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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

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

	GROUP		+/(-)	GROUP		+/(-)
	2Q 2017	2Q 2016*	%	HY 2017	HY 2016*	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Continuing operations						
Revenue	106,284	122,848	(13.5)	206,366	251,772	(18.0)
Cost of sales	(96,773)	(127,043)	(23.8)	(186,952)	(238,767)	(21.7)
Gross profit/(loss)	**9,511**	**(4,195)**	N.M.	**19,414**	**13,005**	49.3
Gross margin	**8.9%**	**-3.4%**		**9.4%**	**5.2%**	
Other operating income	607	(27)	N.M.	990	24	N.M.
Other operating costs	(1,878)	(7,199)	(73.9)	(5,008)	(14,210)	(64.8)
Impairment of receivables	-	(44,621)	N.M.	-	(44,621)	N.M.
Administrative expenses	(3,126)	(4,862)	(35.7)	(8,761)	(10,136)	(13.6)
Marketing and distribution expenses	(349)	(519)	(32.8)	(751)	(1,041)	(27.9)
Profit / (loss) from operations	**4,765**	**(61,423)**	N.M.	**5,884**	**(56,979)**	N.M.
Finance costs	(3,733)	(4,039)	(7.6)	(7,957)	(5,256)	51.4
Profit / (loss) before income tax	**1,032**	**(65,462)**	N.M.	**(2,073)**	**(62,235)**	N.M.
Income tax expense	(75)	(468)	(84.0)	(307)	(730)	(57.9)
Profit/ (loss) from continuing operations	957	(65,930)	N.M.	(2,380)	(62,965)	(96.2)
Discontinued operations						
Profit/(loss) from discontinued operations, net of tax	137	(3,836)	N.M.	1,313	(6,329)	N.M.
Net profit / (loss) for the period	**1,094**	**(69,766)**	N.M.	**(1,067)**	**(69,294)**	(98.5)
Net profit / (loss) %	**1.0%**	**-56.8%**		**-0.5%**	**-27.5%**	
Profit / (loss) attribute to:						
Owners of the Company	1,106	(69,426)	N.M.	(975)	(69,078)	N.M.
Non-controlling interests	(12)	(340)	(96.5)	(92)	(216)	N.M.
	1,094	**(69,766)**	N.M.	**(1,067)**	**(69,294)**	N.M.
Profit / (loss) attribute to the owners of the Company:						
Profit/(loss) from continuing operations	969	(65,590)	N.M.	(2,288)	(62,749)	(96.4)
Profit/(loss) from discontinued operations	137	(3,836)	N.M.	1,313	(6,329)	N.M.
	1,106	(69,426)	N.M.	(975)	(69,078)	(98.6)
Earnings / (loss) per ordinary share attributable to equity holders of the Company (cents)						
- basic	0.1	(9.4)	N.M.	(0.1)	(9.3)	N.M.
- diluted	0.1	(9.4)	N.M.	(0.1)	(9.3)	N.M.

N.M. - Not meaningful

1(a) (i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	GROUP		+/(-)	GROUP		+/(-)
	2Q 2017	2Q 2016*	%	HY 2017	HY 2016*	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Profit/(loss) for the period	1,094	(69,766)	N.M.	(1,067)	(69,294)	N.M.
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences	1,848	(3,559)	N.M.	6,852	6,855	0.0
Other comprehensive income/(loss) for the period	1,848	(3,559)	N.M.	6,852	6,855	0.0
Total comprehensive income/(loss) for the period	**2,942**	**(73,325)**	N.M.	**5,785**	**(62,439)**	N.M.
Total comprehensive income/(loss) attribute to:						
Owners of the Company	3,011	(73,011)	N.M.	5,902	(62,195)	N.M.
Non-controlling interests	(69)	(314)	(78.0)	(117)	(244)	N.M.
	2,942	(73,325)	N.M.	5,785	(62,439)	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.

