



**AUSGROUP LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200413014R)

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**INFORMAL NOTEHOLDERS' MEETING ON 30 JUNE 2016 RELATING TO THE  
SERIES 001 S\$110,000,000 7.45 PER CENT. NOTES DUE 2016 (ISIN: SG6TF6000008)  
(THE "NOTES") ISSUED UNDER THE S\$350,000,000 MULTICURRENCY DEBT  
ISSUANCE PROGRAMME (THE "PROGRAMME")**

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The Board of Directors of AusGroup Limited (the "Company") refers to its announcement dated 1 July 2016 and wishes to announce the extract of the minutes for the informal meeting with noteholders on 30 June 2016 ("Informal Noteholders Meeting"), on a "without prejudice" basis, with the aim of discussion further steps with noteholders relating to the Notes issued under the Programme.

KPMG Services Pte Ltd ("KPMG") as financial advisor of the Company presented the slides to the noteholders during the Informal Noteholders Meeting (the "Presentation Slides") and elaborated that the FY2017 projected Net Cash Flow of approximately AUD1.4 million is arrived at based on assumptions as follows:

- 1) Reduction of employee headcount which gives rise to annual savings of approximately AUD15 million.
- 2) Disposal of certain property, plant and equipment, mainly from the operations in Singapore, which gives rise to additional cash inflow of approximately AUD6 million.
- 3) The Company is in the midst of discussion with its financiers to restructure and extend the repayment period to FY2019 onwards as follows:
  - (a) the short term loan amounting to approximately AUD11 million which is currently due on 31 August 2018.
  - (b) the term loan amounting to approximately AUD14 million which is currently due on 1 April 2018.
- 4) The Company is in the midst of discussion with all other material payables to further extend repayments up to approximately AUD37.2 million to FY2019.
- 5) The Company proposed repayment to noteholders of AUD12.4 million (a fixed bi-annual payment to noteholders, amounting to AUD8.2 million, and a further principal redemption of AUD4.2 million) for a 2 year extension following the maturity in October 2016.

KPMG further clarified to the noteholders the following:

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- 1) The restricted cash of approximately AUD11.6 million disclosed in the FY2017 cash flow forecast is being held as security against the term loan and the performance bond guarantee facilities which amounted to approximately AUD17.4 million and AUD48.3 million respectively, as at 31 March 2016.
- 2) As at 30 June 2016, the headroom of AUD19.0 million from the short term loan facility is subjected to the approval of the financier before draw down.

The Company would also like to re-present and update the bank facilities as at 30 June 2016 below:

<u>Financier</u>	<u>Borrower</u>	<u>Facilities</u>	<u>Outstanding balance @ 30 June 2016</u>	<u>Securities</u>
Accredited Investors	AusGroup Limited	Multicurrency Debt Issuance to Multiple Noteholders off SGD110 million  Interest rate @ 7.45%  Maturity @ 20 October 2016 (2 years)	AUD109.6 million (or SGD110 million)	None.
DBS Bank	AusGroup Limited	Term Loan Facilities of US\$12,769,650	AUD17.1 million (or US\$12.8 million)	1) Charge over fixed deposit of AUD11.6 million held by AGC Australia Pty Ltd.  2) Fixed and floating charge over all present and future assets, given by:  <u>Australian Group Companies:</u> a. AGC Australia Pty Ltd; b. AGC Energy & Infrastructure Pty Ltd; c. AGC Industries Pty Ltd; d. MAS Australasia Pty Ltd; e. Resource People Pty Ltd; f. Seagate Structural Engineering Pty Ltd  <u>Singapore Group Companies:</u> a. AusGroup Limited; b. AusGroup Singapore Pte Ltd; c. Modern Access Services Singapore Pte Ltd
		Banker's Guarantee Facilities of up to an aggregate amount of AUD51.2 million.	AUD44.3 million	
				3) First priority mortgage of property situated at 15 Beach Street Kwinana Beach WA

				<p>6167 given by AGC Australia Pty Ltd.</p> <p>4) Deed of Subordination, given by Ezion Holdings Limited and Ezion Offshore Logistics Hub Pte Ltd.</p> <p>5) Deed of Subordination, given by Ezion Holdings Limited and Teras Australia Pty Ltd.</p>
DBS Bank	AusGroup Limited	Short Term Loan Facility of AUD30 million	AUD11 million	<p>1) Fixed and floating charge over all present and future assets, given by:</p> <p><u>Australian Group Companies:</u></p> <p>a. AGC Australia Pty Ltd;  b. AGC Energy &amp; Infrastructure Pty Ltd;  c. AGC Industries Pty Ltd;  d. MAS Australasia Pty Ltd;  e. Resource People Pty Ltd;  f. Seagate Structural Engineering Pty Ltd</p> <p><u>Singapore Group Companies:</u></p> <p>a. AusGroup Limited;  b. AusGroup Singapore Pte Ltd;  c. Modern Access Services Singapore Pte Ltd</p>
DBS Bank	AGC Industries Pty Ltd	Account Receivable Purchases Facility of AUD8 million	AUD2.2 million	<p>1) Fixed and floating charge over all present and future assets, given by AGC Industries Pty Ltd.</p> <p>2) Deed of Assignment of the present and future debt owed by the relevant receivable of AGC Industries Pty Ltd, given by AGC Industries Pty Ltd.</p> <p>3) Limited Corporate Guarantee of up to AUD8</p>

				<p>million, given by AusGroup Limited.</p> <p>4) Deed of Subordination given by AusGroup Limited.</p>
DBS Bank	AGC Industries Pty Ltd	Account Receivable Purchases Facility of AUD15 million	AUD0.2 million	<p>1) Fixed and floating charge over all present and future assets, given by AGC Industries Pty Ltd.</p> <p>2) Charge over collection account and all interest and benefit in the present and future debt by certain receivables of AGC Industries Pty Ltd, given by AGC Industries Pty Ltd.</p> <p>3) Limited Corporate Guarantee of up to AUD15 million, given by AusGroup Limited.</p> <p>4) Deed of Subordination given by AusGroup Limited.</p>

### **CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their Shares and Noteholders are advised to exercise caution in trading their Notes. There is no certainty or assurance as at the date of this announcement that the waivers will be obtained by the Company. The Company will make further announcements as appropriate or when there are further developments. Shareholders and Noteholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and Noteholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Company Secretary  
4 July 2016