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PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, 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 Dollars ("AU$") currency)
These statements have not been audited.

	GROUP		+/(-)	GROUP		+/(-)
	4Q 2017	4Q 2016*	%	FY 2017	FY 2016*	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Continuing operations						
Revenue	121,153	102,630	18.0	434,960	470,820	(7.6)
Cost of sales	(111,657)	(93,702)	19.2	(390,286)	(436,415)	(10.6)
Gross profit	**9,496**	**8,928**	6.4	**44,674**	**34,405**	29.8
Gross margin	**7.8%**	**8.7%**		**10.3%**	**7.3%**	
Other operating (loss) / income	(286)	1,922	(114.9)	894	3,134	(71.5)
Other operating costs	(3,204)	(8,524)	(62.4)	(10,889)	(27,233)	(60.0)
Other losses						
- Impairment of trade receivables	(91)	(1,920)	N.M.	(2,013)	(48,388)	N.M.
- Impairment of property, plant and equipment	-	(76,559)	N.M.	-	(86,587)	N.M.
- Impairment of other intangible assets	-	(54,333)	N.M.	-	(54,333)	N.M.
Administrative expenses	(1,388)	(3,703)	(62.5)	(13,230)	(21,945)	(39.7)
Marketing and distribution expenses	(243)	(427)	(43.1)	(1,164)	(2,070)	(43.8)
Profit / (loss) from operations	**4,284**	**(134,616)**	N.M.	**18,272**	**(203,017)**	N.M.
Finance costs	(4,446)	(5,345)	(16.8)	(17,104)	(15,901)	7.6
Net gain on partial debt restructure	5,541	-	N.M.	5,541	-	N.M.
Profit / (loss) before income tax	**5,379**	**(139,961)**	N.M.	**6,709**	**(218,918)**	N.M.
Income tax expense	(2,908)	(7,261)	N.M.	(3,574)	(7,294)	N.M.
Profit / (loss) from continuing operations	**2,471**	**(147,222)**	N.M.	**3,135**	**(226,212)**	N.M.
Discontinued operations						
(Loss) / profit from discontinued operations, net of tax	(108)	(18,242)	N.M.	1,438	(32,710)	N.M.
Net profit / (loss) for the period / year	**2,363**	**(165,464)**	N.M.	**4,573**	**(258,922)**	N.M.
Net profit / (loss) %	**2%**	**-161%**		**1%**	**-55%**	
Profit / (loss) attributable to:						
Owners of the Company	2,366	(165,104)	N.M.	4,738	(258,270)	N.M.
Non-controlling interests	(3)	(360)	(99.2)	(165)	(652)	(74.7)
	2,363	**(165,464)**	N.M.	**4,573**	**(258,922)**	N.M.
Profit / (loss) attributable to the owners of the Company:						
Profit / (loss) from continuing operations	2,474	(146,862)	N.M.	3,300	(225,560)	N.M.
(Loss) / profit from discontinued operations	(108)	(18,242)	N.M.	1,438	(32,710)	N.M.
	2,366	**(165,104)**	N.M.	**4,738**	**(258,270)**	N.M.
Earnings / (loss) per ordinary share attributable to equity holders of the Company (AU$ cents per share)						
- basic	0.3	(22.3)	N.M.	0.6	(34.9)	N.M.
- diluted**	0.3	-	N.M.	0.6	-	N.M.

** Diluted earnings per share for 2016 is not disclosed as it was anti-dilutive.

N.M. – not meaningful

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	GROUP		+/(-)	GROUP		+/(-)
	4Q 2017	4Q 2016*	%	FY 2017	FY 2016*	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Profit/(loss) for the period / year	2,363	(165,464)	N.M.	4,573	(258,922)	N.M.
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences	(634)	1,845	N.M.	4,559	1,343	N.M.
Other comprehensive (loss)/income for the period / year	(634)	1,845	N.M.	4,559	1,343	N.M.
Total comprehensive (loss)/income for the period / year	**1,729**	**(163,619)**	N.M.	**9,132**	**(257,579)**	N.M.
Total comprehensive income/(loss) attributable to:						
Owners of the Company	505	(163,234)	N.M.	8,033	(256,919)	N.M.
Non-controlling interests	1,224	(385)	N.M.	1,099	(660)	N.M.
	1,729	**(163,619)**	N.M.	**9,132**	**(257,579)**	N.M.

*Prior periods' consolidated statement of comprehensive income and accompanying notes have been re-presented following fabrication and manufacturing operations in Singapore being classified as discontinued operations. Refer to note 5 for further details.

(ii) NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

A. PROFIT/(LOSS) FROM OPERATIONS

The following items have been included in determining the profit/(loss) from operations:

	GROUP		+/(-)	GROUP		+/(-)
	4Q 2017	4Q 2016*	%	FY 2017	FY 2016*	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Other operating (loss)/income						
Interest income	81	112	(27.7)	246	518	(52.5)
(Loss) / profit on disposal of property, plant and equipment	(161)	1,121	(114.4)	113	2,031	(94.4)
Sundry income	159	222	(28.4)	529	1,052	(49.7)
Foreign exchange (loss) / income	(365)	467	N.M.	6	(467)	N.M.
Total other operating (loss) / income	**(286)**	**1,922**	N.M.	**894**	**3,134**	(71.5)
Amortisation and depreciation						
Depreciation of property, plant & equipment included in cost of sales	1,989	2,056	(3.3)	9,030	8,103	11.4
Amortisation of intangible assets included in cost of sales	162	58	179.3	689	240	187.1
Depreciation of property, plant & equipment included in administrative expenses	121	1,130	(89.3)	487	3,982	(87.8)
Amortisation of intangible assets included in administrative expenses	546	1,248	(56.3)	2,193	3,435	(36.2)
Total amortisation and depreciation	**2,818**	**4,492**	(37.3)	**12,399**	**15,760**	(21.3)

A. PROFIT/(LOSS) FROM OPERATIONS (continued)

	GROUP		+/(-)	GROUP		+/(-)
	4Q 2017	4Q 2016*	%	FY 2017	FY 2016*	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Employee share and share option scheme expense	156	417	(62.6)	788	1,281	(38.5)
Research and development tax credits	-	-	N.M.	-	10,014	N.M.
Restructuring and transformation costs	-	1,376	N.M.	-	4,806	N.M.

B. FINANCE COSTS

	GROUP		+/(-)	GROUP		+/(-)
	4Q 2017	4Q 2016*	%	FY 2017	FY 2016*	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Loans	4,391	5,399	(18.7)	16,917	15,763	7.3
Bank guarantee fees	44	(55)	(180.0)	174	131	32.8
Finance leases and hire purchase	11	1	N.M.	13	7	85.7
Total finance costs	**4,446**	**5,345**	(16.8)	**17,104**	**15,901**	7.6

C. INCOME TAX EXPENSE

	GROUP		GROUP	
	4Q 2017	4Q 2016*	FY 2017	FY 2016*
	AU$'000	AU$'000	AU$'000	AU$'000
Income tax benefit / (expense)	20	9	(55)	(769)
Withholding tax (expense) / benefit :				
- current year	(675)	-	(1,323)	-
- prior year	(1,767)	(33)	(1,767)	518
De-recognition of deferred tax asset	(486)	(5,320)	(429)	(5,126)
	(2,908)	(5,344)	(3,574)	(5,377)
Tax expense relating to continuing operations	(2,908)	(7,261)	(3,574)	(7,294)
Tax benefit relating to discontinued operations	-	1,917	-	1,917
Total income tax expense	(2,908)	(5,344)	(3,574)	(5,377)

