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PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (1Q, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Amounts expressed in thousands of Australian Dollar ("AU$") currency)
These statements have not been audited.

	GROUP		+/(-)	GROUP		+/(-)
	2Q 2019	2Q 2018	%	HY 2019	HY 2018	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Continuing operations						
Revenue	58,330	150,164	(61.2)	144,887	303,910	(52.3)
Cost of sales	(52,188)	(138,968)	(62.4)	(130,619)	(281,321)	(53.6)
Gross profit	**6,142**	**11,196**	(45.1)	**14,268**	**22,589**	(36.8)
Gross margin	**10.5%**	**7.5%**		**9.8%**	**7.4%**	
Other operating income / (loss)	950	(236)	N.M.	2,429	310	N.M.
Other operating costs	(2,378)	(2,354)	1.0	(4,049)	(5,312)	(23.8)
Administrative expenses	(2,184)	(1,525)	43.2	(5,116)	(3,853)	32.8
Marketing and distribution expenses	(446)	(328)	36.0	(1,175)	(576)	104.0
Profit from operations	**2,084**	**6,753**	(69.1)	**6,357**	**13,158**	(51.7)
Finance costs	(1,872)	(3,312)	(43.5)	(4,547)	(6,609)	(31.2)
Net gain on partial debt restructure	566	861	(34.3)	566	1,313	(56.9)
Profit before income tax	**778**	**4,302**	(81.9)	**2,376**	**7,862**	(69.8)
Income tax expense	(286)	(216)	32.4	(572)	(570)	0.4
Profit from continuing operations	492	4,086	(88.0)	1,804	7,292	(75.3)
Discontinued operations						
Loss from discontinued operations, net of tax	-	(19)	N.M.	-	(101)	N.M.
Net profit for the period	**492**	**4,067**	(87.9)	**1,804**	**7,191**	(74.9)
Net profit %	**0.8%**	**2.7%**		**1.2%**	**2.4%**	
Profit attributable to:						
Owners of the Company	492	4,067	(87.9)	1,804	7,191	(74.9)
Non-controlling interests	-	-	N.M.	-	-	N.M.
	492	**4,067**	(87.9)	**1,804**	**7,191**	(74.9)
Profit for the period	492	4,067	(87.9)	1,804	7,191	(74.9)
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences	489	(4,812)	(110.2)	(1,518)	(3,647)	(58.4)
Other comprehensive income for the period	489	(4,812)	(110.2)	(1,518)	(3,647)	(58.4)
Total comprehensive profit / (loss) for the period	**981**	**(745)**	N.M.	**286**	**3,544**	(91.9)

N.M. not meaningful

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	GROUP		+/(-)	GROUP		+/(-)
	2Q 2019	2Q 2018	%	HY 2019	HY 2018	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Earnings / (loss) per ordinary share attributable to equity holders of the Company (AU$ cents per share)						
- basic	0.03	0.28		0.11	0.51	
- diluted	0.03	0.28		0.11	0.51	

(ii) NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

A. PROFIT FROM OPERATIONS

The following items have been included in determining the profit before taxation

	GROUP		+/(-)	GROUP		+/(-)
	2Q 2019	2Q 2018	%	HY 2019	HY 2018	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Other operating income						
Interest income	69	117	(41.0)	227	336	(32.4)
Profit / (loss) on sale of property, plant and equipment	605	(722)	(183.8)	1,012	(570)	N.M.
Other income	76	346	(78.0)	623	495	25.9
Foreign exchange gain	200	23	N.M.	567	49	N.M.
Total other operating income / (loss)	**950**	**(236)**	N.M.	**2,429**	**310**	N.M.
Amortisation and depreciation						
Depreciation of property, plant & equipment included in cost of sales	1,230	2,353	(47.7)	2,461	3,951	(37.7)
Amortisation of intangible assets included in cost of sales	338	163	107.4	730	475	53.7
Depreciation of property, plant & equipment included in administrative expenses	111	167	(33.5)	227	288	(21.2)
Amortisation of intangible assets included in administrative expenses	254	88	188.6	550	723	(23.9)
Total amortisation and depreciation	**1,933**	**2,771**	(30.2)	**3,968**	**5,437**	(27.0)
Employee share and share option scheme expense	-	64	(100.0)	(22)	126	(117.5)

B. FINANCE COSTS

	GROUP		+/(-)	GROUP		+/(-)
	2Q 2019	2Q 2018	%	HY 2019	HY 2018	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Loans	1,856	3,295	(43.7)	4,502	6,553	(31.3)
Bank guarantee fees	27	1	N.M.	39	23	69.6
Finance leases and hire purchase	(11)	16	N.M.	6	33	(81.8)
Total finance costs	**1,872**	**3,312**	(43.5)	**4,547**	**6,609**	(31.2)

