



**AUSGROUP LIMITED**

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

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**RESPONSE TO ARTICLE "AUSGROUP BONDHOLDERS SET TERMS FOR NOD TO DEBT  
ISSUE'S EXTENSION" PUBLISHED IN THE BUSINESS TIMES ON 2 SEPTEMBER 2016**

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The Board of Directors (the "**Board**") of AusGroup Limited (the "**Company**" or "**Issuer**") would like to clarify information as disclosed in the article "*AusGroup bondholders set terms for nod to debt issue's extension*" published in The Business Times on 2 September 2016.

As disclosed to the market on 17 May 2016, the Company was not conforming with financial covenants under the Series 001 S\$110,000,000 7.45% Notes (the "**Notes**") issued under the S\$350,000,000 multicurrency debt issuance programme (the "**Programme**"). Since that time the Company has conducted a number of formal and informal meetings with Noteholders which have been referenced in market announcements on 9 June 2016, 24 June 2016, 1 July 2016, 4 July 2016, 18 July 2016 and 29 August 2016.

These meetings have been held for the purposes of:

- (i) explaining the cause of the non-conformity to the financial covenant under the Trust Deed to maintain a Consolidated Total Equity of at least AU\$160,000,000 at all times;
- (ii) addressing issues and concerns raised or to be raised by Noteholders relating to the non-conformity;
- (iii) presenting the independent business review of the Issuer conducted by KPMG Services Pte. Ltd. ("**KPMG**");
- (iv) presenting the Issuer's options in connection with the Notes, and
- (v) soliciting feedback from Noteholders.

As mentioned in the Company's previous announcements, the Company has also been actively engaging with Noteholders and DBS Bank Limited since the non-conformity in efforts to restructure the Group's debt, which negotiations are ongoing. The Company is hopeful of achieving a positive outcome.

As referenced in the article, there was another of these informal meetings conducted on Wednesday 31 August 2016, at which time the Company discussed potential options as part of the broader negotiations being conducted with Noteholders.

This article referenced terms and conditions being sought by Noteholders as being "set", however they in no way reflect an agreed position as negotiations remain ongoing between the Company, the Noteholders and all relevant stakeholders, are subject to change and are held on a 'without prejudice' basis. Certain of these proposed terms have been raised in the Company's previous meetings with

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Noteholders, and are set out in the Company's previous announcements. There is no certainty as to the outcome of these negotiations and given this lack of certainty and the incomplete nature of these negotiations, the Board considered it prudent not to disclose to the market the current incomplete status of the proposed terms of both the Issuer and the Noteholders so as not to mislead the market.

Further to this point, a statement was made in the article that the Company "*...has scrapped a plan to hive off its scaffolding and access business which it is understood was hindered by potential buyers who turned jittery following the Swiber episode.*" This is a factually inaccurate statement as the Company had ceased negotiations with potential buyers by June 2016 as parties were unable to arrive at commercially agreeable terms, and the Company announced the same on 29 August 2016. This was over a month prior to the Swiber announcements.

The Board wish to reiterate they consider the Company has been in compliance with all continuous disclosure requirements as defined in the SGX listing rules, and it will continue to make the necessary and appropriate announcement(s) as and when there are definitive developments.

**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  
**AusGroup Limited**

Eng Chiaw Koon  
Managing Director  
2 September 2016

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