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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		+/(-)
	3Q 2019	3Q 2018	%	9M 2019	9M 2018	%
	AU\$'000	AU\$'000		AU\$'000	AU\$'000	
<u>Continuing operations</u>						
Revenue	66,325	136,273	(51.3)	211,212	440,183	(52.0)
Cost of sales	(56,991)	(126,029)	(54.8)	(187,610)	(407,350)	(53.9)
Gross profit	9,334	10,244	(8.9)	23,602	32,833	(28.1)
Gross margin	14.1%	7.5%		11.2%	7.5%	
Other operating income	936	295	N.M.	3,365	605	N.M.
Other operating costs	(2,027)	(1,757)	15.4	(6,076)	(7,069)	(14.0)
Impairment of receivables	(4,025)	-	N.M.	(4,025)	-	N.M.
Administrative expenses	(1,748)	(1,584)	10.4	(6,864)	(5,437)	26.2
Marketing and distribution expenses	(537)	(556)	(3.4)	(1,712)	(1,132)	51.2
Profit from operations	1,933	6,642	(70.9)	8,290	19,800	(58.1)
Finance costs	(1,105)	(2,737)	(59.6)	(5,652)	(9,346)	(39.5)
Net gain on partial debt restructure	-	-	N.M.	566	1,313	(56.9)
Profit before income tax	828	3,905	(78.8)	3,204	11,767	(72.8)
Income tax expense	(244)	(301)	(18.9)	(816)	(871)	(6.3)
Profit from continuing operations	584	3,604	(83.8)	2,388	10,896	(78.1)
<u>Discontinued operations</u>						
Loss from discontinued operations, net of tax	-	(66)	N.M.	-	(167)	N.M.
Net profit for the period	584	3,538	(83.5)	2,388	10,729	(77.7)
Net profit %	0.9%	2.6%		1.1%	2.4%	
<u>Profit attributable to:</u>						
Owners of the Company	584	3,538	(83.5)	2,388	10,729	(77.7)
Non-controlling interests	-	-	N.M.	-	-	N.M.
	584	3,538	(83.5)	2,388	10,729	(77.7)
Earnings per ordinary share attributable to equity holders of the Company (AU\$ cents per share)						
- basic	0.03	0.24		0.12	0.74	
- diluted	0.03	0.24		0.12	0.74	
N.M. not meaningful						

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	GROUP		+ / (-) %	GROUP		+ / (-) %
	3Q 2019 AU\$'000	3Q 2018 AU\$'000		9M 2019 AU\$'000	9M 2018 AU\$'000	
Profit for the period	584	3,538	(83.5)	2,388	10,729	(77.7)
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences	193	(2,068)	(109.3)	(1,325)	(5,715)	(76.8)
Other comprehensive income/(loss) for the period	193	(2,068)	(109.3)	(1,325)	(5,715)	(76.8)
Total comprehensive income/(loss) for the period	777	1,470	N.M.	1,063	5,014	N.M.

(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		+ / (-) %
	3Q 2019 AU\$'000	3Q 2018 AU\$'000		9M 2019 AU\$'000	9M 2018 AU\$'000	
Other operating income						
Interest income	73	126	(42.1)	300	462	(35.1)
Profit / (loss) on sale of property, plant and equipment	478	52	N.M.	1,490	(518)	N.M.
Other income	34	190	(82.1)	657	685	(4.1)
Foreign exchange gain/(loss)	351	(73)	N.M.	918	(24)	N.M.
Total other operating income	936	295	N.M.	3,365	605	N.M.
Amortisation and depreciation						
Depreciation of property, plant & equipment included in cost of sales	932	2,017	(53.8)	3,963	5,968	(33.6)
Amortisation of intangible assets included in cost of sales	86	236	(63.6)	716	711	0.7
Depreciation of property, plant & equipment included in administrative expenses	110	145	(24.1)	337	433	(22.2)
Amortisation of intangible assets included in administrative expenses	34	331	(89.7)	114	1,054	(89.2)
Total amortisation and depreciation	1,162	2,729	(57.4)	5,130	8,166	(37.2)
Employee share and share option scheme expense	-	64	(100.0)	(22)	190	N.M.