C. INCOME TAX EXPENSE

	GROUP			GROUP		
	2Q 2019	2Q 2018		HY 2019	HY 2018	
	AU$'000	AU$'000		AU$'000	AU$'000	
Income tax benefit / (expense)	-	25	(100.0)	-	(62)	(100.0)
Withholding tax expense:						
- current year	(286)	(241)	18.7	(572)	(508)	12.6
	(286)	**(216)**	32.4	**(572)**	**(570)**	0.4
Tax expense relating to continuing operations	(286)	(216)	32.4	(572)	(570)	0.4
Total income tax expense	**(286)**	**(216)**	32.4	**(572)**	**(570)**	0.4

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group As at 31-12-18 AU$'000	Group As at 30-06-18 AU$'000	Company As at 31-12-18 AU$'000	Company As at 30-06-18 AU$'000
CURRENT ASSETS				
Cash and cash equivalents	35,001	37,846	21,440	63
Trade receivables	101,573	93,418	-	-
Other receivables and prepayments	7,949	8,378	635	660
Inventories	3,254	4,165	-	-
Total current assets	**147,777**	**143,807**	**22,075**	**723**
NON-CURRENT ASSETS				
Property, plant and equipment	73,770	75,584	-	-
Goodwill	10,994	10,994	-	-
Intangible assets	33,212	32,704	-	-
Due from subsidiaries	-	-	57,142	57,556
Investments in subsidiaries	-	-	85,014	82,823
Total non-current assets	**117,976**	**119,282**	**142,156**	**140,379**
Total assets	**265,753**	**263,089**	**164,231**	**141,102**
CURRENT LIABILITIES				
Trade payables	25,574	37,051	-	-
Other payables	44,085	47,725	526	1,709
Due to subsidiaries	-	-	8,603	8,363
Borrowings	19,053	86,770	17,661	85,756
Accruals for other liabilities and charges	5,531	10,215	-	-
Current income tax liabilities	1,844	1,945	296	295
Provisions	551	859	-	-
Total current liabilities	**96,638**	**184,565**	**27,086**	**96,123**
NON-CURRENT LIABILITIES				
Borrowings	70,801	34,172	69,017	34,172
Accruals for other liabilities and charges	1,045	1,265	-	-
Deferred income tax liabilities	1,362	1,362	-	-
Total non-current liabilities	**73,208**	**36,799**	**69,017**	**34,172**
Total liabilities	**169,846**	**221,364**	**96,103**	**130,295**
EQUITY				
Capital and reserves attributable to equity				
Share capital	217,030	162,647	217,030	162,647
Capital reserve	(163)	(163)	(163)	(163)
Share-based payment reserve	5,438	5,460	5,438	5,460
Foreign currency translation reserve	16,711	18,229	28,488	25,891
Accumulated losses	(143,109)	(144,448)	(182,665)	(183,028)
Total equity	**95,907**	**41,725**	**68,128**	**10,807**
Total liabilities and equity	**265,753**	**263,089**	**164,231**	**141,102**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	31-12-18		30-06-18	
	AU$'000	AU$'000	AU$'000	AU$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	19,053	-	86,770	-
Amount repayable after one year	39,937	30,864	-	34,172

Borrowings Summary

	31-12-18	30-06-18
	AU$'000	AU$'000
Multi Currency Notes	47,415	73,396
DBS Term Loan - USD	10,183	12,359
Shareholder Loan	30,864	34,172
Insurance funding / finance leases	1,392	1,015
Total borrowings	89,854	120,942

Multi Currency Notes ("Notes")

At 31 December 2018, S$7.4m (AU$7.5m) of the Notes were classified as a current liability, relating to the partial repayment of the principal following the Rights Issue redemption which was completed on 3rd January 2019 and S$39.3m (AU$39.9m) were classified as a non-current liability and are secured.

On 19th October 2018, Noteholders representing S$64.32m or 88.41% of the principal amount of the Notes outstanding approved the restructure of the notes including an extension to the repayment date by 4 years. A total of 267 votes were cast, of which all 267 votes or 100% of the votes cast were in favour of the Extraordinary Resolution to restructure the debt. The terms of Notes are amended as follows:

- an upfront partial cash redemption of the Notes of S$22.0m (AU$22.3m) and full equity redemption of the Notes (those that decided to convert to equity) of S$3.4m (AU$3.4m) was made on 3 December 2018;
- maturity of the Notes has been extended to 3 December 2022. Accordingly, the Notes have been classified as a non-current liability; and
- interest will be paid monthly at a rate of 5% per annum from 3 December 2018, 6% per annum from 3 December 2019 and 7% per annum from 3 December 2020.