1(a)(ii) NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

A. PROFIT/(LOSS) FROM OPERATIONS

The following items have been included in determining the profit/(loss) before taxation

	GROUP		+/(-)	GROUP		+/(-)
	2Q 2017	2Q 2016	%	HY 2017	HY 2016	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Other operating income						
Interest income	(9)	112	N.M	88	229	(61.6)
Profit on disposal of property, plant and equipment	38	131	(71.0)	252	390	(35.4)
Sundry income	397	266	49.2	561	194	N.M
Foreign exchange income / (loss)	181	(536)	N.M	89	(789)	N.M
Total other operating income	**607**	**(27)**	N.M	**990**	**24**	N.M
Amortisation and depreciation						
Depreciation of property, plant & equipment included in cost of sales	2,342	2,029	15.4	4,760	3,986	19.4
Amortisation of intangible assets included in cost of sales	211	110	91.8	422	170	N.M
Depreciation of property, plant & equipment included in administrative expenses	122	278	(56.1)	244	548	(55.5)
Amortisation of intangible assets included in administrative expenses	473	2,029	(76.7)	994	2,478	(59.9)
Total amortisation and depreciation	**3,148**	**4,446**	(29.2)	**6,420**	**7,182**	(10.6)

1(a) (ii) NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

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

	GROUP		+/(-)	GROUP		+/(-)
	2Q 2017	2Q 2016	%	HY 2017	HY 2016	%
	AU$'000	AU$'000		AU$'000	AU$'000	
Employee share and share option scheme expense	312	274	13.9	488	594	(17.8)
Research and development tax credits	-	16,300	N.M.	-	13,723	N.M.
Restructuring and transformation costs	-	903	N.M.	-	1,452	N.M.

B. FINANCE COSTS

	GROUP		+/(-)	GROUP	
	2Q 2017	2Q 2016	%	HY 2017	HY 2016
	AU$'000	AU$'000		AU$'000	AU$'000
Loans	3,721	4,032	(7.7)	7,872	5,187
Bank guarantee fees	11	7	57.1	83	65
Unwinding of earn out payable	-	(2)	N.M.	-	-
Finance leases and hire purchase	1	2	N.M.	2	4
Total finance costs	**3,733**	**4,039**	(7.6)	**7,957**	**5,256**

C. INCOME TAX (EXPENSE)/BENEFIT

	GROUP		GROUP	
	2Q 2017	2Q 2016	HY 2017	HY 2016
	AU$'000	AU$'000	AU$'000	AU$'000
Profit/(loss) before income tax from continuing operations	1,032	(65,462)	(2,073)	(62,235)
Profit/(loss) before income tax from discontinued operations	137	(3,326)	1,313	(6,329)
	1,169	(68,788)	(760)	(68,564)
Prima facie taxation calculated at applicable rate on profit/(loss) before income tax	(311)	20,892	202	19,528
Tax effect of non-assessable/(non-deductible items)	236	(2,540)	(346)	(1,701)
Research and development tax incentives	-	(4,890)	-	(4,117)
Income tax benefit/(expense)	(75)	13,462	(144)	13,710
Potential tax benefit for which no deferred tax asset has been recognised	0	(14,440)	(163)	(14,440)
Total income tax expense	(75)	(978)	(307)	(730)
Income tax expense percentage (%) - continuing operations	-7.3%	0.7%	14.8%	1.2%
Tax expense relating to continuing operations	(75)	(468)	(307)	(730)
Tax expense relating to discontinued operations	-	(510)	-	-
Total income tax expense	(75)	(978)	(307)	(730)

