**283,082**	**2,432,574**	**4,715,648**	**11,188,399**	**13,125,399**
CURRENT LIABILITIES						
Trade and other payables		184,528	133,592	-	**-**	**-**
Convertible notes payable	7	-	-	2,362,192	**-**	**-**
Employee entitlements		14,577	33,065	37,856	**37,856**	**37,856**
Amounts due to related parties	8	-	567,021	303,988	**303,988**	**303,988**
Borrowings		-	16,863	-	**-**	**-**
TOTAL CURRENT LIABILITIES		**199,105**	**750,541**	**2,704,036**	**341,844**	**341,844**
TOTAL LIABILITIES		**199,105**	**750,541**	**2,704,036**	**341,844**	**341,844**
NET ASSETS		**83,977**	**1,682,033**	**2,011,611**	**10,846,555**	**12,783,555**
EQUITY						
Share capital	9	235,946	2,002,445	2,026,589	**11,284,835**	**13,145,177**
Reserves	10	(12,164)	(21,462)	(15,701)	**(35,965)**	**(35,965)**
Retained earnings		(139,977)	(298,950)	723	**(402,315)**	**(325,657)**
TOTAL EQUITY		**83,977**	**1,682,033**	**2,011,611**	**10,846,555**	**12,783,555**

Appendix 1 – Historical and Pro-Forma Financial Information

Beroni Group Limited
Statement of Changes in Equity

	Paid-up capital	Foreign currency translation reserve	Retained earnings	Actual Consolidated Total	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Minimum capital raise)	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Maximum capital raise)
	AUD	AUD	AUD	AUD	AUD	AUD
Balance as at 21 May 2014	-	-	-	-	-	-
Comprehensive income/(loss) for the year	-	(12,164)	(139,806)	(151,969)	-	-
Capital contributed	235,946	-	-	235,946	-	-
Balance as at 31 December 2014	**235,946**	**(12,164)**	**(139,806)**	**83,977**	**-**	**-**
Balance as at 1 January 2015	235,946	(12,164)	(139,806)	83,977	-	-
Comprehensive income/(loss) for the year	-	(9,298)	(159,145)	(168,443)	-	-
Capital contributed by owners	1,767,800	-	-	1,767,800	-	-
Foreign exchange gain/losses	(1,302)	-	-	(1,302)	-	-
Balance as at 31 December 2015	**2,002,445**	**(21,462)**	**(298,950)**	**1,682,033**	**-**	**-**
Balance as at 1 January 2016	2,002,445	(21,462)	(298,950)	1,682,033	**1,682,033**	**1,682,033**
Comprehensive income/(loss) for the period	-	5,761	299,674	305,435	**305,435**	**305,435**
Capital contributed by owners	103,608	-	-	103,608	**103,608**	**103,608**
Foreign exchange gain/losses	(79,464)	-	-	(79,464)	**(79,464)**	**(79,464)**
Balance as at 30 June 2016	**2,026,589**	**(15,701)**	**723**	**2,011,611**	**2,011,611**	**2,011,611**
Pro forma adjustments						
Comprehensive income/(loss) for the period (refer Note 4 total pro forma adjustments)	**-**	**-**	**-**	**-**	**(403,039)**	**(326,381)**
Shares issued	**-**	**-**	**-**	**-**	**9,877,461**	**11,814,461**
Share issue costs	**-**	**-**	**-**	**-**	**(619,214)**	**(695,872)**
Foreign exchange gain/losses	**-**	**-**	**-**	**-**	**(20,264)**	**(20,264)**
Pro forma adjusted balance as at 30 June 2016	**-**	**-**	**-**	**-**	**10,846,555**	**12,783,555**

Appendix 1 – Historical and Pro-Forma Financial Information

Beroni Group Limited
Statement of Cash Flows

	Notes	Audited Actual Consolidated 21 May 2014 to 31 December 2014	Audited Actual Consolidated 1 January 2015 to 31 December 2015	Audited Actual Consolidated 1 January 2016 to 30 June 2016	Notional Pro-forma adjusted consolidated as at 30 June 2016 (minimum capital raise)	Notional Pro-forma adjusted consolidated as at 30 June 2016 (maximum capital raise)
		AUD	AUD	AUD	AUD	AUD
Cash flows from operating activities:						
Receipts from customers		175,130	652,564	1,675,814	**1,675,814**	**1,675,814**
Payments to suppliers and employees		(275,561)	(1,657,230)	(2,034,145)	**(2,034,145)**	**(2,034,145)**
Interest paid		-	(787)	(72)	**(72)**	**(72)**
Income tax paid		-	-	(22,666)	**(22,666)**	**(22,666)**
Net cash generated/(used in) from operating activities		**(100,431)**	**(1,005,453)**	**(381,069)**	**(381,069)**	**(381,069)**
Cash flows from financing activities:						
Proceeds from issue of equity instruments of the Company, net of transaction costs		217,061	1,767,800	(743,302)	**5,946,700**	**7,883,700**
Proceeds from borrowings		-	17,039	2,415,301	**2,415,301**	**2,415,301**
Repayments of borrowings		-	-	(16,577)	**(233,828)**	**(233,828)**
Net cash provided by financing activities		**217,061**	**1,784,840**	**1,655,421**	**8,128,173**	**10,065,173**
Cash flows from investing activities:						
Purchase of property, plant and equipment		(45,960)	(10,636)	(1,682)	**(1,682)**	**(1,682)**
Payments for intangible assets		(362)	-	-	**-**	**-**
Interest received		187	475	972	**972**	**972**
Net cash used in investing activities		**(46,135)**	**(10,161)**	**(710)**	**(710)**	**(710)**
Net increase in cash and cash equivalents		70,496	769,225	1,273,641	**7,746,393**	**9,683,393**
Cash and cash equivalents at beginning of the period		-	76,629	843,413	**843,413**	**843,413**
Exchange gains/(losses) on cash and cash equivalents		6,133	(2,442)	(60,515)	**(60,515)**	**(60,515)**
Cash and cash equivalents at end of the period	5 (a)	**76,629**	**843,413**	**2,056,539**	**8,529,291**	**10,466,291**