On 29th October 2018 SGX granted its approval in-principle ("AIP") for the listing of and quotation for:

- up to 752,402,733 Rights Shares at an issue price of S$0.035 for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares in the capital of the Company pursuant to the Rights Issue;
- up to 1,050,000,000 Subscription Shares at an issue price of S$0.035 for each Subscription Share pursuant to the Proposed Placement; and
- 80,299,996 new Shares ("Redemption Shares") at an issue price of S$0.035 for each Redemption Share pursuant to the amended terms and conditions of the Notes following the passing of the Extraordinary Resolution at the Meeting (the "Proposed Issue of Redemption Shares").

The Extraordinary General Meeting held on 15 November 2018 approved the issuance of the shares under both the placement and rights issue.

On 21 November 2018, the Company completed the proposed placement of 750,000,000, 200,000,000 and 100,000,000 new ordinary shares in the capital of the Company at an issue price of S$0.035 for each Subscription Share to AOC Acquisitions Pte. Ltd., Mr. Toh Bee Yong Bernard and Mr. Poh Boon Kher Melvin, respectively.

On 3 December 2018, the Company announced the results of the exchange offer and the issuance, of 80,299,996 new ordinary shares at a proposed issue price of S$0.042 to Noteholders, in exchange for the settlement of approximately S$3.4m (AU$3.4m) owing on the Multi Currency Notes.

On 19 December 2018, an aggregate of 413,124,969 Rights Shares have been allotted and issued by the Company. Following the completion of the rights issue and share placement, the Company raised S$46.4m (AU$46.7m) with S$29.2m (AU$29.4m) being used to retire debt and S$17.2m (AU$17.3m) being injected as working capital.

On 3 January 2019, the Company made a partial cash redemption of the Notes on a pro rate basis equal to the Right Issue Redemption Amount. The Right Issue Redemption Amount is S$7.4m (AU$7.5m). Accordingly, at 31 December 2018, S$7.4m (AU$7.5m) of the Notes have been classified as current liability, which was paid on 3 January 2019.

Loans from DBS Bank Ltd

Final repayment of DBS Term loan was originally due in April 2018, however by agreement this was extended with a final repayment of US$7.3m due in January 2019. The Company's discussions with its principal banker are nearing finalisation, which will result in an extension of the term loan for 18 months to July 2020.

DBS also provides bank guarantee facilities to the Group to support performance bonds and financial guarantees provided to the Group's clients.

The Group has breached certain covenants on its major debt facilities during the quarter; however, it has received waivers for these breaches from its principal banker.

Loans from related party (shareholder loan)

The repayment date of loans from Ezion Holdings Limited ("Ezion") are until after 31 October 2023 hence the loans are classified as non-current. At 31 December 2018 the amount owing on the loan by the Company to Ezion was AU$30.9m (30 June 2018: AU$34.2m) and is unsecured.

On 19 December 2018, the Company announced the completion of a further Ezion Loan Capitalisation and the allotment and issue of 136,410,868 nil paid rights ("Capitalisation Shares") to Ezion on that date in exchange for settlement of US$3,471,772 of the Shareholder Loan with Ezion. As a result, Ezion held 409,232,604 shares and the outstanding amount on the Shareholder Loan reduced from US$25,353,197 to US$22,138,118 (equivalent to AU$30,864,241 at 31 December 2018).

Surety bond facility from Vero

The Group holds a AU$30.0m Surety bond facility with Vero to ensure the Group maintains its bonding capacity for bid bonds, performance bonds and financial guarantees.

1(c) A consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP 2Q 2019 AU$'000	GROUP 2Q 2018 AU$'000	GROUP HY 2019 AU$'000	GROUP HY2018 AU$'000
Cash flows from operating activities				
Profit after taxation	492	4,067	1,804	7,191
Add / (less) adjustments for:				
Depreciation of property, plant and equipment	1,341	2,520	2,688	4,239
Amortisation of intangible assets	592	251	1,280	1,198
Employee share and share option scheme expense	-	64	(22)	126
Net foreign exchange differences	(430)	(3,193)	(1,636)	(2,050)
(Profit) / loss on disposal of property, plant and equipment	(605)	722	(1,012)	570
Gain on partial debt restructure	(566)	(861)	(566)	(1,313)
Interest income	(69)	(117)	(227)	(336)
Finance costs	1,872	3,312	4,547	6,609
Income tax expense	286	216	572	570
Operating cash flows before working capital changes	**2,913**	**6,981**	**7,428**	**16,804**
Changes in operating assets and liabilities				
Trade receivables	1,243	11,298	(8,622)	11,591
Other receivables and prepayments	(860)	(3,229)	429	(1,470)
Inventories	510	(1,483)	910	(2,263)
Trade payables	(6,622)	(3,818)	(11,477)	4,759
Accruals and other payables	(5,962)	(16,834)	(9,266)	1,349
Cash (used in) / generated from operations	**(8,778)**	**(7,085)**	**(20,598)**	**30,770**
Interest paid	(2,138)	(2,437)	(4,226)	(4,746)
Interest received	69	117	227	336
Income tax paid	(328)	(246)	(572)	(449)
Net cash (used in) / generated from operating activities	**(11,175)**	**(9,651)**	**(25,169)**	**25,911**
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	664	1,009	2,468	1,685
Purchase of property, plant and equipment	-	(992)	(430)	(3,399)
Release of restricted cash	-	8,650	-	10,650
Purchase of intangible assets	(339)	-	(339)	-
Net cash generated from investing activities	**325**	**8,667**	**1,699**	**8,936**