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	Group	Company	Company
	As at	As at	As at	As at
	31/12/2016	30/06/2016	31/12/2016	30/06/2016
	AU$'000	AU$'000	AU$'000	AU$'000
CURRENT ASSETS				
Cash and cash equivalents	36,046	22,095	130	16
Trade receivables	117,273	132,864	-	-
Other receivables and prepayments	17,804	9,995	622	6,613
Inventories	7,269	6,759	-	-
Total current assets	**178,392**	**171,713**	**752**	**6,629**
NON-CURRENT ASSETS				
Property, plant and equipment	91,537	96,358	-	-
Goodwill	10,994	10,994	-	-
Intangible assets	39,838	39,970	-	-
Other receivables and prepayments	3,442	3,627	-	-
Due from subsidiaries	-	-	52,394	49,514
Investments in subsidiaries	-	-	66,722	83,632
Total non-current assets	**145,811**	**150,949**	**119,116**	**133,146**
Total assets	**324,203**	**322,662**	**119,868**	**139,775**
CURRENT LIABILITIES				
Trade payables	52,748	58,776	-	-
Other payables	71,027	65,225	1,697	3,357
Due to subsidiaries	-	-	7,933	8,951
Borrowings	21,431	139,957	17,696	136,736
Accruals for other liabilities and charges	21,732	21,365	-	-
Current income tax liability	-	-	359	93
Provisions	874	1,580	-	-
Total current liabilities	**167,812**	**286,903**	**27,685**	**149,137**
NON-CURRENT LIABILITIES				
Deferred income tax liabilities	1,880	1,977	-	-
Borrowings	154,630	39,193	113,818	-
Accruals for other liabilities and charges	1,575	2,149	-	-
Provisions	6,900	7,307	-	-
Total non-current liabilities	**164,985**	**50,626**	**113,818**	**-**
Total liabilities	**332,797**	**337,529**	**141,503**	**149,137**
EQUITY				
Capital and reserves attributable to equity				
Share capital	128,040	128,040	128,040	128,040
Capital reserve	(163)	(163)	(163)	(163)
Share-based payment reserve	4,883	4,395	4,883	4,395
Foreign currency translation reserve	22,286	15,409	12,190	24,615
Accumulated losses	(162,424)	(161,449)	(166,585)	(166,249)
Total equity attributable to owners	**(7,378)**	**(13,768)**	**(21,635)**	**(9,362)**
Non-controlling interests	**(1,216)**	**(1,099)**	**-**	**-**
Total equity	**(8,594)**	**(14,867)**	**(21,635)**	**(9,362)**
Total liabilities and equity	**324,203**	**322,662**	**119,868**	**139,775**

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

	31/12/2016		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	21,431	-	31,227	108,730
Amount repayable after one year	113,818	40,812	43	39,150

Multi Currency S$110m 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 are amended as follows with effect from that date:

- An upfront partial redemption of the Notes of S$4.0 million was made on 18 November 2016;
- Maturity of the Notes has been extended to 20 October 2018, with an option 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 Ezion Offshore Logistics Hub (Tiwi) Pty Ltd ("EOLH Tiwi") 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 in the current quarter (30 June 2016: the Notes were classified as a current liability) and are now secured.

Loans from DBS Bank Ltd

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 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 2018. As at 31 December 2016 US$11.8m 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 31 December 2016 AU$1.2m of this balance had been utilised (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 31 December 2016 AU$15.0m 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, whilst negotiations to arrive at a long term arrangement with an agreed repayment schedule are ongoing.

Surety bond facility from Vero

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.

Loans from related party

Loans amounting to AU$29.8 million from Ezion Holdings Limited ("Ezion") (a substantial shareholder of the Company) were acquired by the Group on acquisition of Ezion Offshore Logistics Hub Pte. Limited and Teras Australia Pty Limited 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. Repayment of the loan will be after 31 December 2017. 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. At 31 December 2016 the amount owing to Ezion was AU$40.8m (30 June 2016: AU$39.2m) and is unsecured.

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$11.6m (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 will be removed upon completion of the securitization 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 31 December 2016. However, waivers for these breaches have been obtained from DBS.

The Group is currently in the process of renegotiating 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.

AusGroup Limited is also required to maintain a minimum consolidated trade debtor balance compared to the current outstanding under the ARP facilities. The Group has been in compliance with this requirement during the quarter.

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 2Q 2017 AU$'000	GROUP 2Q 2016 AU$'000	GROUP HY 2017 AU$'000	GROUP HY2016 AU$'000
Cash flows from operating activities				
Profit / (loss) after taxation	1,094	(69,766)	(1,067)	(69,294)
Add / (less) adjustments for:				
Depreciation of property, plant and equipment	2,464	2,808	5,091	5,501
Amortisation of intangible assets	684	2,139	1,415	2,648
Employee share and share option scheme expense	312	274	488	594
Impairment loss on trade receivables	-	44,621	-	44,621
Net foreign exchange differences	(2,528)	(2,113)	(1,200)	(295)
Profit on disposal of property, plant and equipment	(439)	(131)	(2,191)	(400)
Interest income	9	(112)	(88)	(229)
Finance costs	3,813	4,070	8,155	5,308
Research and development tax credits	-	16,300	-	13,723
Income tax expense	75	978	307	730
Operating cash flows before working capital changes	**5,484**	**(932)**	**10,910**	**2,907**
Changes in operating assets and liabilities				
Trade receivables	3,599	(1,973)	15,591	(39,164)
Other receivables and prepayments	1,079	(3,532)	(4,544)	(341)
Inventories	(303)	98	(510)	(803)
Trade payables	1,599	11,243	(6,028)	887
Accruals and other payables	4,252	13,541	5,057	35,070
Cash generated from/(used in) operations	**15,710**	**18,445**	**20,476**	**(1,444)**
Interest paid	(4,667)	(5,912)	(6,107)	(6,455)
Interest received	(9)	112	88	229
Income tax paid	(551)	(359)	(551)	(827)
Net cash generated from/(used in) operating activities	**10,483**	**12,286**	**13,906**	**(8,497)**
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	1,398	981	1,832	1,701
Purchase of property, plant and equipment	(1,511)	(2,908)	(2,062)	(20,852)
(Increase in)/Release of restricted cash	(285)	-	(285)	13,894
Purchase of intangible assets	(387)	(159)	(387)	(274)
Net cash used in investing activities	**(785)**	**(2,086)**	**(902)**	**(5,531)**

