



**SGX/MEDIA RELEASE  
For Immediate Release**

Company Registration Number 200413014R  
15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316

**Singapore and Australia**  
23 November 2018

## **Response to SGX Query - AusGroup Limited's (the "Company") announcement of 14 November 2018**

The Board of Directors (the "**Board**") of AusGroup Limited (the "**Company**" or "**Group**") would like to respond to the query from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") regarding the Company's announcement of 14 November 2018 in respect to the first Quarter FY2019 Financial Statements. The Company sets out below its response to the query.

### **Question 1**

***In the consolidated statement of comprehensive income, "Administrative expenses" amounts to AU\$2.93mil for 1Q2019, an increase from AU\$2.33mil in 1Q2018. Please provide reasons for the increase in "Administrative expenses" by 25.9% or AU\$640K which is material when compared to the Profit before income tax of AU\$1.6mil.***

### **Company's response**

The total of other operating, administration and marketing costs in 1Q2019 of AUD\$5.3m was AUD\$0.2m below the comparative period in 1Q2018 of AUD\$5.5m. In the comparative period (1Q2018), the cost of goods sold included a greater allocation of administrative support service costs corresponding with the revenue in 1Q2018 of AUD\$153m compared to the revenue in 1Q2019 of AUD\$87m due to the completion of major project work. As a result there is a reduced allocation of administration costs based on the reduced project activity in 1Q2019, resulting in an increase in the administrative expenses compared to 1Q2018.

### **Question 2**

***It was disclosed that "Cash and bank balances decreased by AU\$14.7m to AU\$23.1m at 30 September 2018 (30 June 2018: AU\$37.8m), mainly due to timing delays in cash receipts from current project activities". Please elaborate on the reasons for timing delays in cash receipts from current project activities.***

### **Company's response**

The timing delays relate to project payments received after the due dates primarily due to the completion of major projects in 4Q2018 which are still being finalised for project payments as the trade receivable balance increased by AUD\$9.4m at the end of 1Q2019 from the position at 4Q2018. In addition there were a number of projects that were either commenced in 1Q2019 or were in the early stages of commencement over 1Q2019 which inevitably results in delays in project receipts during the early stages of projects. This had the effect of reducing the cash balance in 1Q2019, however the payments received after the end of the reporting period has corrected the cash position.

By Order of the Board

Eng Chiaw Koon

Ends

---



**SGX/MEDIA RELEASE  
For Immediate Release**

Company Registration Number 200413014R  
15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316

Issued by AusGroup Limited.

For more information, please contact Romil Singh  
T +65 6438 2990 | F +65 6438 0064 | E [romil@financialpr.com.sg](mailto:romil@financialpr.com.sg)

For further information in Australia, please contact Christian Johnstone  
T +61 8 6210 4500 E [christian.johnstone@ausgrouppltd.com](mailto:christian.johnstone@ausgrouppltd.com)

ABOUT AUSGROUP LIMITED (Bloomberg Ticker: AUSG.SP)

Main board-listed, AusGroup Limited is an energy and resources specialist providing fabrication, precision machining, construction and integrated services to natural resource development companies. The Company also provides access services for construction and maintenance contracts through MAS Australasia Pty Ltd (MAS). AusGroup has an established operations network strategically positioned throughout Australasia. For more information visit [www.ausgrouppltd.com](http://www.ausgrouppltd.com)