1(c) Consolidated Statement of Cash Flows (continued)

	GROUP 2Q 2019 AU$'000	GROUP 2Q 2018 AU$'000	GROUP HY 2019 AU$'000	GROUP HY2018 AU$'000
Cash flows from financing activities				
Repayment of insurance funding	-	(987)	(1,015)	(2,090)
Proceeds from borrowings	1,392	3,898	1,392	3,898
Repayment of borrowings	(25,874)	(10,429)	(26,694)	(26,380)
Proceeds from issue of share capital	46,754	-	46,754	-
Net cash generated from / (used in) financing activities	**22,272**	**(7,518)**	**20,437**	**(24,572)**
Net increase / (decrease) in cash and cash equivalents	**11,422**	**(8,502)**	**(3,033)**	**10,275**
Effect of exchange rate fluctuations on cash held	419	(174)	188	(1)
Net increase / (decrease) in cash held	**11,841**	**(8,676)**	**(2,845)**	**10,274**
Cash and cash equivalents at beginning of period	21,910	40,901	36,596	21,951
Cash and cash equivalents at end of period	**33,751**	**32,225**	**33,751**	**32,225**
Cash and cash equivalents represented by				
Cash and bank balances	35,001	33,475	35,001	33,475
*Restricted cash	(1,250)	(1,250)	(1,250)	(1,250)
Total cash and cash equivalents at end of period	**33,751**	**32,225**	**33,751**	**32,225**

**The amount represents cash security held for bank guarantees issued.

1(d)(i) A statement (for the issuer and group) showing either

(i) all changes in equity, or

(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	SHARE CAPITAL AU$'000	CAPITAL RESERVE AU$ '000	SHARE-BASED PAYMENT RESERVE AU$'000	FOREIGN CURRENCY TRANSLATION RESERVE AU$'000	ACCUMULATED LOSSES AU$'000	TOTAL EQUITY AU$'000
HY 2019						
Balance as at 1 July 2018	162,647	(163)	5,460	18,229	(144,448)	41,725
Adoption of new/revised SRRS(I)9	-	-	-	-	(465)	(465)
Restated balance as at 1 July 2018	162,647	(163)	5,460	18,229	(144,913)	41,260
Profit for the period	-	-	-	-	1,312	1,312
Other comprehensive loss	-	-	-	(2,007)	-	(2,007)
Share-based payment expense	-	-	(22)	-	-	(22)
Balance as at 30 September 2018	**162,647**	**(163)**	**5,438**	**16,222**	**(143,601)**	**40,543**
Profit for the period	-	-	-	-	492	492
Other comprehensive income	-	-	-	489	-	489
Issue of ordinary shares	54,383	-	-	-	-	54,383
Balance as at 31 December 2018	**217,030**	**(163)**	**5,438**	**16,711**	**(143,109)**	**95,907**
HY 2018						
Balance as at 1 July 2017	156,285	(163)	5,183	19,917	(157,924)	23,298
Profit for the period	-	-	-	-	3,124	3,124
Other comprehensive income	-	-	-	1,165	-	1,165
Issue of ordinary shares through partial debt restructure	2,228	-	-	-	-	2,228
Share-based payment expense	-	-	62	-	-	62
Balance as at 30 September 2017	**158,513**	**(163)**	**5,245**	**21,082**	**(154,800)**	**29,877**
Profit for the period	-	-	-	-	4,067	4,067
Other comprehensive loss	-	-	-	(4,812)	-	(4,812)
Issue of ordinary shares through partial debt restructure	4,134	-	-	-	-	4,134
Share-based payment expense	-	-	64	-	-	64
Balance as at 31 December 2017	**162,647**	**(163)**	**5,309**	**16,270**	**(150,733)**	**33,330**
Company						
HY 2019						
Balance as at 1 July 2018	162,647	(163)	5,460	25,891	(183,028)	10,807
Loss for the period	-	-	-	-	(240)	(240)
Other comprehensive income	-	-	-	2,172	-	2,172
Share-based payment expense	-	-	(22)	-	-	(22)
Balance as at 30 September 2018	**162,647**	**(163)**	**5,438**	**28,063**	**(183,268)**	**12,717**
Profit for the period	-	-	-	-	603	603
Other comprehensive income	-	-	-	425	-	425
Issue of ordinary shares through partial debt restructure	54,383	-	-	-	-	54,383
Share-based payment expense	-	-	-	-	-	-
Balance as at 31 December 2018	**217,030**	**(163)**	**5,438**	**28,488**	**(182,665)**	**68,128**
HY 2018						
Balance as at 1 July 2017	156,285	(163)	5,183	25,009	(165,247)	21,067
Loss for the period	-	-	-	-	(2,200)	(2,200)
Other comprehensive income	-	-	-	1,297	-	1,297
Issue of ordinary shares through partial debt restructure	2,228	-	-	-	-	2,228
Share-based payment expense	-	-	62	-	-	62
Balance as at 30 September 2017	**158,513**	**(163)**	**5,245**	**26,306**	**(167,447)**	**22,454**
Profit for the period	-	-	-	-	835	835
Other comprehensive income	-	-	-	426	-	426
Issue of ordinary shares through partial debt restructure	4,134	-	-	-	-	4,134
Share-based payment expense	-	-	64	-	-	64
Balance as at 31 December 2017	**162,647**	**(163)**	**5,309**	**26,732**	**(166,612)**	**27,913**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	31-Dec-18	30-Jun-18
	Number of shares	Number of shares
Number of issued shares		
Opening balance	1,504,805,466	1,364,047,515
Issuance of shares	1,326,714,101	-
Shares issued through debt to equity exercise	216,710,864	140,757,951
Closing balance	3,048,230,431	1,504,805,466