Appendix 2 – Notes to and Forming Part of the Financial Statements

1. General Information

Tianjin Beroni Biotechnology Co., Limited ("Tianjin Beroni") was incorporated as a limited company in Tianjin, the People's Republic of China (the "PRC") on 21 May 2014. The address of its registered office is No. 15-2, Phase 2, Science and Technology Industrial Park, Zhongbei, Xiqing District, Tianjin, the PRC. Beijing Yisheng Huikang held 100% equity of Tianjin Beroni.

The Company is principally engaged in the sale of smoking control product (NicoBloc), air purifier and healthcare products and supplements in China.

Beijing Yisheng Huikang reduced its shareholding in Tianjin Beroni by 0.99% to allow for investment by Eagle IG Limited prior to seeking approval for establishment of the Hong Kong enterprise with investment in the People's Republic of China. On 9 September 2016, Beijing Yisheng Huikang and Eagle IG Limited transferred all their shareholdings in Tianjin Beroni to Beroni HongKong Limited, which is now 100% owned by BTG.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with the measurement requirements (but not all of the disclosure requirements) of applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia using the accrual basis of accounting, including the historical cost convention.

Historical cost convention

These financial statements have been prepared under the historical cost convention, and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

2.2 Business Combination and reverse acquisition accounting

The acquisition of Tianjin Beroni by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "Business Combinations", notwithstanding Beroni Group Limited being the legal parent of the Group. This transaction is outside the scope of AASB 3 as there has been no combination with any other business and there was no economic substance in terms of any alteration in the composition of ownership of Tianjin Beroni. Beroni Group Limited does not constitute a business as defined by this standard.

Consequently, the historical financial information presented in this Report is the historical financial information of Tianjin Beroni as at 31 December 2014, 31 December 2015 and 30 June 2016, represented as a continuation of Tianjin Beroni.

The legal structure of the Group subsequent to the acquisition of Tianjin Beroni will be that Beroni Group Limited will be the parent entity. However the principles of reverse acquisition accounting are applicable where the owners of the acquired entity (in this case, Tianjin Beroni) obtain control of the acquiring entity (in this case, Beroni Group Limited) as a result of the business combination.

Under reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (Beroni Group Limited) but are a continuation of the financial statements of the legal subsidiary (Tianjin Beroni), with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values.

Appendix 2 – Notes to and Forming Part of the Financial Statements

2.3 Foreign currency translation

(a) Functional and presentation currency

The currency of the primary economic environment in which the trading entity operates ('the functional currency') is RMB. The financial statements are translated from RMB and presented in AUD.

(b) Transactions and balances

Foreign currency transactions are translated from the functional currency using the relevant financial year's average exchange rates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

2.4 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term cash investments.

2.5 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Leasehold land held under finance lease commences depreciation from the time when the land interest becomes available for its intended use. Depreciation on leasehold land held under finance lease and other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Office equipment	3 years
Other equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Profit and Loss.

Appendix 2 – Notes to and Forming Part of the Financial Statements

2.7 Financial assets

Management determines the classification of its financial assets at initial recognition. Other than loans and receivables, the Company did not hold any financial assets in other categories.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and bill receivables', 'amounts due from related parties' in the Statement of Financial Position (Notes 6).

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2.8 Impairment of financial assets

Assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Profit and Loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings and Amounts Due to Related Parties

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Appendix 2 – Notes to and Forming Part of the Financial Statements

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.12 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax assets

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Income tax expense and assets shown in the Statement of Profit and Loss and Statement of Financial Position represent the Company's tax obligations in the People's Republic of China.

No pro forma adjustments have been made to the tax expense as the Company is not considered a tax resident of Australia and hence has no Australian tax obligations as noted in 3.21 of the Prospectus.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Company is subject to the tax law of People's Republic of China (PRC). In accordance of the tax law of PRC, companies with no special tax concessions are taxed at a flat rate of 25%.

2.13 Employee benefits

Employee benefits are all forms of consideration given and compensations incurred by the Company in exchange for services rendered by employees or the termination of the employment relationship. Except for termination benefits, employee benefits are recognised as a liability in the period in which the associated services are rendered by its employees, with a corresponding increase in cost of relevant assets or the expenses in profit or loss.

(a) Post-employment benefits

The Company divides post-employment benefit plans into defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans. For defined contribution plans, the Company pays contributions to basic retirement insurance and unemployment insurance for the employees during the reporting period, while defined benefit plans are mainly supplementary retirement benefits.