B. FINANCE COSTS

	GROUP		+ / (-) %	GROUP		+ / (-) %
	3Q 2019 AU\$'000	3Q 2018 AU\$'000		9M 2019 AU\$'000	9M 2018 AU\$'000	
Loans	1,101	2,736	(59.8)	5,603	9,289	(39.7)
Bank guarantee fees	4	(16)	N.M.	43	7	N.M.
Finance leases and hire purchase	-	17	N.M.	6	50	(88.0)
Total finance costs	1,105	2,737	(59.6)	5,652	9,346	(39.5)

C. INCOME TAX EXPENSE

	GROUP			GROUP		
	3Q 2019 AU\$'000	3Q 2018 AU\$'000		9M 2019 AU\$'000	9M 2018 AU\$'000	
Income tax expense	-	-	N.M.	-	(62)	N.M.
Withholding tax expense:						
- current year	(244)	(301)	(18.9)	(816)	(809)	0.9
	(244)	(301)	(18.9)	(816)	(871)	(6.3)
Tax expense relating to continuing operations	(244)	(301)	(18.9)	(816)	(871)	(6.3)
Total income tax expense	(244)	(301)	(18.9)	(816)	(871)	(6.3)

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 31-03-19 AU\$'000	Group As at 30-06-18 AU\$'000	Company As at 31-03-19 AU\$'000	Company As at 30-06-18 AU\$'000
CURRENT ASSETS				
Cash and cash equivalents	24,352	37,846	8,479	63
Trade receivables	83,566	93,418	-	-
Other receivables and prepayments	7,998	8,378	701	660
Inventories	2,948	4,165	-	-
Total current assets	118,864	143,807	9,180	723
NON-CURRENT ASSETS				
Property, plant and equipment	73,838	75,584	-	-
Goodwill	10,994	10,994	-	-
Intangible assets	33,703	32,704	-	-
Due from subsidiaries	-	-	65,830	57,556
Investments in subsidiaries	-	-	87,580	82,823
Total non-current assets	118,534	119,282	153,410	140,379
Total assets	237,398	263,089	162,590	141,102
CURRENT LIABILITIES				
Trade payables	9,253	37,051	-	-
Other payables	38,492	47,725	578	1,709
Due to subsidiaries	-	-	8,759	8,363
Borrowings	8,512	86,770	9,739	85,756
Accruals for other liabilities and charges	5,439	10,215	-	-
Current income tax liabilities	1,846	1,945	306	295
Provisions	468	859	-	-
Total current liabilities	64,010	184,565	19,382	96,123
NON-CURRENT LIABILITIES				
Borrowings	74,803	34,172	72,512	34,172
Accruals for other liabilities and charges	943	1,265	-	-
Deferred income tax liabilities	1,362	1,362	-	-
Total non-current liabilities	77,108	36,799	72,512	34,172
Total liabilities	141,118	221,364	91,894	130,295
EQUITY				
Capital and reserves attributable to equity				
Share capital	216,626	162,647	216,626	162,647
Capital reserve	(163)	(163)	(163)	(163)
Share-based payment reserve	5,438	5,460	5,438	5,460
Foreign currency translation reserve	16,904	18,229	30,547	25,891
Accumulated losses	(142,525)	(144,448)	(181,752)	(183,028)
Total equity	96,280	41,725	70,696	10,807
Total liabilities and equity	237,398	263,089	162,590	141,102

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

	31-03-19		30-06-18	
	AU\$'000 Secured	AU\$'000 Unsecured	AU\$'000 Secured	AU\$'000 Unsecured
Amount repayable in one year or less, or on demand	8,512	-	86,770	-
Amount repayable after one year	43,220	31,583	-	34,172

Borrowings Summary

	31-03-19 AU\$'000	30-06-18 AU\$'000
Multi Currency Notes	40,929	73,396
DBS Term Loan - USD	9,738	12,359
Shareholder Loan	31,583	34,172
Insurance funding / finance leases	1,065	1,015
Total borrowings	83,315	120,942

Multi Currency Notes ("Notes") and Share Placement and Rights Issue

At 31 March 2019, the Notes (AU\$40.9m) are classified as a non-current liability (30 June 2018: the Notes were classified as a current liability) and are secured.

On 3 January 2019, the Company made a partial cash redemption of the Notes of S\$7.4m (AU\$7.5m).

The key terms of Notes are:

- maturity date is 3 December 2022; 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.

Loans from DBS Bank Ltd

The DBS Term loan repayment date was finalised in the quarter, and is repayable by monthly instalments till July 2020.

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

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 March 2019 the amount owing on the loan by the Company to Ezion was AU\$31.6m (30 June 2018: AU\$34.2m) and is unsecured.