	31-Dec-18	30-Jun-18
	AU$'000	AU$'000
Ordinary shares issued and fully paid		
Opening balance	162,647	156,285
Shares issued for cash net of transaction costs	46,754	-
Shares issued through debt to equity exercise	7,629	6,362
Closing balance	217,030	162,647

As referred to in Note 1 (b) (ii), the Company completed the placement of 750,000,000, 200,000,000 and 100,000,000 new ordinary shares in the capital of the Company at an issue price of S$0.035 for each Subscription Share to AOC Acquisitions Pte. Ltd., Mr. Toh Bee Yong Bernard and Mr. Poh Boon Kher Melvin, respectively, issued 80,299,996 new ordinary shares at a proposed issue price of S$0.042 to Noteholders, in exchange for the settlement of approximately S$3.4m owing on the Multi Currency Notes and further also allotted and issued an aggregate of 413,124,969 Rights Shares for S$0.035 each.

As at 31 December 2018 there were no outstanding options (30 June 2018: Nil) for unissued ordinary shares under the employee share option scheme.

As at 31 December 2018 there were no outstanding rights (30 June 2018: Nil) that may potentially be converted to shares under the employee share scheme.

As at 31 December 2018 and 30 June 2018 respectively there were no treasury shares held by the Company.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	31 December 2018	30 June 2018
Number of issued shares	3,048,230,431	1,504,805,466

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed under item 5 below, the accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those stated in the audited financial statements for the year ended 30 June 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group has adopted the new SFRS (I) framework in 2018 and concurrently applied the following SFRS (I)s, interpretations of SFRS(I) and requirements of SFRS (I) which are mandatorily effective from 1 January, 2018.

- SFRS(I) 1 First-time adoption of Singapore Financial Reporting Standards (International)
- SFRS(I) 15 Revenue from Contracts with Customers which includes the clarifications to IFRS 15 Revenue from Contracts with Customers issued by the IASB in April 2016
- SFRS(I) 9 Financial Instruments

(i) Adoption of SFRS(I) 1

SFRS(I) 1 is effective for financial years beginning on or after 1 January 2018. The Group has elected not to adopt the optional exemption(s). Therefore, there will be no restatement required.

(ii) Adoption of SFRS(I) 15

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively with a practical expedient approach, applied to completed contracts.

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Based on the management assessment, the adoption of SFRS(I) 15 has no material impact to the Group's and the Company's financial statements in the year of initial application, therefore, there will be no restatement required. The Group and the Company will continue to review the status of all material revenue contracts at each reporting date to access the impact of SFRS(I) 15.

(iii) Adoption of SFRS(I) 9

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempts the Group from applying SFRS(I) 9 to comparative information.

SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

1) Classification and measurement
   The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under SFRS(I) 9.

2) Impairment of financial assets
   Financial assets are subject to expected credit loss impairment model under SFRS(I) 9. Under the new approach, the Company would be required to recognise the impairment loss based on a probability-weighted estimate of credit losses.

The following summarises the effects on the Group's and the Company's statement of financial position as of 1 July 2018.