Defined contribution retirement schemes

Pursuant to the relevant laws and regulations in the PRC, the Company has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities. The Company makes contributions to the retirement schemes at the applicable rates based on the amounts stipulated by the local government organisations. The contributions are charged to the profit or loss on an accrual basis. When employees retire, the local government labour and security authorities are responsible for the payment of the basic retirement benefits to the retired employees.

Appendix 2 – Notes to and Forming Part of the Financial Statements

(b) Termination benefits

Where the Company terminates the employment relationship with employees before the end of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision is recognised for the compensation arising from termination of employment relationship, with a corresponding charge to the profit or loss for the current period. An entity is required to recognise termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs.

2.14 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(d) Sales of goods

The Company sells healthcare products and smoking control products to wholesalers and individual customers. Sales of goods are recognised when the Company has delivered products to the wholesaler or customer.

For wholesale, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have arrived at the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sales are recorded based on agreed price.

For retailed sales, the Company also sells products to individual customers through its retail terminals. Sales of goods are recognised in the accounting period in which the retail terminals sell products to the customer. Retail sales are usually settled in cash or by credit card.

2.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.16 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimated provision for impairment of receivables

The Company makes provision for impairment of receivables based on an assessment of the collectability of trade and other receivables. Provisions for impairment are applied to trade and other receivables where events or changes in circumstances indicated that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of receivables and doubtful debt expenses in the period in which such estimate is changed.

Appendix 2 – Notes to and Forming Part of the Financial Statements

(b) Depreciation and amortisation

Leasehold land and land use rights, property, plant and equipment (excluding land and construction in progress) and intangible assets (excluding goodwill and intangible assets with indefinite useful life) are depreciated and amortised using the straight-line method during the estimated useful lives of these assets to allocate the cost of the assets to their estimated net residual values. The Company reviews the estimated useful lives and estimated residual values periodically, to ensure that method and rate of depreciation/amortisation are consistent with the pattern how such assets' economic benefits are expected to be realised.

The Company makes estimates of the useful lives and residual values of such assets, based on historical experience and with reference to estimated technical improvement. In case of significant changes in estimated useful lives and residual values, depreciation and amortisation expenses will be adjusted accordingly.

(c) Provision for decline in the value of inventories

The Company measures inventories according to the lower of cost and net realisable value at the balance sheet date, and the calculation of net realisable value requires assumptions and estimates. If the management revises the estimated selling price and cost and expenses to be incurred till completion, the estimates of net realisable value will be impacted, and the difference from the original estimates will affect the provision for decline in the value of inventories.

3. Pro forma transactions

The pro forma Statement of Financial Position, Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows have been derived from the historical financial information as at 30 June 2016 adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to 30 June 2016:

i) Incorporation of Beroni Technology Limited, the holding company of BTG and shares allotted and swapped for the original vendors of Tianjin Beroni in proportion to their respective shareholding;
ii) Just prior to IPO, the shares in BTG were split to allow for additional shares to be issued on listing;
iii) The refund of monies to 2 convertible note holders withdrawn from the convertible note arrangements post 30 June 2016;
iv) On IPO, the conversion of RMB10,584,000 (A$2,144,942) debt balance into 3,559,712 share equity as per the convertible notes agreements signed by the investors and Tianjing Beroni on 16 June 2016;
v) On IPO, the allotment of 1,864,506 shares at the fair value of A$0.50 (50 cents per share) to Eagle IG Ltd totalling A$932,253 in value;
vi) On IPO, the issuance of minimum of 13,560,000 shares at A$0.50 (50 cents per share), raising up to A$6,780,000 (minimum capital raise) to a maximum of 17,434,000 shares at A$0.50 (50 cents per share), raising up to A$8,717,000 (maximum capital raise); and
vii) The capitalisation of share issue costs against share capital of A$619,214 (minimum capital raise) and A$695,872 (maximum capital raise) from total estimated share issue costs of A$1,869,163.

Appendix 2 – Notes to and Forming Part of the Financial Statements

4. Listing expenses

	Audited Actual Consolidated 1 January 2016 to 30 June 2016	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Minimum capital raise)	Notional Pro-forma adjusted consolidated as at 30 June 2016 Maximum capital raise)
	AUD	AUD	AUD
Listing expenses for the period ended 30 June 2016			
ASIC and NSX fees	70,000	**70,000**	**70,000**
Corporate advisory fees	500,000	**500,000**	**500,000**
Legal fees	187,010	**187,010**	**187,010**
Investigating accountant, auditors and consultants fees	89,900	**89,900**	**89,900**
Total listing costs expensed	846,910	**846,910**	**846,910**
Pro forma adjustments:			
Estimated Prospectus design and printing costs	-	**30,000**	**30,000**
Estimated Miscellaneous expenses	-	**60,000**	**60,000**
Value of shares issued to Eagle IG Limited	-	**932,253**	**932,253**
Share issue costs allocated against share capital *	-	**(619,214)**	**(695,872)**
Total pro forma adjustments	-	**403,039**	**326,381**
Adjusted listing expenses	**846,910**	**1,249,949**	**1,173,291**
Total share issue costs	-	1,869,163	1,869,163
Share issue costs pro-rata in accordance with pre IPO shares on issue (refer to Note 9)	**-**	(619,214)	(695,872)
Adjusted listing expenses	**846,910**	**1,249,949**	**1,173,291**

*Share issue costs allocated are pro-rata in accordance with the pre IPO shares on issue over the total number of shares at the completion of the Offer, 65% for minimum capital raise and 60.67% for maximum capital raise.

