

DE.MEM LIMITED – HALF-YEAR REPORT

Appendix 4D

De.mem Limited and Controlled Entities ABN 12 614 756 642

Half Year ended 30 June 2017 - Additional Disclosures

1. Reporting periods

Half year ended (‘Current period’)	Half year ended (‘Previous corresponding period’)*
30 June 2017	30 June 2016

*The previous half year end period is based on the results of De.mem Pte Ltd, which was acquired by De.mem Limited during the current half year end (in March 2017). This treatment is in accordance with reverse acquisition accounting and is consistent with the presentation of the accompanying interim financial report.

2. Results for announcement to the market

					\$SGD'000
Revenues from ordinary activities	Down	13%	to	148	
Loss from ordinary activities after tax attributable to members	Up	51%	to	(1,575)	
Loss for the period attributable to members	Up	51%	to	(1,577)	

Brief explanation of above figures – Revenues were largely consistent with the prior period and are expected to increase in the next period as a result of business growth following the funding transaction with De.mem Limited in March 2017.

The operating loss for the Company was higher due to recognition of the cost of acquisition of De.mem Pte Ltd of approximately \$835k, which represents the deemed excess of the acquired net assets of De.mem Limited over the deemed transaction consideration in accordance with reverse acquisition accounting. Removing this entry, the Company recorded a loss from ordinary activities after tax of ~\$742k which represents a decrease in loss of 29% from the prior period.

Dividends - There were no dividends declared or paid during the period and the directors do not recommend that any dividend be paid.

3. Net tangible asset backing

	Current period	Previous corresponding period
Net tangible asset backing / (deficiency) per ordinary security	5.5 cents / share	-

DE.MEM LIMITED – HALF-YEAR REPORT

4. Controlled Entities

	Country of Incorporation	Principal Activities	Ownership %
Parent entity			
De.Mem Limited	Australia	Parent	
Name of Controlled Entity			
De.Mem Pte Ltd	Singapore	Waste management service	100%
De.mem Viet Nam Ltd	Vietnam	Waste management service	100%
GD Wasser Pte Ltd	Singapore	Waste management service	100%
GD Wasser Viet Nam Ltd	Vietnam	Waste management service	100%
GD Wasser Long An Ltd	Vietnam	Waste management service	90%
GD Wasser Nghe An Ltd	Vietnam	Waste management service	90%

5. Dividends or Distributions

Nil.

6. Dividend or Distribution Reinvestment Plans

N/A.

7. Material interests in entities which are not controlled entities

N/A.

8. Foreign Entities

N/A.

9. Independent Review Report

Refer to the Independent Review Report within the attached Financial Report for the half year ended 30 June 2017.

10. Compliance statement

This report should be read in conjunction with the attached Financial Report for the half year ended 30 June 2017.



Sign here: _____

Date: 31 August 2017

Print name: Brett Tucker



**De.mem Limited
ACN 614 756 642**

**Interim Financial Report
for the Half-Year Ended 30 June 2017**

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De.mem Limited
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De.mem Limited
Corporate directory
30 June 2017

Directors	Cosimo Trimigliozzi Andreas Kroell Bernd Dautel Stuart Carmichael Michael Edwards
Company secretary	Brett Tucker
Registered office	Ground Floor, 16 Ord Street West Perth, WA, 6005 Australia
Principal place of business	Ground Floor, 16 Ord Street West Perth, WA, 6005 Australia
Share register	Link Market Services Limited Central Park, Level 4, 152 St Georges Terrace Perth, WA, 6000
Auditor	RSM Australia Partners 8 St Georges Terrace Perth, WA 6000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth, WA 6000
Bankers	Westpac Bank Perth
Website	www.demembranes.com
Corporate Governance Statement	http://demembranes.com/about-us/governance/

De.mem Limited
Directors' report
For the half-year ended 30 June 2017

The Directors of De.mem Limited wish to present the following report for the half-year ended 30 June 2017.

This interim financial report covers De.mem Limited ("De.mem" or the "Company") as a Group consisting of De.mem Limited and its subsidiaries, collectively referred to as the "Group". The financial report is presented in Singaporean dollars.

On 14 March 2017, De.mem Limited acquired 100% of the share capital of De.mem Pte Ltd (company incorporated in Singapore) and its controlled subsidiaries. Under the Australian Accounting Standards, De.mem Pte Ltd, was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which De.mem Pte Ltd acquired the net assets and listing status of De.mem Limited.

Accordingly, the consolidated financial statements of De.mem Limited have been prepared as a continuation of the business and operations of De.mem Pte Ltd. As the deemed acquirer, De.mem Pte Ltd, has accounted for the acquisition of De.mem Limited from 14 March 2017. The comparative information presented in the consolidated financial statements is that of De.mem Pte Ltd. Refer to note 4 for further details of the transaction.