	2Q 2017 AU$'000	2Q 2016 AU$'000	HY 2017 AU$'000	HY2016 AU$'000
Cash flows from financing activities				
Repayment of finance leases	(1,353)	(2,337)	(1,579)	(4,320)
Proceeds from borrowings	1,863	14,674	7,296	17,688
Repayment of borrowings	(4,524)	-	(5,011)	-
Net cash (used in)/generated from financing activities	**(4,014)**	**12,337**	**706**	**13,368**
Net increase / (decrease) in cash and cash equivalents	**5,684**	**22,537**	**13,710**	**(660)**
Effect of exchange rate fluctuations on cash held	(9)	483	(44)	19
Net increase/(decrease) in cash held	**5,675**	**23,020**	**13,666**	**(641)**
Cash and cash equivalents at beginning of period	18,471	(16,679)	10,480	6,982
Cash and cash equivalents at end of period	**24,146**	**6,341**	**24,146**	**6,341**
Cash and cash equivalents represented by				
Cash and bank balances	36,046	30,665	36,046	30,665
*Restricted cash	(11,900)	(11,615)	(11,900)	(11,615)
Less: Bank overdraft		(12,709)		(12,709)
Total cash and cash equivalents at end of period	**24,146**	**6,341**	**24,146**	**6,341**

*

Restricted cash 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	RETAINED EARNINGS/ (ACCUMULATED LOSSES) AU$'000	TOTAL AU$'000	NON-CONTROLLING INTERESTS AU$'000	TOTAL EQUITY AU$'000
HY 2017								
Balance as at 1 July 2016	128,040	(163)	4,395	15,409	(161,449)	(13,768)	(1,099)	**(14,867)**
Loss for the period	-	-	-	-	(2,081)	(2,081)	(80)	**(2,161)**
Other comprehensive income	-	-	-	4,972	-	4,972	32	**5,004**
Share-based payment expense	-	-	176	-	-	176	-	**176**
Balance as at 30 September 2016	**128,040**	**(163)**	**4,571**	**20,381**	**(163,530)**	**(10,701)**	**(1,147)**	**(11,848)**
Profit/(loss) for the period	-	-	-	-	1,106	1,106	(12)	**1,094**
Other comprehensive income/(loss)	-	-	-	1,905	-	1,905	(57)	**1,848**
Share-based payment expense	-	-	312	-	-	312	-	**312**
Balance as at 31 December 2016	**128,040**	**(163)**	**4,883**	**22,286**	**(162,424)**	**(7,378)**	**(1,216)**	**(8,594)**
HY 2016								
Balance as at 1 July 2015	128,040	(163)	3,114	14,058	96,821	241,870	(439)	**241,431**
Profit for the period	-	-	-	-	348	348	124	**472**
Other comprehensive income/(loss)	-	-	-	10,468	-	10,468	(54)	**10,414**
Share-based payment expense	-	-	320	-	-	320	-	**320**
Balance as at 30 September 2015	**128,040**	**(163)**	**3,434**	**24,526**	**97,169**	**253,006**	**(369)**	**252,637**
Loss for the period	-	-	-	-	(69,426)	(69,426)	(340)	**(69,766)**
Other comprehensive (loss)/income	-	-	-	(3,585)	-	(3,585)	26	**(3,559)**
Share-based payment expense	-	-	274	-	-	274	-	**274**
Balance as at 31 December 2015	**128,040**	**(163)**	**3,708**	**20,941**	**27,743**	**180,269**	**(683)**	**179,586**