Group (AU$'000)	1-Jul-18	SFRS(I)9	1-Jul-18 (restated)
CURRENT ASSETS			
- Trade receivables	93,418	(465)	92,953
EQUITY			
- Accumulated losses	(144,448)	(465)	(144,913)

The assessment made by the Group is unaudited and therefore may be subject to adjustments, which will be finalised during the year-end audit.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	GROUP 2Q 2019 AU$'000	GROUP 2Q 2018 AU$'000	GROUP HY 2019 AU$'000	GROUP HY 2018 AU$'000
Profit attributable to owners of the Company	492	4,067	1,804	7,191
Profit attributable to owners of the Company - continuing operations	492	4,086	1,804	7,292
Weighted average number of ordinary shares in issue applicable to earnings ('000)	1,634,703	1,435,826	1,634,703	1,409,674
Fully diluted number of ordinary shares ('000)	1,634,703	1,436,019	1,634,703	1,409,867
Earnings per ordinary share (AU cents)				
- Basic	0.03	0.28	0.11	0.51
- Diluted	0.03	0.28	0.11	0.51
Earnings per ordinary share (AU cents) - continuing operations				
- Basic	0.03	0.28	0.11	0.52
- Diluted	0.03	0.28	0.11	0.52

Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the Company by the weighted average of the number of shares outstanding during the period.

For the purposes of calculating diluted earnings per share, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive shares is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the profit/(loss) after taxation.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and
(b) immediately preceding financial year

	GROUP 31-12-18 AU$'000	GROUP 30-06-18 AU$'000	COMPANY 31-12-18 AU$'000	COMPANY 30-06-18 AU$'000
Net assets	95,907	41,725	68,128	10,807
Net asset value per ordinary share based on issued share capital at the end of the respective periods (AU cents)	3.1	2.8	2.2	0.7

Net asset value per ordinary share is calculated by dividing the net assets attributable to the entity holders of the Company by the number of issued shares as at 31 December 2018 of 3,048,230,431 ordinary shares (30 June 2018: 1,504,805,466).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

A Review of Income Statement

Continuing operations
Revenue for the second quarter of FY2019 decreased by 61.2% quarter on quarter (QoQ) to AU$58.3m (Q2 FY2018: AU$150.2m) mainly due to the completion of major project work in the previous period and timing delays in anticipated new work.

Cost of sales for the second quarter of FY2019 decreased by 62.4% QoQ to AU$52.2m (2Q FY2018: AU$138.9m). The reduction in costs of sales was in line with the level of operating activity in the period with the variance resulting from the completion of the major projects in the previous period.

Gross profit decreased by 45.1% QoQ to AU$6.1m for the second quarter of FY2019 (2Q FY2018: AU$11.2m) again due to the drop in activity following the completion of the major projects in the comparative period.

Gross profit margin for the second quarter of FY2019 was 10.5%, an improvement of 3.0% compared to Q2 FY2018 resulting from improvement in completed projects following final account settlement and increasing operating efficiencies across business sectors in the current year.

Other operating costs combined with administrative expenses and marketing and distribution expenses increased in the second quarter of FY2019 by 19.0% QoQ to AU$5.0m (2Q FY2018: AU$4.2m), mainly due to project recoveries being lower reflective of the decreased operating activities in the current period.

Finance costs for the second quarter FY2019 were AU$1.9m, a decrease of 43.5% QoQ from Q2 FY2018, which is mainly as a result of the reduction in external bank debt in FY2018 and also now reflects the reduction in interest rates following the extension of the borrowings for the Notes and Shareholders loan by 4 years and 5 years respectively.

As a result of the debt conversion exercise performed during the quarter (as outlined in Section 1(d)(ii)), the Group recorded a one-off net gain of AU$0.6m (Q2 FY2018 AU$0.9m).

For details on income tax, please refer to Section 1(a)(ii)C.

Net profit after tax from continuing activities for Q2 FY2019 was AU$0.5m and overall net profit margins of 0.8% respectively, reflect the reduction in operating activity to the comparable period in Q2 FY2018.

B Balance Sheet

Assets

Cash and bank balances decreased by AU$2.8m to AU$35.0m at 31 December 2018 (30 June 2018: AU$37.8m), maintaining a consistent level of cash in hand since the start of the financial year. The proceeds from the share placement and rights issue resulted in an injection of approximately S$17.2m (AU$17.3m) in working capital (net of debt repayments) which alleviates delays in cash receipts from current project activities.

Trade receivables balance increased by AU$8.2m since 30 June 2018 to AU$101.6m at 31 December 2018 due to invoicing being issued at the end of the reporting period with payment expected in the following quarter.

Current other receivables and prepayments balance decreased by AU$0.4m to AU$7.9m at 31 December 2018, with no significant changes from the previous period.

Inventories decreased by AU$0.9m since 30 June 2018, with the majority of inventory now related to marine fuel for sale by the NT Port and Marine business.

Non-current assets balance decreased AU$1.3m since 30 June 2018 to AU$118.0m with no significant changes from the previous period.