Directors

The following persons were directors of De.mem Limited during or since the end of the period were as follows:

Cosimo Trimiglozzi
Andreas Kroell
Bernd Dautel
Stuart Carmichael
Michael Edwards

Principal activities

De.mem designs, builds, owns and operates modern water treatment systems for clients from the industrial, municipal and residential sectors.

Review of operations

De.mem commenced trading on the ASX on 7 April 2017 following its successful initial public offering capital raise of A\$4.5 million and the acquisition of the De.mem Pte Ltd ("DMS") group of companies on 14 March 2017.

DMS is headquartered in Singapore and has a fully owned subsidiary in Vietnam. The combined De.mem group will focus on the de-centralised water treatment market. In the industrial business segment, De.mem provides water and waste water treatment systems to clients and operates them on their behalf on a "BOO" (build, own, operate) model. De.mem collaborates with Singapore's Nanyang Technological University (NTU) to bring world leading technologies to market.

In early May 2017, De.mem achieved a significant milestone with the first production of an industrial sized low-pressure hollow fibre nanofiltration membrane module in conjunction with Nanyang Technological University in Singapore (NTU Singapore).

De.mem held its first annual general meeting on 25 May 2017 in Perth, Western Australia with all resolutions being passed.

De.mem announced to the ASX on 12 July 2017 that the Company had completed the set-up of its new facility for membrane production in Singapore. This facility brings De.mem the capability to produce industrial sized hollow fiber membrane modules for use in smaller scale industrial and municipal/residential projects, including containerized solutions.

De.mem is to commence pilot testing of its membranes at select customer sites ahead of planned commercial market launch of the technology later in the calendar year 2017.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

There are no matters or circumstance that has arisen since 30 June 2017 to the date of this report that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

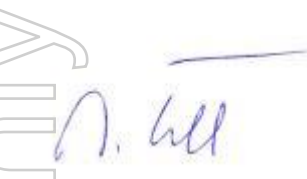
Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**De.mem Limited
Directors' report
For the half-year ended 30 June 2017**

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001. The directors have the power to amend and reissue the financial statements.

On behalf of the directors



Mr Andreas Kroell
Director

31 August 2017
Perth

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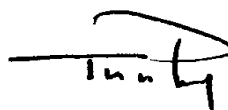
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of De.mem Limited for the half-year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 31 August 2017

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De.mem Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2017

	Consolidated	
	30 June 2017	30 June 2016
	\$	\$
Revenue	147,894	170,394
Cost of sales	(134,383)	(128,890)
Gross profit	13,511	41,504
Other income	6,388	48,450
Interest income	1,959	-
Total income	8,347	48,450
Directors' benefit expense	(14,831)	-
Share based payments	(1,891)	-
Restructuring and listing expenses	(835,138)	-
Marketing and travel expense	(28,469)	-
Administrative expenses	(680,993)	(616,505)
Loss on foreign currency exchange	(37,649)	-
Impairment of receivables	-	(151,846)
Loss on disposal of non-current assets	-	(92,213)
Goodwill written off	-	(271,323)
Total expenses	(1,598,971)	(1,131,887)
Loss before income tax for the half year	(1,577,113)	(1,041,933)
Income tax expense	-	-
Loss after income tax for the half year	(1,577,113)	(1,041,933)
Other comprehensive income for the half year		
Exchange differences on translating foreign operations, net of tax	(129,244)	(14,137)
Total comprehensive loss	(1,706,357)	(1,056,070)
Loss attributable to owners of the parent, net of tax	(1,575,192)	(1,038,660)
Loss attributable to non-controlling interests, net of tax	(1,921)	(3,273)
Loss net of tax	(1,577,113)	(1,041,933)
Basic and Diluted Loss per share – cents per share	(2.61)	-

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

De.mem Limited
Consolidated statement of financial position
As at 30 June 2017

	Note	Consolidated	
		30 June 2017 \$	31 December 2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,043,287	199,622
Trade and other receivables		331,844	320,211
Inventories		85,784	82,591
Prepayments		394,088	297,813
Other assets		182,234	8,134
Total Current Assets		5,037,237	908,371
Non-Current Assets			
Property and equipment		763,464	702,463
Other assets		770	4,789
Total Non-Current Assets		764,234	707,252
TOTAL ASSETS		5,801,471	1,615,623
LIABILITIES			
Current Liabilities			
Trade and other payables		579,792	497,974
Total Current Liabilities		579,792	497,974
TOTAL LIABILITIES		579,792	497,974
NET ASSETS		5,221,679	1,117,649
EQUITY			
Issued capital	2	9,867,187	4,402,468
Reserves		239,099	22,675
Accumulated losses		(4,888,291)	(3,313,099)
Equity, attributable to owners of the parent		5,217,995	1,112,044
Non-controlling interests		3,684	5,605
TOTAL EQUITY		5,221,679	1,117,649