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 3Q 2019 AU\$'000	GROUP 3Q 2018 AU\$'000	GROUP 9M 2019 AU\$'000	GROUP 9M 2018 AU\$'000
Cash flows from operating activities				
Profit after taxation	584	3,538	2,388	10,729
Add / (less) adjustments for:				
Depreciation of property, plant and equipment	1,042	2,162	4,300	6,401
Amortisation of intangible assets	120	567	830	1,764
Employee share and share option scheme expense	-	64	(22)	190
Impairment loss on trade receivables	4,025	-	4,491	-
Net foreign exchange differences	948	(523)	(688)	(2,572)
(Profit) / loss on disposal of property, plant and equipment	(478)	(52)	(1,490)	518
Gain on partial debt restructure	-	-	(566)	(1,313)
Interest income	(73)	(126)	(300)	(462)
Finance costs	1,105	2,737	5,652	9,346
Income tax expense	244	301	816	871
Operating cash flows before working capital changes	7,517	8,668	15,411	25,472
Changes in operating assets and liabilities				
* Trade receivables	(3,368)	(2,419)	(12,456)	9,172
Other receivables and prepayments	(49)	(6)	380	(1,476)
Inventories	307	522	1,217	(1,741)
* Trade payables	1,420	(5,057)	(10,057)	(298)
Accruals and other payables	(6,072)	(3,851)	(15,338)	(2,502)
Cash (used in) / generated from operations	(245)	(2,143)	(20,843)	28,627
Interest paid	(1,310)	(2,265)	(5,536)	(7,011)
Interest received	73	126	300	462
Income tax paid	(244)	(317)	(816)	(766)
Net cash (used in) / generated from operating activities	(1,726)	(4,599)	(26,895)	21,312
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	1,041	157	3,509	1,842
Purchase of property, plant and equipment	(873)	(377)	(1,303)	(3,776)
Increase in restricted cash	(1,250)	-	(1,250)	10,650
Purchase of intangible assets	-	-	(339)	-
Net cash (used in) / generated from investing activities	(1,082)	(220)	617	8,716



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

	GROUP 3Q 2019 AU\$'000	GROUP 3Q 2018 AU\$'000	GROUP 9M 2019 AU\$'000	GROUP 9M 2018 AU\$'000
Cash flows from financing activities				
Repayment of insurance funding	(1,093)	(4,443)	(2,108)	(6,533)
Proceeds from borrowings	766	2,094	2,158	5,992
Repayment of borrowings	(8,423)	(1,586)	(35,117)	(27,966)
(Costs)/proceeds from issue of share capital	(404)	-	46,350	-
Net cash (used in) / generated from financing activities	(9,154)	(3,935)	11,283	(28,507)
Net (decrease) / increase in cash and cash equivalents	(11,962)	(8,754)	(14,995)	1,521
Effect of exchange rate fluctuations on cash held	63	(90)	251	(91)
Net (decrease) / increase in cash held	(11,899)	(8,844)	(14,744)	1,430
Cash and cash equivalents at beginning of period	33,751	32,225	36,596	21,951
Cash and cash equivalents at end of period	21,852	23,381	21,852	23,381
Cash and cash equivalents represented by				
Cash and bank balances	24,352	24,631	24,352	24,631
** Restricted cash	(2,500)	(1,250)	(2,500)	(1,250)
Total cash and cash equivalents at end of period	21,852	23,381	21,852	23,381

* In the quarter, a settlement was finalised to offset long term receivable and payable balances. No cash was received or paid in respect of this settlement.