5. Cash and Cash Equivalents

(a) Analysis of the balances of cash and cash equivalents

As at balance sheet dates, cash and cash equivalents were denominated in the following currencies:

	Audited Actual Consolidated 21 May 2014 to 31 December 2014	Audited Actual Consolidated 1 January 2015 to 31 December 2015	Audited Actual Consolidated 1 January 2016 to 30 June 2016	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Minimum capital raise)	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Maximum capital raise)
	AUD	AUD	AUD	AUD	AUD
Cash at bank and in hand	76,629	843,413	2,056,539	**2,056,539**	**2,056,539**
Pro forma adjustment					
Cash on hand (BTG)				**2**	**2**
Withdrawal of convertible notes				**(217,250)**	**(217,250)**
Issue of shares pursuant to Prospectus				**6,780,000**	**8,717,000**
Remaining estimated costs of the Offer not recognized in period ended 30 June 2016				**(90,000)**	**(90,000)**
	76,629	**843,413**	**2,056,539**	**8,529,291**	**10,466,291**

Appendix 2 – Notes to and Forming Part of the Financial Statements

6. Trade and other receivables

	Audited Actual Consolidated 21 May 2014 to 31 December 2014	Audited Actual Consolidated 1 January 2015 to 31 December 2015	Audited Actual Consolidated 1 January 2016 to 30 June 2016	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Minimum capital raise)	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Maximum capital raise)
	AUD	AUD	AUD	AUD	AUD
Trade and other receivables	104,516	751,691	1,759,969	**1,759,969**	**1,759,969**
Amounts due from related parties (refer Note 11)	9,625	222,562	33,425	**33,425**	**33,425**
Amounts prepaid to related parties (refer Note 11)	-	-	434,325	**434,325**	**434,325**

7. Convertible Notes payable

	Audited Actual Consolidated 21 May 2014 to 31 December 2014	Audited Actual Consolidated 1 January 2015 to 31 December 2015	Audited Actual Consolidated 1 January 2016 to 30 June 2016	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Minimum capital raise)	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Maximum capital raise)
	AUD	AUD	AUD	AUD	AUD
Convertible notes payable*	-	-	2,362,192	-	-

The Company has raised RMB 11.65 million (approx. A$2,362,192) through convertible loans from 73 investors during June 2016. The money raised has been, or will be used for general working capital, paying costs and expenses for the listing, marketing, research and development and costs associated with pursuing new products or new business opportunities.

The loans will be automatically converted into Shares at the IPO issue price upon the Company's listing on the NSX. Subsequent to 30 June 2016, two investors have terminated their convertible loan agreements and withdrawn their funds from the company. Funds withdrawn were RMB 72,000 (approx. A$14,951) on 1 September 2016 and RMB1,000,000 (approx. A$202,659) on 12 September 2016 respectively,

In the event that the listing is not successful, the loans will be repayable in full on 31 December 2016.

There is no interest on the loan amount. The agreement is governed by Australian law. The 73 investors and each of their loan amounts are disclosed in the PRC Legal Due Diligence Report, a copy of which can be obtained on request free of charge from the Company's registered office.

8. Loans payable

	Audited Actual Consolidated 21 May 2014 to 31 December 2014	Audited Actual Consolidated 1 January 2015 to 31 December 2015	Audited Actual Consolidated 1 January 2016 to 30 June 2016	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Minimum capital raise)	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Maximum capital raise)
	AUD	AUD	AUD	AUD	AUD
Amounts due to related parties (Refer Note 11)	-	567,021	303,988	**303,988**	**303,988**

Appendix 2 – Notes to and Forming Part of the Financial Statements

9. Share Capital

	Minimum Capital Raise			Maximum Capital Raise A$		
	Number of. Shares	%	A$	Number of Shares	%	A$
Beroni Technology Limited	35,255,782	65%	2,046,855	35,255,782	60.67%	2,046,855
Shares on issue at date of Prospectus	**35,255,782**	**65%**	**2,046,855**	**35,255,782**	**60.67%**	**2,046,855**
Debt to equity conversion of convertible notes	3,559,712	6.56%	2,144,941	3,559,712	6.13%	2,144,941
Eagle IG Limited	1,864,506	3.44%	932,253	1,864,506	3.20%	932,253
Shares to be issued pursuant to the Prospectus	13,560,000	25%	6,780,000	17,434,000	30%	8,717,000
Share issue costs (Refer Note 4)	-	-	(619,214)	-	-	(695,872)
Total shares on issue at completion of the Offer	**54,240,000**	**100%**	**11,284,835**	**58,114,000**	**100%**	**13,145,177**