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

De.mem Limited
Consolidated statement of changes in equity
For the half-year to 30 June 2017

	Share Capital	Foreign Exchange Reserve	Share Based Payment Reserve	Non- Controlling Interest	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2016	2,351,781	11,130	-	-	(1,495,236)	867,675
Total comprehensive loss for the period	-	(14,137)	-	(3,273)	(1,038,660)	(1,056,070)
Transactions with equity holders						
Issue of share capital	1,050,412	-	-	-	-	1,050,412
Acquisition of subsidiary – non-controlling interest	-	-	-	9,677	-	9,677
Balance at 30 June 2016	3,402,193	(3,007)	-	6,404	(2,533,896)	871,694
Balance at 1 January 2017	4,402,468	22,675	-	5,605	(3,313,099)	1,117,649
Total comprehensive loss for the period	-	(129,244)	-	(1,921)	(1,575,192)	(1,706,357)
Transactions with equity holders						
Share issue for acquisition of subsidiary	1,557,313	-	-	-	-	1,557,313
Capital raising	4,820,885	-	-	-	-	4,820,885
Transaction costs of share issue	(913,479)	-	-	-	-	(913,479)
Share based payments	-	-	345,668	-	-	345,668
Balance at 30 June 2017	9,867,187	(106,569)	345,668	3,684	(4,888,291)	5,221,679

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

De.mem Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2017

	Consolidated	
	30 June 2017	30 June 2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts	294,882	498,318
Interest received / (paid)	1,959	(313)
Payments to suppliers and employees	(1,264,104)	(1,173,585)
Net cash used in operating activities	(967,263)	(675,580)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant & equipment	(75,423)	(100,559)
Acquisition of subsidiary, net cash acquired	753,043	-
Net cash provided by/(used in) investing activities	677,620	(100,559)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of costs)	4,251,184	303,323
Net cash provided by financing activities	4,251,184	303,323
Net increase / (decrease) in cash and cash equivalents	3,961,541	(472,816)
Effects of exchange rates changes	(117,876)	-
Cash and cash equivalents at the beginning of the half year	199,622	505,869
Cash and cash equivalents at the end of the half year	4,043,287	33,053

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

De.mem Limited
Notes to the financial statements
For the half-year ended 30 June 2017

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied during the period unless otherwise stated.

These general purpose financial statements for the interim half-year reporting period ended 30 June 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2016 and any public announcements made by De.mem Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The financial statements are presented in Singaporean dollars, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

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

Acquisition accounting

On 14 March 2017, De.mem Limited, the legal parent and legal acquirer, completed the acquisition of De.mem Pte Ltd (company incorporated in Singapore) and its controlled subsidiaries. The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations, with De.mem Pte Ltd deemed to be the accounting acquirer. The acquisition has been treated using the principles of reverse acquisition accounting. Effectively De.mem Pte Ltd has acquired the net assets and listing status of De.mem Limited.

Accordingly the consolidated financial statements of the De.mem Limited have been prepared as a continuation of the business and operations of De.mem Pte Ltd and the transaction measured at the fair value of the equity instruments that would have been given by the controlled entity, De.mem Pte Ltd, to have exactly the same percentage holding in the new structure at the date of acquisition.

The implications of the acquisition on the financial statements are as follows;

Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows.

- The 30 June 2017 statements comprises 6 months of De.mem Pte Ltd and its subsidiaries and 3 months and 17 days of De.mem Limited.
- The 30 June 2016 comparative statements comprises 6 months of De.mem Pte Ltd and its subsidiaries.

Statement of Financial Position

- The statement of financial position as at 30 June 2017 comprises of De.mem Pte Ltd and its subsidiaries and De.mem Limited.
- The comparative statement of financial position at 31 December 2016 comprises De.mem Pte Ltd and its subsidiaries.

De.mem Limited
Notes to the financial statements
For the half-year ended 30 June 2017

Note 2. Equity - issued capital

	2017 Shares	2017 \$
Ordinary shares - fully paid	94,807,692	9,867,187

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2017	7,307,692	\$0.138*	1,009,433
Elimination of pre-acquisition share capital of De.mem Limited		-	-	(1,009,433)
Acquired share capital of De.mem Pte Ltd	14 March 2017	-	-	4,402,468
Issue of shares to shareholders of De.mem Pte Ltd	14 March 2017	65,000,000	-	1,557,313
Issue of shares – initial public offering	14 March 2017	22,500,000	\$0.214**	4,820,885
Cost of share issues		-	-	(913,479)
Balance	30 June 2017	<u>94,807,692</u>		<u>9,867,187</u>

* Issue price \$0.13 (AUD) translated to Singapore dollar (SGD).