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 30/06/2017 AU$'000	Group As at 30/06/2016 AU$'000	Company As at 30/06/2017 AU$'000	Company As at 30/06/2016 AU$'000
CURRENT ASSETS				
Cash and cash equivalents	33,851	22,095	163	16
Trade receivables	133,022	132,864	-	-
Other receivables and prepayments	7,144	9,995	593	6,613
Inventories	3,096	6,759	-	-
Total current assets	**177,113**	**171,713**	**756**	**6,629**
NON-CURRENT ASSETS				
Property, plant and equipment	87,420	96,358	-	-
Goodwill	10,994	10,994	-	-
Other intangible assets	36,576	39,970	-	-
Other receivables and prepayments	-	3,627	-	-
Due from subsidiaries	-	-	98,895	49,514
Investments in subsidiaries	-	-	79,126	83,632
Deferred income tax assets	110	-	-	-
Total non-current assets	**135,100**	**150,949**	**178,021**	**133,146**
Total assets	**312,213**	**322,662**	**178,777**	**139,775**
CURRENT LIABILITIES				
Trade payables	47,843	58,776	-	-
Other payables	66,826	65,225	2,273	3,357
Due to subsidiaries	-	-	7,996	8,951
Borrowings	44,464	139,957	41,058	136,736
Accruals for other liabilities and charges	19,993	21,365	-	-
Current income tax liability	528	-	153	93
Provisions	-	1,580	-	-
Total current liabilities	**179,654**	**286,903**	**51,480**	**149,137**
NON-CURRENT LIABILITIES				
Deferred income tax liabilities	1,871	1,977	-	-
Borrowings	106,230	39,193	106,230	-
Accruals for other liabilities and charges	1,160	2,149	-	-
Provisions	-	7,307	-	-
Total non-current liabilities	**109,261**	**50,626**	**106,230**	**-**
Total liabilities	**288,915**	**337,529**	**157,710**	**149,137**
EQUITY				
holders of the Company				
Share capital	156,285	128,040	156,285	128,040
Capital reserve	(163)	(163)	(163)	(163)
Share-based payment reserve	5,183	4,395	5,183	4,395
Foreign currency translation reserve	19,917	15,409	25,009	24,615
Accumulated losses	(157,924)	(161,449)	(165,247)	(166,249)
Total equity attributable to owners	**23,298**	**(13,768)**	**21,067**	**(9,362)**
Non-controlling interests	-	(1,099)	**-**	**-**
Total equity	**23,298**	**(14,867)**	**21,067**	**(9,362)**
Total liabilities and equity	**312,213**	**322,662**	**178,777**	**139,775**

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

	30/06/2017		30/06/2016	
	AU$'000	AU$'000	AU$'000	AU$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	44,464	-	31,227	108,730
Amount repayable after one year	74,246	31,984	43	39,150

Summary of borrowings

	30/06/2017	30/06/2016
	AU$'000	AU$'000
Multi Currency Notes	74,246	108,730
DBS Term Loan - USD	13,944	17,196
DBS Short Term Loan - AUD	13,900	11,000
DBS Short Term Bridge Loan - AUD	13,551	-
DBS ARP facility	-	2,450
Shareholder Loan	31,984	39,150
Finance leases	3,069	624
Total borrowings	150,694	179,150

Multi Currency Notes

On 20 October 2014, the Company (the "issuer") announced that it had issued S$110m 7.45% Notes due in 2016 (the "Notes") pursuant to the S$350m Multicurrency Debt Issuance Programme (the "Programme") established by the Issuer on 22 September 2014. DBS Bank Ltd., as sole arranger of the Programme, acted as the sole lead manager and bookrunner in relation to the issuance of the Notes. The Notes, which bear interest at a fixed rate of 7.45% per annum and payable semi-annually in arrears, were due to mature on 20 October 2016.

On 13 September 2016 the Company commenced the S$110m Noteholder Consent Solicitation Exercise (the "NCSE") to vary the terms of the Notes. On 5 October 2016 the Noteholders voted in favour of the NCSE, and consequently the terms of the Notes were amended as follows with effect from that date:

- An upfront partial redemption of the Notes of S$4.0m was made on 18 November 2016;
- Maturity of the Notes has been extended to 20 October 2018, with an option, at the election of the Noteholders, to extend the maturity further to 20 October 2019 upon an Extraordinary Resolution being passed in accordance with the Trust Deed;
- Interest will be paid monthly at a rate of 7.95%pa for the year ending 19 October 2017 and 8.45%pa for the year ending 19 October 2018;
- Upon redemption of the Notes, a make-whole premium such that the total interest paid for the period from 20 October 2016 to redemption is equal to 9.45%pa of the original principal value of the Notes;
- Upon redemption of the Notes pursuant to the sale of the port assets, then 10% of any capital gains (calculated based on the actual costs incurred) valued on such sale would be payable to the Noteholders on a pro-rata basis;
- Notes are secured, on a shared first ranking basis, against all property and assets of NT Port and Marine Pty Ltd (previously known as Ezion Offshore Logistics Hub (Tiwi) Pty Ltd) on a fixed and floating basis and 100% of the shares of Ezion Offshore Logistics Hub Pte. Ltd ("EOLH") pursuant to a share charge; and
- Financial covenants previously in place with regard to the Notes are removed.

Consistent with the above amendment, the Notes have been reclassified as a non-current liability since the second quarter of FY2017 (30 June 2016: the Notes were classified as a current liability) and are now secured.

Exchange Offer

On 21 May 2017, the Company announced that it was proposing to undertake an invitation to Noteholders to offer to exchange Notes for new ordinary shares in the capital of the Company (the "**Shares**"), fractional entitlements to be disregarded (the "**Exchange Offer**"). Salient terms of the Exchange Offer are detailed below.

- The issue price (the "**Issue Price**") of each New Share is S$0.058.
- The consideration payable to each Noteholder is such number of New Shares equivalent in value to the sum of:
  - (i) the aggregate principal amount of Notes offered for exchange and accepted for exchange by the Group; and
  - (ii) the interest accrued and unpaid on such Notes accepted for exchange by the Group, from and including 20 June 2017.
- The offer period of the Exchange Offer was initially between 22 May 2017 and 8 June 2017, however, this was extended to 9 June 2017 following feedback received from Noteholders.

On 12 June 2017, the Company announced that the Offer Period had closed and that the Company had received offers from Noteholders to exchange 116 Notes with an aggregate principal amount equal to S$27,944,400. Based on the foregoing, the Exchange Consideration is S$28,005,265.20 (the "**Noteholder Exchange Sum**").

On 14 June 2017, the Company issued its Circular to Shareholders for the proposed allotment and issue of 482,849,304 new ordinary shares in the capital of the Company to Exchanging Noteholders pursuant to the Exchange Offer at the issue price of S$0.058 at an Extraordinary General Meeting ("EGM") of Shareholders to be held on 29 June 2017 in Singapore.

On 29 June 2017, the Company announced it had obtained approval from its shareholders at the EGM for the issuance of 482,849,304 new Shares pursuant to the Exchange Offer.

On 30 June 2017, the Company announced the settlement of the Exchange Offer and as a result the Company completed the allotment and issue of 482,849,304 new Shares ("Exchange Shares") to Exchanging Noteholders on that date in exchange for S$28,005,265.20 of the Notes.

As a result of the debt conversion performed during the quarter, the Group recorded a one-off net gain of AU$5.5m, consisting of a gain of AU$6.0m from movements in the Company's share price between the offer and the settlement date, less costs associated with the exercise of AU$0.5m.