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

Company	SHARE CAPITAL AU$'000	CAPITAL RESERVE AU$'000	SHARE-BASED PAYMENT RESERVE AU$'000	FOREIGN CURRENCY TRANSLATION RESERVE AU$'000	RETAINED EARNINGS/ (ACCUMULATED LOSSES) AU$'000	TOTAL AU$'000
HY 2017						
Balance as at 1 July 2016	128,040	(163)	4,395	24,615	(166,249)	(9,362)
Profit for the period	-	-	-	-	2,889	2,889
Other comprehensive loss	-	-	-	(909)	-	(909)
Share-based payment expense	-	-	176	-	-	176
Balance as at 30 September 2016	**128,040**	**(163)**	**4,571**	**23,706**	**(163,360)**	**(7,206)**
Loss for the period	-	-	-	-	(3,225)	(3,225)
Other comprehensive loss	-	-	-	(11,516)	-	(11,516)
Share-based payment expense	-	-	312	-	-	312
Balance as at 31 December 2016	**128,040**	**(163)**	**4,883**	**12,190**	**(166,585)**	**(21,635)**
HY 2016						
Balance as at 1 July 2015	128,040	(163)	3,114	20,112	(6,748)	144,355
Loss for the period	-	-	-	-	(221)	(221)
Other comprehensive income	-	-	-	1,073	-	1,073
Share-based payment expense	-	-	320	-	-	320
Balance as at 30 September 2015	**128,040**	**(163)**	**3,434**	**21,185**	**(6,969)**	**145,527**
Loss for the period	**-**	**-**	**-**	**-**	**(279)**	(279)
Other comprehensive loss	-	-	-	(735)	-	(735)
Share-based payment expense	-	-	274	-	-	274
Balance as at 31 December 2015	**128,040**	**(163)**	**3,708**	**20,450**	**(7,248)**	**144,787**

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

	31 December 2016	31 December 2015
Number of issued shares		
Opening balance	740,432,016	740,432,016
Issuance of shares	-	-
Closing balance	740,432,016	740,432,016

As at 31 December 2016 there were outstanding options for 119,000 (31 December 2015: 1,561,000) 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 31 December 2016 there were 216,680 (31 December 2015: 2,091,299) outstanding rights that may potentially be converted to shares under the employee share scheme. No ordinary shares are expected to be issued under the employee share scheme as the Group did not meet the relevant Total Shareholder Return targets (Total Shareholder Return is based on a comparable peer group).

As at 31 December 2016 and 31 December 2015 respectively there were no treasury shares held by the company.

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

	31 December 2016	30 June 2016
Number of issued shares	740,432,016	740,432,016

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.

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

The figures have neither been audited nor reviewed.

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 adoption of new and amended FRS and Interpretation to FRS ("INT FRS") 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 publicly closure of Singapore Fabrication and Manufacturing businesses. Hence, Fabrication and Manufacturing operations in Singapore was classified as discontinued operations as at 31 December 2016. 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.

	2Q 2017	2Q 2016	+/(-)	HY 2017	HY 2016	+/(-)
	AU$'000	AU$'000	%	AU$'000	AU$'000	%
Results of discontinued operations						
Revenue	351	3,298	(89.4)	1,555	7,121	(78.2)
Cost of sales	(1,245)	(5,522)	(77.5)	(3,270)	(11,372)	(71.2)
Gross profit	(894)	(2,224)	(59.8)	(1,715)	(4,251)	(59.7)
Other operating income	710	147	N.M	2,286	395	N.M
Expenses	412	(1,218)	(133.8)	951	(2,421)	(139.3)
Profit/(loss) from discontinued operations	228	(3,295)	(106.9)	1,522	(6,277)	(124.2)
Finance cost	(91)	(31)		(209)	(52)	
Profit/(loss) before tax from discontinued operations	137	(3,326)		1,313	(6,329)	
Income tax expense	-	(510)	0.0	-	-	0.0
Net profit/(loss) from discontinued operations	137	(3,836)	(103.6)	1,313	(6,329)	(120.7)
Basic earnings per share (cents)	0.0	(0.5)	(103.6)	0.2	(0.9)	(120.7)
Diluted earnings per share (cents)	0.0	(0.5)	(103.6)	0.2	(0.9)	(120.7)