10. Reserves

Foreign currency translation reserve

	Audited Actual Consolidated 21 May 2014 to 31 December 2014	Audited Actual Consolidated 1 January 2015 to 31 December 2015	Audited Actual Consolidated 1 January 2016 to 30 June 2016	Notional Pro-forma adjusted consolidated as at 30 June 2016 (minimum capital raise)	Notional Pro-forma adjusted consolidated as at 30 June 2016 Maximum capital raise)
	AUD	AUD	AUD	AUD	AUD
Opening balance	-	(12,164)	(21,462)	**(21,462)**	**(21,462)**
Foreign currency gain/(loss) from translation	(12,164)	(9,298)	5,761	**5,761**	**5,761**
Closing balance before pro forma adjustments	(12,164)	(21,462)	(15,701)	**(15,701)**	**(15,701)**
Pro forma adjustments:					
Foreign currency translation gain/(loss) on shares exchanged between vendors of Tianjin Beroni and Beroni HongKiong Co., Limited	-	-	-	**(20,264)**	**(20,264)**
Closing balance post pro forma adjustments	**(12,164)**	**(21,462)**	**(15,701)**	**(35,965)**	**(35,965)**

Appendix 2 – Notes to and Forming Part of the Financial Statements

11. Related Party Transactions

(a) Transactions with Beijing Yisheng Huikang (Previous holding company)

	Audited Actual Consolidated 21 May 2014 to 31 December 2014	Audited Actual Consolidated 1 January 2015 to 31 December 2015	Audited Actual Consolidated 1 January 2016 to 30 June 2016	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Minimum)	Notional Pro-forma adjusted consolidated as at 30 June 2016 (Maximum)
	AUD	AUD	AUD	AUD	AUD
Purchases of smoking control products	125,571	774,993	447,795	447,795	447,795

(b) Transactions with other related companies

Sale of smoking control products					
NicBloc (Beijing) Biotechnology Co. Limited (Director related company)	-	202,580	-	-	-
Country Mart (Tianjin) Trading Co. Limited (Director related company)	-	89,541	-	-	-
Total	-	**292,121**	-	-	-

(c) Key management compensation

Key management includes directors (executive and non-executive) and senior management. The compensation paid or payable to key management for employee services is shown below:

Salaries and other short-term employee benefits	29,568	61,706	47,637	**47,637**	**47,637**
Superannuation expenses	1,105	3,201	2,593	**2,593**	**2,593**
Total	**30,673**	**64,907**	**50,230**	**50,230**	**50,230**

(d) Balances with related parties

Amounts due from related parties (Refer Note 6)					
Beijing Yisheng Huikang (Previous holding company)	-	-	3,178	**3,178**	**3,178**
NicBloc (Beijing) Biotechnology Co. Limited (Director related company)	-	149,884	22,511	**22,511**	**22,511**
Country Mart (Tianjin) Trading Co. Limited (Director related company)	-	72,678	973	**973**	**973**
Zhang Boqing (Director)	9,625	-	-	-	-
Others	-	-	6,763	**6,763**	**6,763**
Total	**9,625**	**222,562**	**33,425**	**33,425**	**33,425**
Amounts prepaid to related parties (Refer Note 6)					
Beijing Yisheng Huikang (Previous holding company)	-	-	434,325	**434,325**	**434,325**
Total	**-**	**-**	**434,325**	**434,325**	**434,325**
Amounts due to related parties (Refer Note 8)					
Beijing Yisheng Huikang (Previous holding company)	**-**	**461,303**	**-**	**-**	**-**
Zhang Boqing (Director)	**-**	**327**	**-**	**-**	**-**
Wang Gang (Director)	**-**	**105,692**	**303,988**	**303,988**	**303,988**
Total	**-**	**567,021**	**303,988**	**303,988**	**303,988**

The transactions were at arm's length and on normal commercial terms and conditions.

Appendix 2 – Notes to and Forming Part of the Financial Statements

12. Employee Share and Option Plan

Refer to section 3.19 of the Prospectus. The Company has established an employee share option plan (Incentive Plan) but as noted in the Prospectus, no options are issued as at the date of the Prospectus. No pro forma adjustments have been made in this report.

13. Contingencies and Commitments

The Directors are not aware of any contingencies or commitments other than as set out in the Prospectus.

14. Events after the Balance Sheet Date

There were no material events after the reporting date apart from those as set out in the Prospectus.

Group restructure

The Group undertook a restructure to facilitate the proposed listing on the National Stock Exchange Australia. Refer to Note 1 and 2 for further details.

15. Auditors remuneration

Listing fees are incurred for the proposed listing of the Group at the National Stock Exchange of Australia.

The remuneration of the Investigating Accountant (Prosperity Audit Services) and the auditor of the financial statements of Tianjin Beroni (Shandong Haoxin CPA Co. Limited) were as follows:

	AUD
Prosperity Audit Services - preparation and issuance of Investigating Accountant's Report	**$40,700**
Shandong Haoxin CPA Co. Limited - Audit of financial statements of Tianjin Beroni for the period 21 May 2014 to 30 June 2016 (RMB 180,000)	**$36,479**

11.1 Australian tax considerations

Set out below is a general overview of the Australian taxation implications for investors who acquire the new shares on capital account. This section is based on legislation applicable at the time of its preparation. Given the complexity of taxation laws, it does not cover all possible implications for particular investors.

As the tax position of each investor may vary depending on their individual circumstances, this section should not be considered advice specific to any particular investor. Before lodging an application for new shares in this Company, each investor should seek independent professional advice with respect to the tax consequences applicable to their individual circumstances.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to taxation and any other consequences of investing in the Company.