<u>Loans from DBS Bank Ltd</u>

On 1 April 2015, the Company announced that AusGroup Limited had entered into a facility agreement for a US$20m 3 year term loan and AU$76.5m Banker Guarantee facility (drawn down to $30.9m as at June 2017) with DBS Bank Ltd in Singapore. The loan facility was used to refinance the previous facility at a much reduced all-in interest rate, while extending the Group's debt maturity profile to April 2018. As at 30 June 2017, US$10.8m of this balance had been utilised (30 June 2016: US$12.8m).

In 2Q FY2016 the Group entered into an Accounts Receivable Purchase facility with DBS (ARP facility) for key debtor balances. This provided the Group with an AU$23m facility to be drawn down. As at 30 June 2017, the drawn down amount was repaid in full (30 June 2016: AU$2.5m).

In 3Q FY2016 the Group entered into an AU$30m Short Term loan facility with DBS Bank Ltd. As at 30 June 2017 AU$13.9m of this balance was drawn down (30 June 2016: AU$11.0m). The terms of this short term loan include covenant requirements consistent with that of the Group's other DBS facilities (refer below).

Repayment of the short term loan was due at the end of August 2016 and it has been extended on a month by month basis by DBS Bank Ltd. In May 2017, AusGroup Limited entered into discussions with DBS Bank Ltd to convert the loan to a term facility with an expiry date of 31 December 2019. At 30 June 2017, the documentation process of this loan is ongoing and is expected to be concluded in Q1 FY2018. Until this process is finalised this loan is classified as a current liability.

In Q4 FY2017 the Group entered into a short-term bridge facility of AU$13.5 million with DBS Bank Ltd (which was fully drawn down at 30 June 2017) with an initial repayment date of 13 August 2017, which was extended to 20 August 2017 and was repaid in full.

<u>Surety bond facility from Vero</u>

During 4Q FY2015 the Group entered into an AU$30m Surety bond facility with Vero to ensure the Group maintains its bonding capacity for bid bonds, performance bonds and financial guarantees.

<u>Loans from related party</u>

Loans from Ezion Holdings Limited ("Ezion") (a substantial shareholder of the Company) were acquired by the Group on acquisition of EOLH and Teras Australia Pty Limited ("TAPL") and their subsidiary entities. Under the terms of the sale and purchase agreement as approved by shareholders of both Ezion and the Company, these loans accrue interest at 8% per annum capitalised to the loan balance.

At the Annual General Meeting of the Company held on 15 December 2016, the interest rate payable in relation to the loan has been revised to 5% per annum with effect from 1 July 2016. In addition, the Company, EOLH and TAPL entered into a novation agreement with Ezion to transfer the loans and all rights, duties and obligations therewith owing by EOLH and TAPL to the ultimate parent entity, AusGroup Limited, with effect from 1 July 2016.

An extension of three months of the repayment date of the loans was obtained in the current quarter until after 30 June 2018. At 30 June 2017 the amount owing on the loans by the Company to Ezion was AU$32.0m (30 June 2016: AU$39.2m) and is unsecured.

Ezion Loan Capitalisation

On 21 May 2017, the Company announced that it was proposing to undertake an invitation to undertake a capitalisation of part of the shareholder loan from Ezion to the Company via the issuance of New Shares ("Capitalisation Shares"), fractional entitlements to be disregarded (the "**Ezion Loan Capitalisation**").

Ezion is a significant shareholder of the Company, whereby Ezion held 132,055,541 shares in the Company, representing 17.83% of the issued share capital. As a result, the Ezion Loan Capitalisation is an interested person transaction ("IPT") as Ezion is an "interested person" as per Chapter 9 of the Listing Manual. As the expected transaction is anticipated to exceed 5% of the Group's latest audited NTL, approval from Shareholders is therefore required.

On 1 June 2017, the Company announced that it had received approval-in-principle from the SGX-ST for the listing and quotation of the Capitalisation Shares and the Exchange Shares on the Main Board of the SGX-ST.

On 12 June 2017, the Company announced that it had entered into the Subscription Agreement with Ezion on that date, whereby the Company proposes to issue 140,766,195 Capitalisation Shares to Ezion pursuant to capitalisation of US$5,903,000 (equivalent S$8,164,439.30 using the exchange rate on 9 June 2017 of US$1: S$1.3831) of the Shareholder Loan. Assuming completion of the Ezion Loan Capitalisation, Ezion will increase its shareholding in the Company from 17.83% to 20.0%.

On 14 June 2017, the Company issued its Circular to Shareholders for the proposed issue of Capitalisation Shares to Ezion at the issue price of S$0.058 at an Extraordinary General Meeting ("EGM") of Shareholders to be held on 29 June 2017 in Singapore.

On 29 June 2017, the Company announced it had obtained approval from its shareholders at the EGM for the issuance of 140,766,195 new Shares pursuant to the Ezion Loan Capitalisation.

On 30 June 2017, the Company announced the completion of the Ezion Loan Capitalisation and the allotment and issue of 140,766,195 new Shares to Ezion on that date in exchange for settlement of US$5,903,000 of the Shareholder Loan with Ezion. As a result, Ezion now holds 272,821,736 shares representing 20.0% of the Company's issued share capital and the outstanding amount on the Shareholder Loan has reduced from US$30,505,342.07 to US$24,602,342.07 (equivalent to AU$31,984,324.06 at 30 June 2017).

Details of secured collateral

Multi Currency S$110m Notes

Refer to page 6 of this announcement regarding security that is being pledged against the Multi Currency Notes following the Noteholder vote in favour of the NCSE on 5 October 2016.

DBS Bank Ltd

The following describes the security in issue to DBS Bank Ltd in relation to facilities and borrowings in issue to the Group.

A deed of charge executed by AGC Australia Pty Ltd incorporating an all-monies charge over the fixed deposit account maintained by AGC Australia Pty Ltd with DBS Bank Ltd ("the Lender") for an amount not less than AU$11.9m (30 June 2016: AU$11.6m). A fixed and floating charge executed by AusGroup Ltd, AusGroup Singapore Pte Ltd and Modern Access Services Singapore Pte Ltd in favour of the Lender.

First registered fixed and floating charge over all the present and future property, interests, rights and proceeds of AGC Australia Pty Ltd, AGC Industries Pty Ltd, MAS Australasia Pty Ltd, Seagate Structural Engineering Pty Ltd, AGC Energy & Infrastructure Pty Ltd and Resource People Pty Ltd ("Australian Group Companies"), including real and personal property, goodwill, uncalled and called but unpaid capital.

First registered real property mortgage by AGC Australia Pty Ltd over the commercial properties located at 15 Beach Street, Kwinana WA 6167 and Seagate Structural Engineering Pty Ltd over property located at Lots 17 and 18 Gap Ridge Industrial Estate Karratha WA.

Facility covenants

Multi Currency S$110m Notes

In accordance with the Noteholder vote in favour of the NCSE on 5 October 2016 (as outlined above), the Group renegotiated the terms of the Notes such that the financial covenants previously in place were removed following completion of the securitisation of the Notes referred to on page 6 of this announcement.

DBS Bank Ltd facilities and loans

AusGroup Limited is required to maintain in relation to the Consolidated Group a maximum gearing ratio as well as a maximum secured debt to total assets, a minimum EBITDA to interest cost cover and a minimum net worth (net assets). To note, the EBITDA to interest cost covenant applies only to stipulated test periods as outlined in the facility documents.

The Group is in breach of the maximum gearing ratio, EBITDA to interest cost cover and minimum net worth covenants at 30 June 2017. However, waivers for these breaches for Q4 FY2017 have been been obtained from DBS Bank Ltd. The Group continues to discuss loans and facilities with DBS Bank Ltd, including financial covenants, to ensure that appropriate facilities are in place based on the Group's forecast business requirements. Under the facilities, the Company and the Group have a negative pledge requirement to ensure that no security is created, or permitted to be created, or have outstanding any security on or over the whole or any part of the respective undertakings, assets, property, revenues or rights to receive dividends, present or future.