	2Q 2017	2Q 2016	+/(-)	HY 2017	HY 2016	+/(-)
	AU$'000	AU$'000	%	AU$'000	AU$'000	%
Cash flows from/(used in) discontinued operations						
Net cash used in operating activities	(800)	(1,976)	(59.5)	(5,340)	(711)	651.1
Net cash generated from/(used in) investing activities	828	198	318.2	1,335	(227)	(688.1)
Net cash inflow from financing activities	45	1,228	(96.3)	4,156	1,094	279.9
Net cash flows from/(used in) discontinued operations	**73**	**(550)**		**151**	**156**	

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

	GROUP 2Q 2017 AU$'000	GROUP 2Q 2016 AU$'000	GROUP HY 2017 AU$'000	GROUP HY 2016 AU$'000
Profit/(loss) after income tax	1,094	(69,426)	(1,067)	(69,078)
Profit/(loss) after income tax - continuing operations	969	(65,590)	(2,288)	(62,749)
Weighted average number of ordinary shares in issue applicable to earnings (AU$'000)	740,432	740,432	740,432	740,432
Fully diluted number of ordinary shares ('000)	740,649	740,523	740,649	740,523
Earnings/(loss) per ordinary share (AU cents)				
- Basic	0.1	(9.4)	(0.1)	(9.3)
- Diluted	0.1	(9.4)	(0.1)	(9.3)
Earnings/(loss) per ordinary share (AU cents) - continuing operations				
- Basic	0.1	(8.9)	(0.3)	(8.5)
- Diluted	0.1	(8.9)	(0.3)	(8.5)

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 and share awards 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.

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

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

	GROUP 31/12/2016 AU$'000	GROUP 30/06/2016 AU$'000	COMPANY 31/12/2016 AU$'000	COMPANY 30/06/2016 AU$'000
Net assets	(8,594)	(14,867)	(21,635)	(9,362)
Net asset value per ordinary share based on issued share capital at the end of the respective periods (AU cents)	(1.2)	(2.0)	(2.9)	(1.3)

Net asset value per ordinary share is calculated based on 740,432,016 ordinary shares as at 31 December 2016 (30 June 2016: 740,432,016 ordinary shares).

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

Revenue in the second quarter of FY2017 decreased by 13.5% to AU$106.3 million, as compared to AU$122.8 million for the corresponding period in 2016. The decrease was mainly attributable to reduced revenue contributions from the Access and Maintenance business.

Cost of sales reduced, from AU$127.0 million in the corresponding quarter in FY2016 to AU$96.8 million in the second quarter of FY2017. The reduction in costs of sales was in line with the level of operating activity. The cost of sales in the second quarter of FY2016 included a one-off write back of research and development tax credits of AU$16.3 million due to de-recognition of deferred tax assets carried relating to the research and development tax incentive balances.

Other operating costs combined with administrative expenses and marketing and distribution expenses decreased significantly by AU$51.8 million in the second quarter of FY2017 compared to the corresponding period in FY2016 mainly due to a one-off item of AU$44.6 million relating to impairment of receivables on work in progress claims in the second quarter of FY2016 combined with overhead reductions.

Finance costs in second quarter of FY2017 decreased by 7.6% to AU$3.7 million, mainly as a result of reduction in interest costs on loans from a related party by AU$0.59 million which were offset by additional interest costs of AU$0.24 million relating to an additional drawdown from DBS Bank Ltd's facility during the current quarter. The revised interest rate on loans from the related party is at 5% per annum (prior interest rate: 8% per annum).

The net profit after tax attributable to the equity holders of the Company increased from a net loss after tax AU$69.4 million in the second quarter of FY2016 to a net profit after tax AU$1.1 million in the second quarter of FY2017. The Group's profits were mainly contributed by Engineering Services division of AU$6.6 million, whilst Port & Marine Services division had registered a net loss of AU$5.5 million.

B Review of Balance Sheet

Assets

Cash and bank balances improved by AU$14 million, mainly due to accelerated claims payment, proceeds from disposal of assets and equipment of Singapore Fabrication and Manufacturing businesses and additional loans received.

Trade receivables balances decreased by AU$15.6 million, reflecting collections received. The Group is closely reviewing the recoverability of work in progress positions.