(a) Taxation of dividends

The treatment of dividends which are paid to investors will vary depending on whether or not the investor is an Australian resident or foreign resident. The taxation treatment will also vary depending on the extent to which any dividends carry a franking credit.

(i) Dividends received by Australian resident shareholders

For Australian resident individuals, dividends on the new shares will be taxable income of the shareholder in the tax year in which they are paid (or deemed to be paid) to the shareholder. If the dividend carries a franking credit (for imputed Australian corporate tax paid by the Group) then the dividend paid (or deemed to be paid) plus the franking credit will be included in the shareholder's taxable income and subject to tax at the shareholder's marginal tax rate. The shareholder will be entitled to offset the franking credit against tax payable by the shareholder if the shareholder is a qualifying person. A qualifying person is a shareholder who satisfies the holding period rule (by holding shares on which the dividend is "at risk" for at least 45 days) and the related payments rule.

Individuals and complying superannuation funds are entitled to a refund of any part of the franking credits that exceed their tax payable.

Australian resident companies can convert excess franking credits to tax losses that can potentially be deductible against income in future years.

Unfranked dividends received by Australian resident shareholders will be taxable at the shareholder's marginal tax rate. For individuals, this tax rate may be up to 49% (including Medicare levy and temporary Budget Repair Levy). For companies and complying superannuation funds, the rates of tax are generally 30% and 15% respectively.

(ii) Dividends received by non-resident shareholders

Dividend withholding tax is not imposed on fully franked dividends paid to foreign shareholders.

It may be necessary for the Group to withhold tax from unfranked dividends paid to foreign shareholders and remit the tax to the Australian Taxation Office.

Where unfranked dividends are paid to non-resident shareholders, and the unfranked dividend is not "conduit foreign income", dividend withholding taxes must be deducted from the gross dividends paid. If the shareholder is a resident of a country that does not have a Double Tax Agreement (**DTA**) with Australia, then a 30% withholding tax rate will be applied to dividends paid to the non-resident shareholder. If the shareholder is a resident of a country that does have a DTA with Australia, then the DTA will determine the maximum amount of withholding tax that can be imposed. DTA dividend withholding tax rates generally range from 0% to 15%.

(b) Disposal of shares

As noted above, the following overview of Australian tax implications associated with disposal of new shares is confined to investors who hold their shares on capital account. Australian income tax laws impose tax on capital gains (**CGT**).

Persons who acquire new shares on revenue account or for a share trading purpose should seek independent professional advice as the issues are complex and the tax implications depend heavily on individual circumstances.

(i) Disposal of shares by Australian resident shareholders

Disposal of some or all of the new shares held on capital account by Australian resident investors will give rise to a CGT event and investors may become liable to pay CGT if they make a capital gain on disposal, or another CGT event occurs in respect of the new shares.

An investor will be taken to have acquired new shares when these are issued or transferred to the investor and to have disposed of the new shares when the investor transfers (or agree to transfer) the new shares to another person. Taxation law also deems a disposal to have occurred in some other circumstances as well.

To calculate the amount of gain that is subject to tax initially requires the cost base of shares to be subtracted from the consideration (money or property) received from their disposal. If the calculation results in a negative number then a capital loss has been made.

Market value of shares at the time of their disposal may be substituted as consideration if the disposal is for nil or not undertaken on an arm's length dealing basis. In the case of new shares acquired pursuant to the Prospectus, the cost base for CGT purposes will generally be the amount paid for the new shares plus incidental transaction costs (such as brokerage fees) incurred in selling the shares.

If the shareholder has also derived capital losses in the income year, or has accumulated capital losses that are deductible, then those losses may be offset against the capital gain derived from the disposal of the shares. A capital loss cannot be offset against ordinary taxable income but may be carried forward and offset against future capital gains. However, utilisation of carried forward capital losses is subject to various loss integrity tests. Consideration of these loss provisions is beyond the scope of this Section.

For those investors that are companies, a net capital gain made on the disposal of new shares (after any capital losses are offset) must be included in the company's taxable income and subject to tax at the prevailing general corporate tax rate (30%).

Investors who are either individuals or complying superannuation funds (or another similar form of qualifying entity) and dispose of new shares held for at least 12 months, may be entitled to a CGT discount of 50% and 33 1/3% respectively. Companies are not entitled to any discount and special rules apply for trusts.

The net capital gain remaining after permitted offsets and discounts, is added to the investor's other taxable income, and the total amount is then subject to tax at the investor's marginal tax rate.

Where shares are held by a trust (and the trust is not taxed as a company for Australian tax purposes) then a CGT discount of 50% is generally available. When the capital gain is distributed to the beneficiary by the trustee of the trust, the capital gain needs to be grossed up and the relevant beneficiary(s) will need to determine for themselves whether or not they are able to access the CGT discount provisions.

(ii) Disposal of shares by non-Australian resident shareholders

Foreign residents are only subject to CGT on the disposal of taxable Australian property. For tax purposes, new shares will generally only be considered taxable Australian property where the following conditions are satisfied:

(A) the investor owns an interest of 10% or more in the Group; and

(B) more than 50% of the value of the Group relates to assets that are taxable Australian real property such as land and buildings or interests in land and buildings. For example, leasehold rights over land situated in Australia are considered to be taxable Australian real property.