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 4Q 2017 AU$'000	GROUP 4Q 2016 AU$'000	GROUP FY 2017 AU$'000	GROUP FY 2016 AU$'000
Cash flows from operating activities				
Profit / (loss) after taxation	2,363	(165,464)	4,573	(258,922)
Add / (less) adjustments for:				
Depreciation of property, plant and equipment	2,110	3,676	9,643	14,144
Amortisation of intangible assets	708	1,306	2,844	3,563
Employee share and share option scheme expense	156	417	788	1,281
Impairment of trade receivables	91	1,920	2,013	48,388
Impairment of property, plant and equipment	-	83,247	-	90,870
Impairment of goodwill	-	-	-	2,535
Impairment of intangible assets	-	54,333	-	54,333
Impairment of inventory	-	-	-	5,054
Allowance for foreseeable contract losses	-	2,002	(1,954)	2,002
Onerous lease provision costs	-	8,154	-	8,154
Re-instatement provision costs	-	733	-	733
Net foreign exchange differences	1,849	(1,918)	(51)	(458)
Gain on partial debt restructure	(5,966)	-	(5,966)	-
Loss/(Profit) on disposal of property, plant and equipment	161	(1,121)	(2,077)	(2,041)
Interest income	(81)	(155)	(246)	(561)
Finance costs	4,577	5,397	17,454	15,783
Research and development tax credits	-	(3,709)	-	10,014
Income tax expense	2,908	5,344	3,574	5,377
Operating cash flows before working capital changes	**8,876**	**(5,838)**	**30,595**	**249**
Changes in operating assets and liabilities				
Trade receivables	(16,843)	12,147	(2,171)	(3,643)
Other receivables and prepayments	853	1,345	7,487	(1,741)
Inventories	4,345	(110)	3,662	(3,956)
Trade payables	343	(9,408)	(8,979)	(10,956)
Accruals and other payables	4,238	9,420	(8,490)	35,650
Cash generated from operations	**1,812**	**7,556**	**22,104**	**15,603**
Interest paid	(3,832)	(3,073)	(15,225)	(12,405)
Interest received	81	155	246	561
Income tax and withholding tax paid	(2,446)	(891)	(3,023)	(2,049)
Net cash (used in)/generated from operating activities	**(4,385)**	**3,747**	**4,102**	**1,710**
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	1,651	2,807	6,045	5,188
Purchase of property, plant and equipment	(4,820)	(4,508)	(8,295)	(25,873)
(Increase in)/Release of restricted cash	-	-	(285)	13,894
Purchase of other intangible assets	(3)	(123)	(390)	(397)
Net cash used in investing activities	**(3,172)**	**(1,824)**	**(2,925)**	**(7,188)**

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

	GROUP 4Q 2017 AU$'000	GROUP 4Q 2016 AU$'000	GROUP FY 2017 AU$'000	GROUP FY 2016 AU$'000
Cash flows from financing activities				
Repayment of finance leases	1,357	(208)	(1,520)	(698)
Proceeds from borrowings	14,367	3,561	21,663	22,459
Repayment of borrowings	(2,308)	(3,810)	(9,929)	(12,656)
Net cash (used in)/generated from financing activities	**13,416**	**(457)**	**10,214**	**9,105**
Net increase in cash and cash equivalents	**5,859**	**1,466**	**11,391**	**3,627**
Effect of exchange rate fluctuations on cash held	127	168	80	(129)
Net increase in cash held	**5,986**	**1,634**	**11,471**	**3,498**
Cash and cash equivalents at beginning of period	15,965	8,846	10,480	6,982
Cash and cash equivalents at end of period	**21,951**	**10,480**	**21,951**	**10,480**
Cash and cash equivalents represented by				
Cash and bank balances	33,851	22,095	33,851	22,095
*Restricted cash	(11,900)	(11,615)	(11,900)	(11,615)
Total cash and cash equivalents at end of period	**21,951**	**10,480**	**21,951**	**10,480**

*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)/ RETAINED EARNINGS AU$'000	TOTAL AU$'000	NON-CONTROLLING INTERESTS AU$'000	TOTAL EQUITY AU$'000
FY 2017								
Balance as at 1 July 2016	128,040	(163)	4,395	15,409	(161,449)	**(13,768)**	(1,099)	**(14,867)**
Profit / (loss) for the year ended 30 June 2017	-	-	-	-	4,738	**4,738**	(165)	**4,573**
Other comprehensive income for the year ended 30 June 2017	-	-	-	4,559	-	**4,559**	-	**4,559**
Transactions with owners in their capacity as owners:								
Issue of ordinary shares through partial debt restructure	28,245	-	-	-	-	**28,245**	-	**28,245**
Acquisition of non-controlling interests	-	-	-	(51)	(1,213)	**(1,264)**	1,264	**-**
Share-based payment expense	-	-	788	-	-	**788**	-	**788**
Balance as at 30 June 2017	**156,285**	**(163)**	**5,183**	**19,917**	**(157,924)**	**23,298**	**-**	**23,298**
FY 2016								
Balance as at 1 July 2015	128,040	(163)	3,114	14,058	96,821	**241,870**	(439)	**241,431**
Loss for the year ended 30 June 2016	-	-	-	-	(258,270)	**(258,270)**	(652)	**(258,922)**
Other comprehensive income/(loss) for the year ended 30 June 2016	-	-	-	1,351	-	**1,351**	(8)	**1,343**
Share-based payment expense	-	-	1,281	-	-	**1,281**	-	**1,281**
Balance as at 30 June 2016	**128,040**	**(163)**	**4,395**	**15,409**	**(161,449)**	**(13,768)**	**(1,099)**	**(14,867)**

1(d)(i) A statement (for the issuer and group) of all changes in equity (continued)

	SHARE CAPITAL	CAPITAL RESERVE	SHARE-BASED PAYMENT RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	(ACCUMULATED LOSSES)/ RETAINED EARNINGS	TOTAL
Company	**AU$'000**	**AU$'000**	**AU$'000**	**AU$'000**	**AU$'000**	**AU$'000**
FY 2017						
Balance as at 1 July 2016	128,040	(163)	4,395	24,615	(166,249)	(9,362)
Profit for the year ended 30 June 2017	-	-	-	-	1,002	1,002
Other comprehensive income for the year ended 30 June 2017	-	-	-	394	-	394
Issue of ordinary shares through partial debt restructure	28,245	-	-	-	-	28,245
Share-based payment expense	-	-	788	-	-	788
Balance as at 30 June 2017	**156,285**	**(163)**	**5,183**	**25,009**	**(165,247)**	**21,067**
FY 2016						
Balance as at 1 July 2015	128,040	(163)	3,114	20,112	(6,748)	144,355
Loss for the year ended 30 June 2016	-	-	-	-	(159,501)	(159,501)
Other comprehensive income for the year ended 30 June 2016	-	-	-	4,503	-	4,503
Share-based payment expense	-	-	1,281	-	-	1,281
Balance as at 30 June 2016	**128,040**	**(163)**	**4,395**	**24,615**	**(166,249)**	**(9,362)**

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

Number of issued shares	**Q4 2017**	**30 June 2017**	**30 June 2016**
Opening balance	**740,432,016**	**740,432,016**	**740,432,016**
Issuance of shares	623,615,499	623,615,499	-
Closing balance of issued shares	**1,364,047,515**	**1,364,047,515**	**740,432,016**

As at 30 June 2017 there were outstanding options for 119,000 (30 June 2016: 360,000) unissued ordinary shares under the employee share option scheme. All the outstanding options have vested and are exercisable at the balance sheet date.