** Initial public offering for an offer of shares at an issue price of \$0.20 (AUD) per share translated to Singaporean dollar (SGD).

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 3. Option Reserve

	30 June 2017 \$	31 December 2016 \$
Options Reserve	345,668	-
	<u>345,668</u>	<u>-</u>

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	No of Options	2017 \$
Balance 1 January 2017	-	-
<i>New options issued</i>		
Unlisted options to lead manager	3,800,000	343,777
Unlisted options to a key employee vesting over multiple periods	750,000	1,891
Balance 30 June 2017	<u>4,550,000</u>	<u>345,668</u>

Note 4. Share-based payments

A share option plan has been established by the entity, whereby the entity may grant options over ordinary shares in the company to certain key management personnel of the entity. The options are issued for nil consideration.

On 30 March 2017, the entity issued 3,800,000 options to an advisor who acted as lead manager for the ASX initial public offering. The fair value of these options (\$343,777) were treated as share issue costs.

On 12 May 2017, the entity issued 750,000 options vesting over multiple service periods to an employee of the Company.

Set out below are summaries of options granted under the plan:

2017			Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
Options	Grant date	Exercise price					
Lead Manager	30/03/2017	\$0.32*	-	3,800,000	-	-	3,800,000
Employee	12/05/2017	\$0.31*	-	750,000	-	-	750,000
			-	4,550,000	-	-	4,550,000

* Exercise price \$0.30 (AUD) translated to Singaporean dollars (SGD) at grant date.

Note 5. Acquisition accounting

On 14 March 2017 the Company issued 65 million fully paid ordinary shares to the shareholders of De.mem Pte Ltd pursuant to an implementation agreement to acquire the entire issued capital of De.mem Pte Ltd.

Under Australian Accounting Standards, De.mem Pte Ltd was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment in which De.mem Pte Ltd acquires the net assets and listing status of De.mem Limited.

(a) Deemed Consideration

The purchase consideration was the issue of 65,000,000 shares in De.mem Limited (legal parent) to the shareholders of De.mem Pte Ltd.

Quoted share price on 14 March 2017 (AUD)	\$0.20
Shares on issue at acquisition date	7,307,693
Deemed consideration (AUD)	1,461,538
Deemed Consideration - translated to Singaporean dollars at acquisition date	1,557,313

(b) Deemed Issued Capital

	\$
De.mem Limited share capital on issue at acquisition date	1,009,433
Elimination of De.mem Limited issued capital	(1,009,433)
Deemed consideration as per note (a)	1,557,313
Acquired share capital of De.mem Pte Ltd	4,402,468
Capital raising	4,820,885
Capital raising costs	(913,479)
Total De.mem Limited share capital on 14 March 2017	9,867,187

De.mem Limited
Notes to the financial statements
For the half-year ended 30 June 2017

Note 5. Acquisition accounting (continued)

(c) Fair value of Assets and Liabilities Acquired

	\$
Cash and cash equivalents	765,089
Trade and other receivables	445,958
Total Assets	1,211,047
Trade and other payables	488,872
Total Liabilities	488,872
Net Assets	722,175

(d) Listing Expense

Deemed consideration	1,557,313
Less: net assets of De.mem Limited on acquisition date – 14 March 2017	(722,175)
Excess of consideration provided over net assets at acquisition date – 14 March 2017, being restructuring and listing costs	835,138

Note 6. Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors in order to allocate resources to the segment and to assess its performance.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Directors for the half year ended 30 June 2017 and 30 June 2016.

	Singapore – De.mem Pte Ltd	Australia – De.mem Limited	Consolidated
2017			
Revenue from external customers	147,894	-	147,894
Intersegment revenue	-	-	-
Segment revenue	147,894	-	147,894
Segment result	(843,055)	(734,058)	(1,577,113)
Segment assets	1,830,465	3,971,006	5,801,471
Segment liabilities	518,970	60,822	579,792
2016			
Revenue from external customers	170,394	-	170,394
Intersegment revenue	-	-	-
Segment revenue	170,394	-	170,394
Segment result	(1,041,933)	-	(1,041,933)
Segment assets	1,615,623	-	1,615,623
Segment liabilities	497,974	-	497,974

Note 7. Contingent assets and liabilities

There are no contingent assets and or liabilities at the date of this report.

Note 8. Events after the reporting period

No matter or circumstance has arisen since 30 June 2017 to the date of this report that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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De.mem Limited
Directors' declaration
For the half-year ended 30 June 2017

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the half-year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Andreas Kroell
Director

31 August 2017
Perth

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
DE.MEM LIMITED**

We have reviewed the accompanying half-year financial report of De.mem Limited, which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of De.mem Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of De.mem Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of De.mem Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM
RSM AUSTRALIA PARTNERS


Perth, WA
Dated: 31 August 2017

TUTU PHONG
Partner