Based on information contained in the Prospectus regarding the planned operation of the business, the Group shares are unlikely to be taxable Australian property. As such, foreign residents that dispose of their shares are unlikely to be subject to CGT on any gains made in Australia. However, the circumstances of the company should be reviewed by investors as at the time they dispose of some or all new shares.

(c) Tax File Numbers quotation

It is not compulsory for Australian resident shareholders to provide the Group with details of their Tax File Number (**TFN**). or Australian Business Number (**ABN**). However, a failure to quote a TFN or ABN will result in the Group being required to withhold and remit tax of 49% (47% for years ended following 30 June 2017 based on current legislation) from unfranked dividends paid to the relevant shareholder.

(d) GST and transfer duty

No GST is applicable to the issue or transfer of the new shares given that, under current law, shares in a company are a financial supply for GST purposes.

Transfer duty will not be payable on new shares issued pursuant to the Prospectus.

11.2 PRC tax laws

(a) PRC Income Tax

Under the PRC Enterprise Income Tax Law, or EIT Law, the standard enterprise income tax rate is 25%. The PRC subsidiary didn't receive the above preferential tax treatments during past fiscal years.

(b) Business Tax, VAT and Other Levies

Pursuant to applicable PRC tax regulations, any entity or individual conducting business in the service industry is generally required to pay a business tax at the rate of 5% on the revenues generated from providing such services. However, if the services provided are related to technology development and transfer, such business tax may be exempted subject to approval by the relevant tax authorities.

In November 2011, the Ministry of Finance and the State Administration of Taxation promulgated the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax. Pursuant to this plan and relevant notices, from August 1, 2013, a value-added tax will generally be imposed to replace the business tax in the transport and shipping industry and some of the modern service industries on a nationwide basis. A value-added tax rate of 6% applies to some modern service industries.

In November 2011, the Ministry of Finance and the State Administration of Taxation promulgated the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax. Pursuant to this plan and relevant notices, from August 1, 2013, a value-added tax will generally be imposed to replace the business tax in the transport and shipping industry and some of the modern service industries on a nationwide basis. A value-added tax rate of 6% applies to some modern service industries.

(c) PRC Withholding Tax

Pursuant to the EIT Law, a 10% withholding tax is generally levied on dividends declared by companies in China to their non-resident enterprise investors. A lower withholding tax rate of 5% is applicable for direct foreign investors incorporated in Hong Kong with at least a 25% equity interest in the PRC company and who meet the relevant conditions or requirements pursuant to the tax arrangement between the PRC and Hong Kong. As the equity holder of the PRC subsidiary is qualified Hong Kong incorporated company, our deferred tax liabilities for distributable earnings are calculated based on a 5% withholding tax.

(d) Regulation of Dividend Distribution

The principal laws, rules and regulations governing dividend distribution by foreign-invested enterprises in the PRC are the Company Law of the PRC, as amended, the Wholly Foreign-owned Enterprise Law and its implementation regulations and the Equity Joint Venture Law and its implementation regulations. Under these laws, rules and regulations, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. Both PRC domestic companies and wholly-foreign owned PRC enterprises are required to set aside as general reserves at least 10% of their after-tax profit, until the cumulative amount of such reserves reaches 50% of their registered capital. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

(e) Foreign Exchange Regulation

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, may be made in foreign currencies without prior approval from the State Administration of Foreign Exchange (SAFE) by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of foreign currency-denominated loans.

In August 2008, SAFE issued the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 142, regulating the conversion by a foreign-invested enterprise of foreign currency-registered capital into RMB by restricting how the converted RMB may be used. In addition, SAFE promulgated Circular 45 on November 9, 2011 in order to clarify the application of SAFE Circular 142. Under SAFE Circular 142 and Circular 45, the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable government authority and may not be used for equity investments within the PRC. In addition, SAFE strengthened its oversight of the flow and use of the RMB capital converted from foreign currency registered capital of foreign-invested enterprises. The use of such RMB capital may not be changed without SAFE's approval, and such RMB capital may not in any case be used to repay RMB loans if the proceeds of such loans have not been used. Furthermore, SAFE promulgated Circular 59 in November 2010, which tightens the regulation over settlement of net proceeds from overseas offerings, such as our initial public offering, and requires, among other things, the authenticity of settlement of net proceeds from offshore offerings to be closely examined and the net proceeds to be settled in the manner described in the offering documents or otherwise approved by our board. Violations of these SAFE regulations may result in severe monetary or other penalties, including confiscation of earnings derived from such violation activities, a fine of up to 30% of the RMB funds converted from the foreign invested funds or in the case of a severe violation, a fine ranging from 30% to 100% of the RMB funds converted from the foreign-invested funds. In November 2012, SAFE promulgated the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment, which substantially amends and simplifies the current foreign exchange procedure. Pursuant to this circular, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of RMB proceeds by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible previously. In addition, SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents in May 2013, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

11.3 Continuous disclosure

Upon admission to the official list of NSX the Company will be required to notify NSX of information which may have a material effect on the price or value of the Company's Shares. To comply with its continuous disclosure obligations:

(a) the Nominated Adviser will provide a briefing on continuous disclosure obligations to the Board and senior management; and

(b) the Company will conduct regular board meetings with continuous disclosure a standing agenda item and its Nominated Adviser in attendance.