As at 30 June 2017 there were 193,440 (30 June 2016: 360,768) outstanding rights that may potentially be converted to shares under the employee share scheme. The Group did not meet the relevant TSR (Total shareholder return is based on a comparable peer group) targets for the financial year ended 30 June 2017, hence, no ordinary shares are expected to be issued under the employee share scheme.

As at 30 June 2017 and 30 June 2016 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

	30 June 2017	**30 June 2016**
Number of issued shares	**1,364,047,515**	**740,432,016**

1(d)(iv) A statement showing all sales, transfers, 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

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 2016, except for new and amended FRS and Interpretation to FRS ("INTFRS") which are effective for the financial period commencing 1 July 2016. The adoption of these FRS has no material impact on the Group's and the Company's financial statements.

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

On 23 August 2016, the Company disclosed the closure of Singapore Fabrication and Manufacturing businesses. Hence, Fabrication and Manufacturing operations in Singapore was classified as discontinued operations. In accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations,* prior periods' figures in the consolidated statement of comprehensive income have been re-presented to disclose discontinued operations. The results and cash flow information are presented below.

	4Q 2017	4Q 2016*	+/(-)	FY 2017	FY 2016*	+/(-)
	AU$'000	AU$'000	%	AU$'000	AU$'000	%
Results of discontinued operations						
Revenue	-	771	N.M.	1,830	10,968	(83.3)
Cost of sales	-	(6,967)	N.M.	(2,281)	(23,434)	(90.3)
Gross profit	-	(6,196)	N.M.	(451)	(12,466)	(96.4)
Other operating income	37	137	(73.0)	2,559	660	N.M.
Expenses	(14)	(14,048)	(99.9)	(307)	(22,693)	(98.6)
Profit/(loss) from discontinued operations	23	(20,107)	N.M.	1,801	(34,499)	N.M.
Finance cost	(131)	(52)	151.9	(363)	(128)	N.M.
(Loss) / profit before tax from discontinued operations	(108)	(20,159)		1,438	(34,627)	
Income tax expense	-	1,917	N.M.	-	1,917	N.M.
Net (loss) / profit from discontinued operations	(108)	(18,242)	N.M.	1,438	(32,710)	N.M.
Basic earnings per share (cents)	(0.0)	(2.5)	N.M.	0.2	(4.4)	N.M.
Diluted earnings per share (cents)	(0.0)	(2.5)	N.M.	0.2	(4.4)	N.M.

	4Q 2017	4Q 2016*	+/(-)	FY 2017	FY 2016*	+/(-)
	AU$'000	AU$'000	%	AU$'000	AU$'000	%
Cash flows from / (used in) discontinued operations						
Net cash used in operating activities	(24)	(2,870)	(99.2)	(6,761)	(11,712)	(42.3)
Net cash generated from investing activities	124	1,387	N.M.	3,445	6,409	(46.2)
Net cash (used in)/generated from financing activities	(22)	1,305	N.M.	3,225	4,598	(29.9)
Net cash from / (used in) discontinued operations	78	(178)		(91)	(705)	

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 4Q 2017 AU$'000	GROUP 4Q 2016 AU$'000	GROUP FY 2017 AU$'000	GROUP FY 2016 AU$'000
Profit/(loss) attributable to equity holders of the Company	2,366	(165,104)	4,738	(258,270)
Profit/(loss) after income tax - continuing operations	2,474	(146,862)	3,300	(225,560)
Weighted average number of ordinary shares in issue applicable to earnings (AU$'000)	742,141	740,432	742,141	740,432
Fully diluted number of ordinary shares ('000)	742,334	740,793	742,334	740,793
Earnings/(loss) per ordinary share (AU cents)				
- Basic	0.3	(22.3)	0.6	(34.9)
- Diluted*	0.3	-	0.6	-
Earnings/(loss) per ordinary share (AU cents) - continuing operations				
- Basic	0.3	(19.8)	0.4	(30.5)
- Diluted*	0.3	-	0.4	-

*Diluted earnings per share for 2016 is not disclosed as it was anti-dilutive.

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 30/06/2017 AU$'000	GROUP 30/06/2016 AU$'000	COMPANY 30/06/2017 AU$'000	COMPANY 30/06/2016 AU$'000
Net assets / (liabilities)	23,298	(14,867)	21,067	(9,362)
Net asset/(liabilities) value per ordinary share based on issued share capital at the end of the respective periods (AU cents)	1.7	(2.0)	1.5	(1.3)

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 30 June 2017 of 1,364,047,515 ordinary shares (30 June 2016: 740,432,016).

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 FY2017 decreased by 7.6% to AU$435.0 million (FY2016: AU$470.8 million). Whilst revenue decreased year on year due to the completion of maintenance contracts in FY2016, the increased work on core projects in the energy and process sector underpin the strong result in the current quarter. Revenue in the fourth quarter of FY2017 increased by 18.0% to AU$121.2 million (4Q FY2016: AU$102.6 million).

Cost of sales for FY2017 decreased by 10.6% to AU$390.3 million (FY2016: AU$436.4 million), the reasons for the movement similar to the revenue commentary outlined above. Cost of sales for the fourth quarter of FY2017 increased by 19.2% to AU$111.7 million (4Q FY2016: AU$93.7 million).

Gross profit margin for FY2017 was 10.3%, a steady increase from 7.3% for FY2016, due to operational efficiencies that have resulted from the re-organisation of the business and improved project support. Gross profit margin for the fourth quarter of FY2017 was 7.8% slightly lower than the corresponding period in FY2016 of 8.7%.

Other operating costs combined with administrative expenses and marketing and distribution expenses decreased significantly during FY2017 with savings during the year of approximately AU$19.8 million on a comparable basis. Similarly, in the fourth quarter of FY2017 these costs reduced by AU$9.7 million compared to the corresponding period in FY2016.

The profit before interest and tax for FY2017 was AU$18.3 million, a significant improvement to the losses reported in FY2016, signifying the Group's return to normal operations and the ability to move forward following the business restructure in FY2016. Note that the fourth quarter of FY2016 included significant one-off items, such as the impairment of receivables on work in progress claims of AU$1.9 million, impairment of property, plant and equipment of AU$76.6 million and impairment of other intangible assets of AU$54.3 million.

Finance costs for FY2017 were AU$17.1 million, an increase of 7.6% from FY2016, due to the make whole provision on the Multi Currency Notes. However, finance costs in fourth quarter of FY2017 decreased by 16.8% from the corresponding period to AU$4.4 million, mainly as a result of reduction in interest costs on loans from a related party.

As a result of the debt conversion performed during the quarter, the Group recorded a one-off net gain of AU$5.5m, consisting of a gain of AU$6.0m from movements in the Company's share price between the offer and settlement date, less costs associated with the exercise of AU$0.5m.

For details on income tax, please refer to Section 1(a)(ii)C.
For results of discontinued operations, please refer to Section 5.

Net profit after tax for the year ended 30 June 2017 was AU$4.6 million which is a significant turnaround for the Group after the significant impairments in FY2016. Net profit after tax improved in the fourth quarter of FY2017 to AU$2.4 million.

B Balance Sheet

Assets

Cash and bank balances improved by AU$11.8 million to AU$33.9 million at 30 June 2017, mainly due to improvement in the Group's gross profit and collections of trade receivables during FY2017, as well as the funding received from the short term bridge facility pending receipt of final payments on completing contracts.

Trade receivables balances increased by AU$0.2 million to AU$133.0 million at 30 June 2017, reflecting the higher volume of work performed in the current quarter and includes receivables for work in progress positions on major projects,

Current other receivables and prepayments balances decreased by AU$2.9 million to AU$7.1 million at 30 June 2017, mainly as a result of the return of the S$4.0 million (equivalent to AU$3.8 million) in funds held in escrow prior to the extension of the repayment date of the Multi Currency Notes.