Other receivables and prepayments balances increased by AU$7.8 million mainly due to prepaid insurance for period January 2017 to September 2017 of AU$3.2 million, capitalized NCSE finance costs of AU$1.1 million, receivables for sale of equipment for Singapore Fabrication business of

AU$3.2 million and AMJV cash calls of AU$4.5 million offset by release of S$4 million held in escrow for multi-currency note holders in October 2016.

Liabilities

Other payables balance increased by AU$5.8 million to AU$71.0 million at 31 December 2016 and was mainly due to increase in cost accruals for the core projects reflecting the increase in the volumes of work undertaken in the period. Current accruals for other liabilities balances increased slightly by 2% and these balances comprised of accruals for annual leave, rostered day off, current long service leave and deferred income AU$0.2 million. Non-current accruals comprised of long-term long service leave balances.

Total borrowings decreased by AU$3.1 million, largely due to upfront partial redemption of the Multi Currency Notes of AU$3.7 million offset by additional loans obtained of AU$7.3 million to finance working capital requirements. The main change to the borrowing profile revolves around the NCSE being voted in favour on 5 October 2016 and hence, the Multi Currency Notes have been reclassified from current liabilities to non-current liabilities during second quarter of FY2017 to match the new repayment date of 22 October 2018.

The Group was in a net current asset position of AU$10.8 million as at 31 December 2016. The Group has sufficient cash resources and banking facilities available to meet the financing needs of its operations.

C **Review of Statement of Cash Flows**

In HY2017, the Group generated a positive cash flow of AU$10.9 million from operating activities before working capital changes.

During HY2017, net cash of AU$0.9 million used in investing activities was mainly for the purchase of scaffolding assets.

Net cash of AU$0.7 million was received from financing activities, such as additional loans received from DBS Bank Ltd which was offset by partial redemption of Multi Currency Notes and regular repayment of borrowings and finance lease obligations during the period.

As a result of the above activities, the Group recorded an increase in cash and cash equivalents of AU$13.7 million and continued to maintain a healthy cash and bank balance of AU$36.0 million as at 31 December 2016.

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

	HY FY17	Forecast	+/(-)	+/(-)
	AU$'000	AU$'000	AU$'000	%
Revenue	207,921	223,433	(15,512)	-6.9%
Cost of sales	(190,222)	(204,882)	14,660	-7.2%
Gross profit	17,699	18,551	(852)	-4.6%
Net loss for the period	(1,067)	(977)	(90)	9.2%

Comments:

- Revenue was lower than forecast due to the reduced activity in the Australian Fabrication business and the Port and Marine business as well as the lack of revenue in Singapore following the decision to close the business.

- Cost of sales was lower than forecast due to the reduced activity in the business segments outlined above and savings resulting from operational efficiencies following the restructuring of the business conducted last year. Gross profit was higher than forecast due to a higher gross margin compared to forecast.
- The net loss for the period was 9.2% higher than forecast mainly due to consultancy and legal fees incurred during the quarter including additional facility fees in relation to the Group's NCSE for renewal of the Multi Currency S$110m Notes.

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, AusGroup Singapore, MAS and Teras Australia, 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
Our maintenance services include long-term specialist support, campaign shutdowns / turnarounds, refractory and the management of all maintenance services.

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

Access Services
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 and port operations.

Significant Trends & Competitive Conditions

The major themes confronting the industry and the Group:
- Continued declining capex activity in exploration and production phases for oil and gas has resulted in the closure of Singapore Fabrication and Manufacturing businesses.
- Industry consolidation and increasing levels of domestic and international competition has 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 assist in generating profits from our 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. Most recently on 26 March 2016, AGCI submitted a claim to the court for an amount of A$23.8 million for amounts AGCI consider due under the contract and several meetings with KML have proved fruitless so due process will now be followed with the case currently scheduled to be heard in March 2017. Included in trade receivables is management's best estimate of the amounts expected to be recovered.

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

As at 30 September 2016, 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. 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$351.3 million as at 31 December 2016.

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, the commencement of full port operations has suffered due to continued delays in environmental and regulatory approval processes, however, since 2Q FY2016 the port has facilitated the export of woodchips from the Tiwi Islands, including one Asia-bound shipment successfully loaded during the quarter.