Liabilities

The trade payables balance decreased by AU$11.5m since 30 June 2018 to AU$25.6m at 31 December 2018 in line with the decrease in work activities since the comparable quarter.

Other payables decreased by AU$3.6m since 30 June 2018 to AU$44.1m mainly due to repayment of statutory payroll-related liabilities.

The current accrual balance decreased by AU$4.7m from 30 June 2018 resulting from payments made to employees due to project completion decreasing the workforce thus effecting employee statutory obligation settlements and also due to a bullet payment settlement for lease liabilities of S$1.5m (AU$1.5m) paid in the quarter. Non-current accruals comprised long-term long service leave balance.

Total borrowings decreased overall by AU$31.1m since 30 June 2018 to AU$89.9m utilising funds raised during the rights issue and share placement of approximately S$46.4m to repay Noteholder obligations as contemplated under the refinancing of the Notes and other debts. Refer to item 1(b)(ii) above for further details.

As at 31 December 2018, the Group was in a net current asset position of AU$51.1m and net assets were AU$95.9m. The Group has sufficient cash resources and banking facilities available to meet the financing needs of its operations, please refer to page 19 for details on going concern.

C Review of Statement of Cash Flows

Operating activities of the Group generated net cash outflows of AU$11.2m for Q2 FY2019, a increase from the corresponding quarter on FY2018, mainly due to timing delays on the receipt of project payments and the completion of major project work in the prior period.

Net cash inflows of AU$0.3m occurred from investing activities in Q2 FY2019 due to the net inflow of AU$0.3m from disposals and purchases of property, plant and equipment in the period.

Net cash generated from financing activities was AU$22.3m, reflecting the inflow of proceeds of AU$46.8m from the issue of share capital following the rights issue and share placement exercises and the outflow of repayments of borrowings of AU$25.9m.

As a result of the above activities, the Group recorded an increase in cash and cash equivalents of AU$11.8m to AU$33.8m at 31 December 2018 since Q1 FY2019. Note this amount includes the effect of the restricted cash balance of AU$1.3m for the purposes of the cash flow statement.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Background Information

AusGroup offers a range of integrated service solutions to the energy, mining and industrial sectors across Australia and South East Asia. Our diversified service offering supports clients at all stages of their asset development and operational schedule.

Through subsidiaries AGC, MAS and NT Port and Marine, we provide maintenance, construction, access services, commissioning & handover port & marine services. With over 29 years of experience, we are committed to partnering with our clients to build, maintain and upgrade some of the region's most challenging projects.

Our Capabilities

Maintenance Services
Our maintenance services range from breakdown maintenance to shutdowns and sustaining capital works. Through our in-house capability, we can provide any combination of skills, trades or disciplines on a long or short term basis for shutdowns and campaign maintenance.

Major Projects - Construction
Our construction services include structural, mechanical, piping (SMP), painting, insulation, fireproofing (PIF), refractory and engineering procurement and construction (EPC).

Access Services (referred to as MAS)
Our access services include scaffolding, scaffold engineering and design, rope access, labour supply and stock control, logistics and transportation.

Fabrication and Manufacturing
We provide manufacturing, fabrication and testing of specialist structural, piping and modularisation packages. Our fabrication facilities are strategically located within Perth's high wide load corridor in Kwinana. With an in-house capacity to fabricate up to 30,000 tonnes of steel products per annum, we have manufactured, tested and commissioned some of Western Australia's largest fabricated steel structures

Port and Marine Services
We offer logistics and marine transportation support services to the oil and gas industry, general marine and defence sectors. With locations at Port Melville and East Arm Supply Base, we can provide marine and land fuel, areas for laydown and storage, berthage and accommodation facilities.

Significant Trends & Competitive Conditions

The major trends that are relevant to the industry and the Group:

- Major new LNG construction projects are now completed and these have moved into the production phase, where maintenance services will be required to maintain safe and reliable operations for the next 40+ years, providing long term and sustainable demand for the Group's service offering.
- Significant investment in the Resources sector (Iron Ore, Lithium, Gold, etc) has commenced and the Group is well placed to provide the sector with fabrication services, modularized solutions, SMP, construction, commissioning and integrated asset maintenance services.
- Increasing levels of domestic and international competition have led to continuing margin pressures creating an associated need to implement significant cost reduction initiatives whilst focusing on improving productivity, quality and delivery enhancements.
- The use of technology, productivity and innovative solutions across all aspects of the project(s) life cycle is key to adding value to customers and underpinning long term relationships and delivering predictable outcomes on plan.
- Increased demand for skilled labour is putting upward pressure on wage rates.
- Focus on core strengths, capabilities and efficiency improvements will underpin the profit generation from the Group's service offering.

Karara Mining Limited ("KML") update

Action is ongoing in the Supreme Court of Western Australia in relation to claims submitted to Karara Mining Limited ("KML") by AGC Industries Pty Limited ("AGCI"), a wholly owned subsidiary of the Group, in relation to its contracted works completed in 2013. The decision by the judge is still pending. Included in trade receivables is management's best estimate of the amounts expected to be recovered.