Non-current other receivables and prepayments balances decreased by AU$3.6 million to AU$ nil at 30 June 2017, which related to the cash security deposit placed for the lease of premises in Singapore. The cash deposit was utilized to settle part of the agreed payment of an early termination lease arrangement.

Liabilities

The trade payables balance decreased by AU$10.9 million to AU$47.8 million mainly due to settlement of amounts owing to creditors as well as the closure of the Singapore Fabrication business.

Current accruals for other liabilities balances mainly consisted of accruals for annual leave, rostered day off, sick leave and current long service leave. The current balances decreased by AU$1.4 million mainly due to operational efficiencies following the restructuring of the business conducted last year. Non-current accruals comprised of long-term long service leave balances.

Total borrowings decreased overall by AU$28.5 million between balance sheet dates to AU$150.7 million, however, this decrease is offset by the drawdown of AU$13.5 million on the short term bridge loan facility. The gross decrease in total borrowings of approximately AU$42.9 million consists mainly of AU$34.1 million combined partial settlement of the Multi Currency Notes and Shareholder Loan with Ezion pursuant to the debt to equity conversion exercise completed in the current quarter, refer to section 1(b)(ii) for further details. In addition, the borrowings balance reduced in FY2017 due to the upfront partial redemption of the Multi Currency Notes of S$4.0 million (equivalent to AU$3.8 million), repayments of the USD Term Loan of AU$2.6 million, full repayment of the drawn down amount of the Accounts Receivable Purchase facility from DBS Bank Ltd of AU$2.5 million and regular repayment of finance leases.

Provisions decreased by AU$8.9 million to nil at 30 June 2017. The provisions related to a property which would not be in use by the Group following the closure of Singapore Fabrication business and the termination of the lease of the property.

As at 30 June 2017, the Group was in a net current liabilities position of AU$2.6 million and net assets were AU$23.3 million. The Group has sufficient cash resources and banking facilities available to meet the financing needs of its operations, please refer to page 21 for details on going concern.

C Review of Statement of Cash Flows

Operating activities of the Group generated net cash inflows of AU$4.1 million for the year ended 30 June 2017, an improvement of AU$2.4 million in cash inflows from FY2016. This was due to improvement in the Group's management of its working capital, particularly the inflow of cash from trade receivables.

For the year ended 30 June 2017, net cash outflows of AU$2.9 million occurred from investing activities. The purchase of property, plant and equipment of AU$8.3 million during the year was offset by cash inflows from sales of property, plant and equipment, mostly from the disposal of equipment of Singapore Fabrication business unit.

In relation to the Group's financing activities, movement in the cash flow mainly constituted repayments of debt facilities outlined above.

As a result of the above activities, the Group recorded an increase in cash and cash equivalents of AU$11.5 million to AU$22.0 million at 30 June 2017. Note this amount includes the effect of the short term bridge facility of AU$13.5 million 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

	FY17	Forecast	+/(-)	+/(-)
	AU$'000	AU$'000	AU$'000	%
Revenue	436,790	427,774	9,016	2.1%
Cost of sales	(392,567)	(385,777)	(6,790)	1.8%
Gross profit	44,223	41,997	2,226	5.3%
Net profit / (loss) for the year	4,573	(1,954)	6,527	N.M

Comments:

- Revenue was higher than forecast due to increased activity in the Australian Projects and Access Services business units.
- Cost of sales was higher than forecast due to the increased activity in the business segments outlined above. Gross profit was higher than forecast due to greater work performed on higher margin projects compared to forecast.
- Financial performance improved significantly as compared to forecast as a result of improved gross margin on projects and savings resulting from operational efficiencies following the restructuring of the business conducted last year. The net gain on partial debt restructure improved the actual results, however the net gain was offset by higher than forecast finance costs and income tax expense.

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, industrial and mining sectors across Australia and South East Asia. Our diversified service offering supports clients at all stages of their asset development and operational requirements.

Through subsidiaries AGC, MAS and NT Port and Marine, we provide maintenance, construction, access services, fabrication and manufacturing and port & marine services. With over 27 years of experience, we are committed to helping our clients build, maintain and upgrade some of the region's most challenging projects.

Our capabilities

Maintenance Services (Integrated Services)
Our maintenance services include long-term specialist support, campaign shutdowns / turnarounds, refractory and the management of all maintenance services.

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

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

Fabrication and Manufacturing
Our services in this business unit includes manufacturing, fabrication and testing.

Port and Marine Services
Our port and marine business include marine supply bases, port operations and fuel distribution.

Significant Trends & Competitive Conditions

The major themes confronting the industry and the Group include:

- Major new LNG construction projects are nearing completion and moving into the long term production phase requiring maintenance services over the +40 year project lives providing long term and sustainable demand for the Group's service offering.
- Industry merger and acquisition activity has led to a consolidation of industry participants as current participants focus on providing longer term 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.
- The use of technology and innovation in project execution is key to embedding long term relationships with clients and delivering ongoing predictable earnings.
- Focus on core strengths and capabilities 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. On 26 March 2016, AGCI submitted a claim to the court for an amount of AU$23.8 million for amounts AGCI consider due under the contract and several meetings with KML have proved fruitless. The trial for the case was heard in March 2017 and oral closing submissions were heard in June 2017. The decision by the judge is not expected until Q3 FY2018. Included in trade receivables is management's best estimate of the amounts expected to be recovered.

Teras Cargo Transport (America) ("TCTA") update

The Group, through its wholly owned subsidiary, Teras Global Pte Ltd, is party to legal proceedings in relation to its receivable balance due from Teras Cargo Transport (America) LLC ("TCTA"). The Group chartered one vessel and three barges to TCTA under four different charter-parties.

A Statement of Claim ("SOC") was issued to TCTA on 23 March 2016 in relation to unpaid balances for the one vessel and three barges. TCTA served a Statement of Defence and Counterclaim on 4 May 2016 denying the Group's claim. Further, TCTA alleged that the Group had breached its charter-parties with TCTA as it failed to ensure that the barges were available to perform the charter-parties with TCTA. As a result, TCTA is counterclaiming for a sum related to the loss it has suffered flowing from the Group's alleged breach. The Group denies TCTA's counterclaim.

Subsequent to the counterclaim being received, a settlement was reached in relation to the three barges and the invoices initially claimed by the Group for the three barges were settled. In addition, the Group discovered that there were several unpaid invoices that were not included in the initial claim, so the Group therefore issued an amended SOC on 21 September 2016 to take these changes into account.

The SOC incorporated in the Statement of Claimant's Case has been filed under a matter of arbitration under the International Arbitration Act, with the Group having lodged its Statement of Claimant's Case and amended SOC on 21 September 2016. TCTA have filed their Statement of Defence and Counter-Claim on 11 November 2016. The Group served the amended Statement of Reply on 5 January 2017. Since that date, the arbitration has been proceeded on the basis of a 'documents only' arbitration.

In August 2017, witness statements were provided to the arbitrator. The matter is on-going at the date of this report. Included in trade receivables is management's best estimate of the amounts expected to be recovered.

General

The Group has work in hand to the value of AU$419.6 million as at 30 June 2017.

The main areas of focus for our business in the short term will rely on our core strengths of providing multi-disciplinary services of scaffolding, insulation, refractory and fabrication services as well as developing our capability in the marine sector through commercialisation of the Port and Marine business.