** 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

	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
Group						
9M 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	-	-	-	-	1,804	1,804
Other comprehensive loss	-	-	-	(1,518)	-	(1,518)
Share-based payment expense	-	-	(22)	-	-	(22)
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
Profit for the period	-	-	-	-	584	584
Other comprehensive loss	-	-	-	193	-	193
Share issue expenses	(404)	-	-	-	-	(404)
Balance as at 31 March 2019	216,626	(163)	5,438	16,904	(142,525)	96,280
9M 2018						
Balance as at 1 July 2017	156,285	(163)	5,183	19,917	(157,924)	23,298
Profit for the period	-	-	-	-	7,191	7,191
Other comprehensive loss	-	-	-	(3,647)	-	(3,647)
Issue of ordinary shares through partial debt restructure	6,362	-	-	-	-	6,362
Share-based payment expense	-	-	126	-	-	126
Balance as at 31 December 2017	162,647	(163)	5,309	16,270	(150,733)	33,330
Profit for the period	-	-	-	-	3,538	3,538
Other comprehensive loss	-	-	-	(2,068)	-	(2,068)
Share-based payment expense	-	-	64	-	-	64
Balance as at 31 March 2018	162,647	(163)	5,373	14,202	(147,195)	34,864
Company						
9M 2019						
Balance as at 1 July 2018	162,647	(163)	5,460	25,891	(183,028)	10,807
Profit for the period	-	-	-	-	363	363
Other comprehensive income	-	-	-	2,597	-	2,597
Share-based payment expense	-	-	(22)	-	-	(22)
Issue of ordinary shares through partial debt restructure	54,383	-	-	-	-	54,383
Balance as at 31 December 2018	217,030	-	163	28,488	(182,665)	68,128
Profit for the period	-	-	-	-	913	913
Other comprehensive income	-	-	-	2,059	-	2,059
Share issue expenses	(404)	-	-	-	-	(404)
Balance as at 31 March 2019	216,626	(163)	5,438	30,547	(181,752)	70,696
9M 2018						
Balance as at 1 July 2017	156,285	(163)	5,183	25,009	(165,247)	21,067
Loss for the period	-	-	-	-	(1,365)	(1,365)
Other comprehensive income	-	-	-	1,723	-	1,723
Issue of ordinary shares through partial debt restructure	6,362	-	-	-	-	6,362
Share-based payment expense	-	-	126	-	-	126
Balance as at 31 December 2017	162,647	(163)	5,309	26,732	(166,612)	27,913
Loss for the period	-	-	-	-	(1,117)	(1,117)
Other comprehensive income	-	-	-	191	-	191
Share-based payment expense	-	-	64	-	-	64
Balance as at 31 March 2018	162,647	(163)	5,373	26,923	(167,729)	27,051

- 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-Mar-19	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	<u>3,048,230,431</u>	<u>1,504,805,466</u>
	31-Mar-19	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	46,350	-
Shares issued through debt to equity exercise	7,629	6,362
Closing balance	<u>216,626</u>	<u>162,647</u>

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 during Q2 2019.

As at 31 March 2019 there were no outstanding options (30 June 2018: Nil) for unissued ordinary shares under the employee share option scheme.

As at 31 March 2019 there were no outstanding rights (30 June 2018: Nil) that may potentially be converted to shares under the employee share scheme.

As at 31 March 2019 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 March 2019	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 was no restatement required. The Group and the Company will continue to review the status of all material revenue contracts at each reporting date to assess 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 an 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 3Q 2019 AU\$'000	GROUP 3Q 2018 AU\$'000	GROUP 9M 2019 AU\$'000	GROUP 9M 2018 AU\$'000
Profit attributable to owners of the Company	584	3,538	2,388	10,729
Profit attributable to owners of the Company - continuing operations	584	3,604	2,388	10,896
Weighted average number of ordinary shares in issue applicable to earnings ('000)	2,015,273	1,444,381	2,015,273	1,444,381
Fully diluted number of ordinary shares ('000)	2,015,273	1,444,381	2,015,273	1,444,381
Earnings per ordinary share (AU cents)				
- Basic	0.03	0.24	0.12	0.74
- Diluted	0.03	0.24	0.12	0.74
Earnings per ordinary share (AU cents) - continuing operations				
- Basic	0.03	0.25	0.12	0.75
- Diluted	0.03	0.25	0.12	0.75

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 31-03-19 AU\$'000	GROUP 30-06-18 AU\$'000	COMPANY 31-03-19 AU\$'000	COMPANY 30-06-18 AU\$'000
Net assets	96,280	41,725	70,696	10,807
Net asset value per ordinary share based on issued share capital at the end of the respective periods (AU cents)	3.2	2.8	2.3	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 March 2019 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 third quarter of FY2019 decreased by 51.3% quarter on quarter (QoQ) to AU\$66.3m (Q3 FY2018: AU\$136.3m) mainly due to the completion of major project work in the previous period and timing delays in commencing new work.

Cost of sales for the third quarter of FY2019 decreased by 54.8% QoQ to AU\$57.0m (3Q FY2018: AU\$126.0m). 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 8.9% QoQ to AU\$9.3m for the third quarter of FY2019 (3Q FY2018: AU\$10.2m) again due to the drop in activity following the completion of the major projects in the comparative period.

Gross profit margin for the third quarter of FY2019 was 14.1%, resulting from improvement in completed projects following final account settlement allowing for the release of project contingencies in the quarter and in addition, 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 third quarter of FY2019 by 10.6% QoQ to AU\$4.3m (3Q FY2018: AU\$3.9m), mainly due to overhead recoveries from project being lower reflective of the decreased operating activities in the current period.