11.4 Privacy

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

11.5 Waivers

The Company will apply to NSX for a waiver Listing Rule 2.2, so that the Company does not have to appoint a sponsoring broker to the Offer.

11.6 Interests of experts and advisors

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer.

Mills Oakley Lawyers has acted as Australian legal advisor and as Nominated Adviser to the Company in connection with its application to list on NSX. The Company has paid or will pay an aggregate of approximately $100,000 to Mills Oakley Lawyers for these services. Mills Oakley Lawyers has not provided other professional services to the Group during the last 2 years.

AGC Capital Securities Pty Ltd has acted as corporate advisor to the Company in relation to the Company's application to list on NSX. In respect of this work, the Company has paid or will pay a sum of $500,000 for these services. AGC Capital Corporate Pty Ltd has not provided other professional services to the Group during the last 2 years.

Prosperity Audit Services Pty Ltd has prepared the Investigating Accountant's Report in this Prospectus. In respect of this work, the Company has paid or will pay a sum of $89,900 for these services. Prosperity has not provided other professional services to the Group during the last 2 years.

Tianjin Lingyu Law Firm has prepared the Legal Due Diligence Report in this Prospectus. In respect of this work, the Company has paid or will pay a sum of $ 76,000 for these services. Tianjin Lingyu has not provided other professional services to the Group during the last 2 years.

11.7 Consents

Each of the persons referred to in this section:

(a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:

(b) to be named in the Prospectus in the form and context which it is named; and

(c) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;

(d) has not caused or authorised the issue of this Prospectus;

(e) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below; and

(f) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role	Statement/Report
Prosperity Audit Services Pty Ltd	Investigating Accountant	Financial Information in section 9 Investigating Accountants' Report in section 10.
Tianjin Lingyu Law Firm	PRC Legal Adviser	Legal Due Diligence Report incorporated in this.

Name	Role	Statement/Report
		Prospectus under section 712 of the Corporations Act.
Mills Oakley Lawyers	Solicitors to the Offer	Nil
Advanced Share Registry	Share Registry	Nil
AGC Capital Securities Pty Ltd	Corporate Adviser	Nil

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of the Shares pursuant to this Prospectus.
Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Signed for and on behalf of
Beroni Group Limited by

Yap Ting (Peter) Wong
Non – Executive Director

Where the following terms are used in this Prospectus, they have the following meanings:

$	Australian dollars unless otherwise stated.
AGC Capital Services Agreement	The agreement entered into between Tianjin Beroni and AGC Capital on 4 March 2016. See section 5.3 for details.
Applicants	Applications who have put in a valid application form for the subscription of Shares under the Public Offer.
Application Form	The application form in or accompanies this Prospectus.
ASIC	Australian Securities and Investment Commission.
ASX	The ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532).
ASX Settlement Rules	The operating rules of ASX Settlement.
Business	has the meaning given in section 3.2.
Closing Date	9 January 2016.
Company	Beroni Group Limited ACN 613 077 526, a company incorporated in and under the laws of Australia.
Constitution	The constitution of the Company.
Convertible Loan Investors	has the meaning given in section 8.2.
Convertible Loans	has the meaning given in section 8.2.
Corporate Adviser or **AGC Capital**	AGC Capital Securities Pty Ltd (ACN 168 909 260).
Corporations Act	The Corporations Act 2001 (Cth) as amended.
Director	A director of the Company and, where the context requires, any proposed director.
Exclusive Distribution Agreement	The excusive distribution agreement between Tianjin Beroni and NicoBloc PLC (UK) dated 29 June 2016 and summarised in section 5.1.
Existing Shareholders	Shareholders as of the date of this Prospectus.
FY	Financial Year.
Group	The Company, its subsidiaries and its controlled entities.
Investigating Accountant's Report	The Investigating Accountant's Report included in section 10.
Legal Due Diligence Report	PRC legal due diligence report prepared by Tianjin Lingyu Law Firm dated 23 November 2016.
Listing Rules	The listing rules of the NSX.
Loan Conversion Offer	the offer of approximately 3,559,712 Shares to Convertible Loan Investors in satisfaction of the Convertible Loans.

Maximum Subscription	$8.717 million or 17,434,000 Shares.
Minimum Subscription	$6.78 million or 13,560,000 Shares.
Nominated Adviser	Mills Oakley.
NSX	The National Stock Exchange of Australia Limited.
Offers	The Public Offer and the Loan Conversion Offer.
Official List	The Official List of the NSX.
PRC	People's Republic of China.
Prospectus	This prospectus and includes the electronic version of this prospectus.
Public Offer	The offer of up to 17,434,000 Shares at an issue price of A$0.50 each to raise up to A$8.717 million with a Minimum Subscription of 13,560,000 Shares to raise $6.78 million (before cost).
Reorganisation	The reorganisation process undertaken by the Group as set out in section 3.14.
RMB	The official currency of PRC. The exchange rates of AUD/RMB used in this Prospectus are set out in the Independent Accountant's Report in section 10.
Share	A fully paid ordinary share in the share capital of the Company.
Share Registry	Advanced Share Registry.
Shareholder	A registered holder of Shares or, where the context requires, CDIs over Shares.
Tianjin Beroni	Beroni Biotechnology Co., Ltd (天津贝罗尼生物科技有限公司).


beroni