General

The main priority for the Group in the short term is to focus on our core strengths of providing multi-disciplinary services of mechanical, scaffolding, insulation, refractory and fabrication services in addition to increasing the NT Port and Marine operations as this business migrates from a commercialisation phase to providing core services in the fuel sale market and the woodchip market.

The forward pipeline is increasing, with core projects expected to grow in scale and complexity to provide opportunities for organic growth in the energy and process sectors.

On 2 June 2017 the Singapore Exchange Securities Trading Limited (the "SGX-ST") notified the Company that pursuant to the Minimum Trading Price ("MTP") Entry Criteria under the SGX-ST's Listing Manual Rule 1311(2), it will be placed on the watch-list. Listing Manual Rule 1315 requires the Company to take active steps to meet the requirements of Listing Rule 1314(2) within 36 months from the date it is placed on the watch-list, failing which the SGX-ST may either remove the Company from the Official List, or suspend trading of the listed securities of the Company with a view to removing the Company from the Official List. The Company continues to consider options that will be the most beneficial to the interests of the Company's shareholders to address this SGX requirement.

Significant Balance Sheet Restructure Completed in the Quarter

The Group has recently finalised a number of actions to improve the financial position of the Company through a share placement, rights issue and restructure of the Company's long-term Notes, to reduce debt and fund growth. On 19 December 2018, the Company announced the completion of a rights issue and share placement which raised S$46.4m (AU$46.7m) with S$29.2m (AU$29.4m) being used to retire debt and S$17.2m (AU$17.3m) being injected as working capital.

As a result, there has been a significant change in the shareholders of AusGroup, with AOC Acquisitions (which is majority owned by Asdew Acquisitions led by Alan Wang, together with Ching Chiat Kwong and Low See Ching of Oxley Holdings and Han Seng Juan and Loh Kim Kang David of Centurion Corporation) replacing Ezion Holdings Limited as AusGroup's controlling shareholder with 26.8%. In addition, Bernard Toh has increased his shareholding to 11.7% and Melvin Poh, a current Director of AusGroup, has increased his shareholding to 9.8%.

In line with the fund raising activities, AusGroup has also finalised a four-year extension of its current Notes by repaying S$29.2m (AU$29.4m) of the Notes coupled with a lower coupon rate over a four-year term. A five-year loan extension has also been finalised with the Company's previous controlling shareholder Ezion, with a 2% per annum interest rate and a loan reduction of AU$4.8m through Ezion taking up their rights issue.

The outcome of these actions has strengthened AusGroup's financial position by increasing cash reserves by S$17.2m (AU$17.3m), reducing debt by AU$31.1m and significantly extending the tenor of AusGroup's debt profile at considerably reduced interest rates.

11. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?
None due to the working capital requirements of the Group.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?
None.

(c) Date payable
Not applicable.

(*d) Books closure date*
Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended.

13. IPT Mandate

Name of interested person	Aggregate value of all interested person transactions during second quarter of FY2019 under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of SGX-ST Listing Manual during second quarter of FY2019 (excluding transactions less than S$100,000)
Ezion Holdings Limited (loan)	*AUD$4,840,055	N/A
Ezion Holdings Limited (expense)	N/A	**AUD$179,074

* The balance consisted only of the partial settlement of the loan balance held with Ezion Holdings Limited in exchange for issued capital of the Company pursuant to the debt restructure exercise completed in the quarter.
** The balance in the quarter consisted only of interest charges on a loan balance held with Ezion Holdings Limited.

14. Negative Assurance pursuant to Rule 705 (5) of the Listing Manual.

To the best of our knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1) of the Listing Manual.

ON BEHALF OF THE BOARD

Shane Francis Kimpton
CEO and Executive Director

Eng Chiaw Koon
Managing Director

14 February 2019

This release contains certain statements that are not statements of historical fact, i.e. forward looking statements. Readers can identify some of these statements by forward looking terms such as "expect", 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', 'could', or similar words. However, you should note that these words are not the exclusive means of identifying forward looking statements. Forward looking statements are made based on current expectations, projections and assumptions about future events. Although AusGroup believes these expectations, projections and assumptions are reasonable at the time of making them, these forward looking statements are subject to risks (known and unknown), uncertainties and certain assumptions about AusGroup, its business operations, and the environment it operates in. Actual future performance, outcomes and results may therefore differ materially from those expressed in the forward looking statements. Representative examples of these risk factors include (without limitation) general industry and economic conditions, availability of suitably skilled workers, interest rate movements, cost of capital and capital availability, competition from other companies, shifts in customer demands, changes in operating expenses , including employee wages, benefits and training and government and public policy changes. Readers are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.