With regards to the Port and Marine business, following the environmental approval granted to the Group in Q2 FY2017, NT Port and Marine Pty Ltd, a subsidiary of the Company, is therefore approved to operate a marine supply base at Port Melville, Melville Island, Northern Territory, for the shipment of equipment and supplies for projects such as the construction and operation of offshore oil and gas fields, up to a maximum of 233 vessel berths at Port Melville per annum (including pilot vessels). All assets and property of NT Port and Marine Pty Ltd are secured against the Multi Currency Notes.

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

Going Concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its obligations as and when they fall due.

The Group recognised a net profit after tax of AU$4.6 million for the year ended 30 June 2017 and as at that date, current liabilities exceed current assets by AU$2.6 million. Following the debt conversion performed in the quarter, total assets now exceed total liabilities by AU$23.3 million, a vast improvement from the prior quarter. While the Group has breached covenants on its major debt facilities during the year ended 30 June 2017, it has received waivers for these breaches by its principal banker.

<u>Renegotiation of debt facilities</u>

The Group discusses its debt arrangements with its principal banker on an ongoing basis. In May 2017, the Group agreed with its principal banker to convert a short-term loan to a term facility with an expiry date of 31 December 2019, although documentation has not been finalised prior to the year end so the loan has been disclosed as a current liability as at 30th June 2017 until such time as the documentation is complete. The ongoing financial support from the Group's principal banker is critical.

During the year ended 30 June 2017 the Group had been in breach of a number of the financial covenants attached to the S$110m Multi Currency Notes (the "Notes"). An extension of the maturity date of the Notes facility to 20 October 2018, with an option to extend to 20 October 2019 on the approval of the Noteholders, together with the removal of the financial covenant requirements was approved by the Noteholders on 5 October 2016.

In relation to facilities from its principal banker, the Group is in the process of agreeing appropriate covenants with its principal banker going forward. However, the Group has received a waiver from its principal banker for Quarter 1, Quarter 2, Quarter 3 and Quarter 4 of the 2017 financial year.

In addition, the Group has on issue loans from Ezion Holdings Limited ("Ezion"), a significant shareholder of the Group, which are currently due to be repaid after 30 June 2018. The interest rate applicable to these loans were reduced from 8% to 5% per annum, as agreed by the Group and Ezion.

Port and Marine services

Following the environmental approval granted to the Group in Q2 FY2017, the NT Port and Marine CGU (Cash Generating Unit), now has the opportunity to continue further commercialisation of the Port Melville facility.

The expansion of the port activities, including fuel distribution and logistical support to the oil and gas exploration sector, is currently being developed to enhance the service offerings of this business.

Management's plans to address these uncertainties

In considering the cash requirements for NT Port and Marine's expansion into the provision of fuel distribution and the resultant impact on the current debt profile of the Group it was critical for the Group to assess the potential options for the Group to service, repay and potentially restructure the debt position going forward. As part of the assessment of going concern, management has also reviewed the Group's cash flow forecasts over the period to December 2018. These forecasts represent management's best estimate of revenues and costs in the coming periods. As well as cash inflows from work already awarded to the Group, these forecasts include growth expected from the Group's existing contracts and client base. In addition, there are some amounts included in forecast cash flows which relate to winning work from new and existing clients through a competitive tender process and whilst uncertain, management remains confident that sufficient new work will be secured in order to meet the Group's targets. The Group's cash flow forecasts may not be sufficient to support the repayment of the Note facility, which will be due on 20 October 2018 and, therefore the Group has also assessed the position of the Note facility. In the event that the Note facility is not extended beyond 20 October 2018, the Group will need to consider the options available to extinguish this liability, which will involve a restructure of the Notes including the potential conversion of Notes to equity, a refinancing of the Notes and options over the potential divestment of assets or businesses which may be realised to extinguish the Group's debt obligations.

Management has assessed the options available in order to ensure that sufficient cash flow is in place to enable the Group to meet its obligations as they fall due. There are a number of options that the Group is considering which, amongst others, include the potential for some of the Group's current debt providers to convert their debt to equity which has the dual impact of reducing the liability position and reducing the cash outflows from debt servicing after conversion, the potential for raising new equity and the potential divestment of the Group's assets/businesses over the forecast period. The success of the debt to equity process completed in June 2017, which reduced debt by AU$34.1 million, demonstrates the ability of the Group to implement balance sheet restructuring solutions to strengthen the balance sheet and reduce ongoing interest expenses thereby improving the going concern position of the Group. The Group is also in ongoing discussions with its principal banker regarding appropriate debt facilities going forward. In May 2017, the Group agreed with its principal banker to convert a short-term loan to a term facility with an expiry date of 31 December 2019.

Preparation of the financial report on a going concern basis

As a result of the matters outlined above, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, after assessing the above factors the directors consider that the Group continues to be able to meet its obligations as and when they fall due based on:

- the forecasted cashflow from the Group including the expected revenue from existing customers and contracts, the expected growth in cashflow from existing customers and contracts and the expected successful conversion of current market tendering opportunities into future revenues;
- the current and potential funding facilities available to the Group;

- the options for the Group to restructure and potentially extend its current debt facilities and the initiatives being pursued, which may include a further conversion of some of these debts to equity;
- the forecasted cashflow being sufficient to service and potentially reduce the Group's debt position over the period to December 2018; and
- the options over the potential divestment of assets or businesses which may be realised to extinguish the Group's debt obligations.

Accordingly, the directors have prepared the report on a going concern basis based on the return to profitability which is expected to continue through FY2018 and into FY2019.

11. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?
None

(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 fourth quarter of FY2017 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 fourth quarter of FY2017 (excluding transactions less than S$100,000)
Ezion Holdings Limited	*AUD$7,674,207	N/A
Ezion Holdings Limited (expense)	N/A	**AUD$501,656
Aus Am Pte Ltd (expense)	***AUD$447,878	N/A

* 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.
*** Interest incurred in the quarter on the amount owing for rental of accommodation village at Port Melville on Tiwi Island by NT Port and Marine Pty Ltd. Aus Am Pte Ltd is a wholly owned subsidiary of Charisma Energy Services Limited, of which Ezion Holdings Limited has approximately 42% interest.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

2017	Projects	Access Services	Fabrication & Manufacturing - Australia	Fabrication & Manufacturing - Singapore	Maintenance Services	Port & Marine Services	Corporate / Unallocated	Elimination	Total
	AU$'000	AU$'000	AU$'000	AU$'000	AU$'000	AU$'000	AU$'000	AU$'000	AU$'000
REVENUE									
Revenue from external customers	146,080	230,791	5,992	1,830	45,545	6,552	-	-	**436,790**
Inter-segment revenues	(7,755)	7,755	-	-	-	-	-	-	**-**
Total	**138,325**	**238,546**	**5,992**	**1,830**	**45,545**	**6,552**	**-**	**-**	**436,790**
RESULTS									
Adjusted EBITDA and impairment	18,950	26,955	(505)	1,876	4,393	(6,043)	(11,312)	-	**34,314**
Depreciation and amortisation	(1,402)	(5,083)	(866)	(88)	(28)	(2,403)	(2,617)	-	**(12,487)**
Interest income	1,760	3,824	982	13	491	8,334	20,951	(36,109)	**246**
Finance cost	(235)	(1,352)	-	(363)	-	(17,632)	(33,981)	36,109	**(17,454)**
Impairment losses	-	(525)	-	-	(1,488)	-	-	-	**(2,013)**
Net gain on partial debt restructure	-	-	-	-	-	-	5,541	-	**5,541**
Profit/(loss) before tax	**19,073**	**23,819**	**(389)**	**1,438**	**3,368**	**(17,744)**	**(21,418)**	**-**	**8,147**
ASSETS									
Reportable segment assets	**66,282**	**94,595**	**10,524**	**2,327**	**13,031**	**97,264**	**28,190**	**-**	**312,213**
Additions to non-current assets (other than financial assets and deferred tax)	**147**	**6,716**	**13**	**-**	**-**	**1,286**	**523**	**-**	**8,685**
LIABILITIES									
Reportable segment liabilities	**26,315**	**57,164**	**600**	**5,156**	**4,070**	**20,758**	**174,852**	**-**	**288,915**