Impairment of receivables includes the impact of the Supreme Court judgement (refer to section 10 for more details).

Finance costs for the third quarter FY2019 were AU\$1.1m, a decrease of 59.6% QoQ from Q3 FY2018, which is mainly as a result of the reduction in external debt in FY2019 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.

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

Net profit after tax from continuing activities for Q3 FY2019 was AU\$0.6m and overall net profit margins of 0.9% respectively, reflect the reduction in operating activity to the comparable period in Q3 FY2018.

B Balance Sheet

Assets

Cash and bank balances decreased by AU\$13.5m to AU\$24.4m at 31 March 2019 (30 June 2018: AU\$37.8m), mainly as a result of the delay in receiving final settlements on completed projects. The receipts of AU\$8.9m were received early in April 2019 which returned the cash balance to the consistent level of cash in hand held since the start of the financial year.

Trade receivables balance decreased by AU\$9.8m since 30 June 2018 to AU\$83.6m at 31 March 2019 and would have decreased by a further AU\$8.9m if the receipt mentioned above had been paid before the quarter end. It should be noted that in the quarter there has been an offset of receivables against payables for related entities for \$17.4m - please refer to note 1 (c) for further details.

Current other receivables and prepayments balance decreased by AU\$0.4m to AU\$8.0m at 31 March 2019, with no significant changes from the previous period.

Inventories decreased by AU\$1.2m 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\$0.7m since 30 June 2018 to AU\$118.5m with no significant changes from the previous period.

Liabilities

The trade payables balance decreased by AU\$27.8m since 30 June 2018 to AU\$9.3m at 31 March 2019 in line with the decrease in work activities since the comparable quarter. It should be noted that in the quarter there has been an offset of payables against receivables for related entities for \$17.4m - please refer to note 1 (c) for further details.

Other payables decreased by AU\$9.2m since 30 June 2018 to AU\$38.5m mainly due to repayment of statutory payroll-related liabilities and reductions in other statutory liabilities.

The current accrual balance decreased by AU\$4.8m from 30 June 2018 resulting from payments made to employees due to completion of projects resulting in a decreased workforce that necessitated 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 second quarter. Non-current accruals comprised long-term long service leave balance.

Total borrowings decreased overall by AU\$37.6m since 30 June 2018 to AU\$83.3m utilising part of the 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.

As at 31 March 2019, the Group was in a net current asset position of AU\$54.9m and net assets were AU\$96.3m. 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\$1.7m for Q3 FY2019, an 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 outflows of AU\$1.1m occurred from investing activities in Q3 FY2019 due to the net inflow of AU\$0.2m from disposals and purchases of property, plant and equipment and an increase of AU\$1.3m in the restricted cash during the period required to cash back bank guarantees.

Net cash used in financing activities was AU\$9.2m, reflecting the inflow of proceeds of AU\$0.8m from insurance funding and the outflow of repayments of borrowings and insurance funding of AU\$9.5m. In addition there was a cash outflow of \$0.4m in respect of the costs associated with arrangements of the Share placement exercise completed in the quarter.

As a result of the above activities, the Group recorded a decrease in cash and cash equivalents of AU\$14.7m to AU\$21.9m at 31 March 2019 since Q2 2019. Note this amount includes the effect of the restricted cash balance of AU\$2.5m 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 and 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) is continuing and the Group is well placed to provide the sector with fabrication services, modularised 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

The Supreme Court of Western Australia has delivered judgement to the legal proceedings between AGC and KML in the Supreme Court of Western Australia on 3 May 2019, dismissing AGC's claims. AusGroup is reviewing the judgment with respect to possible grounds of appeal. Any appeal will require to be lodged within 21 days.

We will provide a further update to the market in due course.

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.

Going Concern

Following the completion of the rights issue and share placement of S\$46.4m in Q2 FY19 and in conjunction with the extension to the maturity of the Notes by four years and the Shareholder loan by five years to 3 December 2022 and 31 October 2023 respectively, the major debt repayments are no longer due payable within one year. Accordingly the short term focus on the Company’s cashflow to meet short term debts has been addressed.

The Company is now focused on options to reduce debt further prior to the new maturity dates in 2022 and 2023 and bolster working capital to support the expansion of services to its clients.

Accordingly the directors have determined that the financial statements are prepared on a going concern basis.

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 as the terms of the Company's notes prevent the Company from paying dividends.
13. **IPT Mandate**
There were no IPT transactions for the period.
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

13 May 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.