The fuel distribution aspect of the Port, however, has been affected by an environmental group appeal over the Environmental Protection Authority's decision to grant the environmental approvals, leading to further delays to the commercialization of the port. During October 2016, the Group has since been advised by the Australian Minister for the Environment and Energy ("Minister") that pursuant to a consent order entered into between the Minister and the local environmental activists, the current decision will be quashed and referred back to him for further consideration according to law, on the basis that his original decision lacked certainty in some respects. On

15 December 2016, the Minister provided a response and has decided that the proposed action is not a controlled action under the Environmental Protection and Biodiversity Conservation Act 1999 (the "EPBC Act"). This means that the proposed action does not require further assessment and approval under the EPBC Act before it can proceed.

Ezion Offshore Logistics Hub (Tiwi) Pty Ltd, a fellow 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 Ezion Offshore Logistics Hub (Tiwi) Pty Ltd are secured against 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 Northern Territory and Western Australia Oil and Gas sector.

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 has recognised a net loss after tax of AU$1.1 million for the half year ended 31 December 2016 and as at that date, current assets exceed current liabilities by AU$10.8 million however total liabilities exceed total assets by AU$8.6 million. In addition, the Group has breached covenants on its major debt facilities during the half year to 31 December 2016.

<u>Renegotiation of debt facilities</u>

The Group discusses its debt arrangements with its principal banker on an ongoing basis with the expectation that the current short term facility repayment date will be extended to a mutually agreed repayment date after considering the forecast cashflow projections of the Group. The ongoing financial support from the Group's principal banker is critical.

During the half year to 31 December 2016 the Group had been in breach of a number of the financial covenants attached to the S$110m Multi Currency Notes (the "Notes") and 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 and Quarter 2 of the 2017 financial year. 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 addition, the Group has on issue loans from Ezion Holdings Limited, a controlling shareholder of the Group which are currently due to be repaid after31 December 2017 and during the half year to 31 December 2016 the Group agreed a reduction in the interest rate applicable to these loans from 8% to 5%.

<u>Port and Marine services</u>

There have been delays in the Group's plans to fully commercialise its strategically important port facilities due to an ongoing dispute between a local environmental activist's group and the Australian Federal Department of Environment, combined with a prolonged downturn in the oil and gas industry. At 30 June 2016 the Group booked an impairment of AU$119.9 million to write down the recoverable value of Port and Marine CGU to AU$70.0 million.

On 15 December 2016 the Group announced to SGX that the delegate of the Minister for the Environment and Energy has decided that the proposed action is not a controlled action and does not need any further assessment under the Environmental Protection and Biodiversity Conservation Act 1999 which enables Group to expand the operations at Port Melville beyond the historical woodchip export activity. The Port and Marine CGU (Cash Generating Unit), now has the opportunity to continue further commercialisation of the Port Melville facility. In the half year to

31 December 2016 there have been no material changes to the Port and Marine CGU, however, the Group will continue to monitor the carrying value of this CGU going forward.

Management's plans to address these uncertainties

In considering the impact of the carrying value of the Port and Marine CGU and the impact of this on the current debt profile of the business 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 indicate that the Group has sufficient cash flows in order to meet its liabilities as they fall due, notwithstanding the uncertainties identified above. These forecasts represent managements' 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 clients through a competitive tender process and whist uncertain, management remains confident that sufficient new work will be secured in order to meet the Group's targets. 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 have assessed the options available in order to ensure that sufficient cash flow is in place in order 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 Group is also in ongoing discussions with its principal banker regarding appropriate debt facilities going forward.

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 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 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 which is expected to underpin the return to profitability and is expected to continue through the next half of FY2017 and into FY2018 and 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

Not applicable.

13. IPT Mandate

Name of interested person	Aggregate value of all interested person transactions during second quarter of FY2017 under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of SGX-ST Listing Manual during second quarter of FY2017 (excluding transactions less than $100,000)
Ezion Holdings Limited (expense)	N/A	*AU$209,214 **AU$153,180
Ezion Holdings Limited (revenue)	N/A	***AU$542,792

* The balance in the quarter consisted only of interest charges on a loan balance held with Ezion Holdings Limited.
** Charter of vessels and barges covered under the shareholders' mandate.
*** AusGroup has invoiced Ezion Holdings Limited for custodianship charges on vessels held by AusGroup in the quarter.

14. 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.

15. 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.

ON BEHALF OF THE BOARD

Stuart Maxwell Kenny	**Eng Chiaw Koon**
Non-Executive Board Chair	**Managing Director**

14 February 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.