Geographical segments

2017	Revenue		Segment Assets		Non-current Assets (Exclude deferred tax assets)	
	AU$'000	%	AU$'000	%	AU$'000	%
Australia	432,517	99.0%	283,820	90.9%	129,024	95.6%
Singapore	3,882	0.9%	27,869	8.9%	5,794	4.3%
Thailand	300	0.1%	168	0.1%	145	0.1%
Malaysia	91	0.0%	356	0.1%	27	0.0%
	436,790		**312,213**		**134,990**	

The Group's wholly-owned Australian entities have implemented the tax consolidation legislation. As a consequence, the entities are taxed as a single entity and deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. The deferred tax assets and liabilities relate to the tax consolidated group as a whole and are not treated as assets and liabilities belonging to the individual segments but as unallocated assets and liabilities.

2016	Projects	Access Services	Fabrication & Manufacturing - Australia	Fabrication & Manufacturing - Singapore	Maintenance Services	Port & Marine Services	Corporate / Unallocated	Elimination	Total
	AU$'000	AU$'000	AU$'000	AU$'000	AU$'000	AU$'000	AU$'000	AU$'000	AU$'000
REVENUE									
Revenue from external customers	67,707	231,965	15,742	10,968	137,314	18,092	-	-	**481,788**
Inter-segment revenues	(17,553)	17,553	-	-	-	-	-	-	-
Total	50,154	249,518	15,742	10,968	137,314	18,092	-	-	**481,788**
RESULTS									
Adjusted EBITDA and impairment	8,278	23,611	(2,283)	(24,751)	17,903	(11,933)	(35,315)	-	**(24,490)**
Depreciation and amortisation	(1,956)	(4,946)	(1,350)	(1,948)	(70)	(4,534)	(2,903)	-	**(17,707)**
Interest income	806	1,746	129	289	-	10,954	22,803	(36,166)	**561**
Finance cost	(179)	(1,036)	-	(128)	(1,483)	(19,158)	(29,965)	36,166	**(15,783)**
Impairment losses	(14,696)	(1,474)	(23,749)	(8,087)	(11,405)	(136,398)	(317)	-	**(196,126)**
(Loss) / profit before tax	(7,747)	17,901	(27,253)	(34,625)	4,945	(161,069)	(45,697)	-	**(253,545)**
ASSETS									
Reportable segment assets	39,502	106,469	14,509	10,478	21,894	97,770	32,040	-	**322,662**
Additions to non-current assets (other than financial assets and deferred tax)	1,002	7,215	-	259	-	9,258	535	-	**18,269**
LIABILITIES									
Reportable segment liabilities	18,206	58,846	1,499	17,257	3,631	61,866	176,224	-	**337,529**

Geographical Segments

2016	Revenue		Segment Assets		Non-current Assets (Exclude deferred tax assets)	
	AU$'000	%	AU$'000	%	AU$'000	%
Australia	437,984	90.9%	276,706	85.8%	135,316	89.7%
Singapore	30,453	6.3%	41,742	12.9%	15,439	10.2%
Thailand	13,351	2.8%	4,214	1.3%	194	0.1%
	481,788		322,662		150,949	

Basis for segments

Management has determined the operating segments based on the reports reviewed by the Senior Management Team that are used to make strategic decisions.

The Senior Management Team considers the business from both a business segment and geographic perspective. Geographically, management monitors the business in the four primary geographic areas: Australia, Singapore, Thailand and Malaysia. Geographic locations provide a range of products and services through fabrication, construction, maintenance and port & marine services. Inter-segment revenue transactions are performed on an arms-length basis and eliminated on consolidation. Other services included within the Group are investment holding and the provision of support services. The results of these operations are included in the "others / corporate" column. The Senior Management Team assesses the performance of the operating segment based on a measure of earnings before interest, tax, depreciation, amortisation and impairment ("adjusted EBITDA and impairment").

Segment assets reconciliation

Reportable segments' assets are reconciled to total assets as follows:

	2017	2016
	AU$'000	AU$'000
Segment assets for reportable segments	284,023	290,622
Unallocated:		
Cash and cash equivalents	19,174	16,716
Other receivables and prepayments	3,511	7,954
Property, plant and equipment	225	791
Intangible asset	5,170	6,579
Deferred tax assets and tax recoverable	110	-
Total assets	**312,213**	322,662

The amounts provided to the Senior Management Team with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Senior Management Team monitors the property, plant and equipment, intangible assets, inventories and receivables attributable to each segment.

Segment liabilities reconciliation

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2017	2016
	AU$'000	AU$'000
Segment liabilities for reportable segments	114,063	161,305
Unallocated:		
Trade payables	2,543	4,797
Other payables	19,913	27,258
Borrowings	147,404	139,763
Accruals for other liabilities and charges	2,592	3,093
Deferred tax liabilities and current tax payable (including set off of deferred tax pursuant to set-off provisions)	2,400	1,313
Total liabilities	**288,915**	337,529

The amounts provided to the Senior Management Team with respect to total liabilities are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Senior Management Team monitors the trade payables, other payables, borrowings and accruals attributable to each segment.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

For the year ended 30 June 2017 the Projects and Access Services segments contributed 86.3% (FY2016: 62.2%) of the Group's revenue, Fabrication and Manufacturing segment contribution was 1.8% (FY2016: 5.5%), Maintenance Services contributed 10.4% (FY2016: 28.5%) and Port & Marine Services contributed 1.5% (FY2016: 3.8%) of the Group's revenue.

Australian revenue accounted for 99% of Group revenue (FY2016: 91%) whilst Singapore, Thailand and Malaysia made up the remaining 1% (FY2016: 9%).

The Projects and Access Services (including scaffolding and access services provided by MAS) segments along with Maintenance Services had strong contributions for FY2017 revenue of AU$376.9m and AU$45.5m respectively. Activities under the Painting, Insulation & Fireproofing (PIF) and Scaffolding packages for Inpex continue to increase following a slow start to the release of work fronts.

The Port & Marine Services business unit has had a small contribution to revenue in the FY2017 numbers, mainly from marine chartering ahead of the full commercialisation of port services, however this result was offset by the additional operating and finance costs attributable to the Port Melville development.

16. A breakdown of sales as follows:

	FY 2017	FY 2016	% increase
For continuing operations	AU$'000	AU$'000	/ (decrease)
Revenue reported for first half year	206,366	251,772	-18%
Net loss after tax for first half year	(2,380)	(62,965)	-96%
Revenue reported for second half year	228,594	219,048	4%
Net profit/(loss) after tax for second half year	5,515	(163,247)	-103%
For discontinued operations			
Revenue reported for first half year	1,555	7,121	-78%
Net profit/(loss) after tax for first half year	1,313	(6,329)	-121%
Revenue reported for second half year	275	3,847	-93%
Net profit/(loss) after tax for second half year	125	(26,381)	-100%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	FY2017 Proposed	FY2016 Paid
Final one-tier tax exempt dividend on ordinary shares (S$'000)	Nil	Nil
Special one-tier tax exempt dividend on ordinary shares (S$'000)	Nil	Nil

18. Person occupying managerial position

The Company confirms that there is no such person occupying a managerial position in the Company and its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

19. 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

Stuart Maxwell Kenny
Non-Executive Board Chairman

Eng Chiaw Koon
Managing Director

25 August 2017

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.