

A.C.N 009 161 522 Limited
(Formerly known as SUBZERO GROUP LIMITED)
(Subject to Deed of Company Arrangement)

ABN 68 009 161 522

INTERIM FINANCIAL REPORT
for the half-year ended 31 December 2016

The information contained in this condensed report is to be read in conjunction with A.C.N 009 161 522 Limited's 30 June 2016 annual report and announcements to the market made by A.C.N 009 161 522 Limited.

A.C.N 009 161 522 LIMITED (Formerly known as Subzero Group Limited)
(Subject to Deed of Company Arrangement)
ABN 68 009 161 522
INTERIM FINANCIAL REPORT 31 DECEMBER 2016

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CORPORATE DIRECTORY

Directors

Mr Michael Davy
Mr Nicholas Young
Ms Kyla Garic

Company Secretary

Ms Kyla Garic

Registered office

39-43 Thomas Mitchell Drive
Muswellbrook NSW 2333

Auditor

RSM Australia Partners
8 St Georges Terrace
PERTH, WESTERN AUSTRALIA 6000

Bankers

Macquarie Bank Limited
50 Martin Place
Sydney NSW 2000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Securities Exchange Listing

ASX Limited
20 Bridge Street
Sydney NSW 2000
ASX Code – SZG

A.C.N 009 161 522 LIMITED (Formerly known as Subzero Group Limited)
(Subject to Deed of Company Arrangement)

ABN 68 009 161 522

INTERIM FINANCIAL REPORT 31 DECEMBER 2016

DIRECTORS' REPORT

The Directors present this report for A.C.N 009 161 522 Limited ("the Company") and its subsidiaries ("the Group") for the half year ended 31 December 2016.

Directors

The names and the particulars of the Directors who held office during or since the end of the half year and until the date of this report are disclosed below. The Directors were in office for this entire period unless otherwise stated.

The powers of the Directors were suspended from 11 February 2016, being the date of the appointment of the Voluntary Administrator and Receivers and Managers and remain so during the term of the Deed of Company Arrangement ("DOCA") made in relation to the Company.

Name	Status	Appointment/ Resignation
Mr Michael Davy	Non-Executive Director	Appointed on 29 June 2017
Mr Nicholas Young	Non-Executive Director	Appointed on 29 June 2017
Ms Kyla Garic	Non-Executive Director	Appointed on 29 June 2017
Mr Graeme (Joe) Clayton	CEO and Executive Director	Resigned on 29 June 2017

Company Secretary

Name	Status	Appointment
Ms Kyla Garic	Company Secretary	Appointed on 29 June 2017

State of affairs and major activities of the half-year

On 11 February 2016, Macquarie Bank Limited ("Macquarie"), a secured creditor of the Company placed the Group into Voluntary Administration and Receivership. Mr Philip Campbell-Wilson and Mr Adam Nikitins of Ernst & Young were appointed as joint and several Voluntary Administrators. The appointment of the Voluntary Administrators ("Administrators") was made concurrently with the appointment of Mr Ryan Eagle and Mr Morgan Kelly of Ferrier Hodgson as Receivers and Managers ("Receivers") over the business and the assets of the Group. Following appointment of the Administrators and Receivers, the powers of the Company's officers (including Directors) were suspended and the receivers assumed control of the Company.

The first meeting of creditors was held on 23 February 2016.

On 8 March 2016, the Administrators applied with the Supreme Court of New South Wales extending the convening period of the second meeting of creditors of the administrations of the companies in the Group. The Court ordered that the convening period be extended to 9 June 2016. Subsequent applications for further extensions were made to the Supreme Court of New South Wales (7 June 2016 and 5 September 2016) and orders further extending the convening period were made until 9 September 2016 and 9 November 2016 respectively.

On 12 August 2016, the Receivers entered into an Asset Sale Agreement for the sale of the business and assets of the Group (excluding the SZ Labour business and HMWS Business and the 50% interest in the Moranbah Joint Venture) with Management Resource Solutions PLC ("MRS").

The sale of business and assets of the Group (excluding the SZ Labour business and HMWS Business and the 50% interest in the Moranbah Joint Venture) with Management Resource Solutions PLC ("MRS") was completed on 30 September 2016.

A.C.N 009 161 522 LIMITED (Formerly known as Subzero Group Limited)
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DIRECTORS' REPORT

State of affairs and major activities of the half-year (continued)

The second meetings of creditors of companies in the Group was held on 14 November 2016 at which the creditors resolved the:

- With respect to the Company to execute a Deed of Company Arrangement ("DOCA") and appoint Mr Philip Campbell-Wilson and Mr Adam Nikitins as Joint and Several Deed Administrators ("Deed Administrators"); and
- With respect to the other entities in the group (other than the Company) creditors have resolved to wind up the subsidiary Entities and appoint Mr Philip Campbell-Wilson and Mr Adam Nikitins as Joint and Several Liquidators.

On 5 December 2016, the Company executed the DOCA, with Mr Philip Campbell-Wilson and Mr Adam Nikitins as Joint and Several Deed Administrators.

The DOCA provides for, inter alia, the recapitalisation of the Company and (subject to regulatory approval) re-quotation of its securities on the ASX.

A summary of the material terms of the "Recapitalisation Proposal" in relation to the Company is set out below. The following summary is not a substitute for the terms of the DOCA and the Recapitalisation Proposal, which forms Schedule 1 to the DOCA. Capitalised terms not defined below have the meanings given to them in the DOCA or Recapitalisation Proposal.

- a) The Company will consolidate its existing shares on a one (1) for (30) basis.
- b) The Syndicate (or nominees of the Syndicate) will provide \$440,000 cash towards the creditors of the Company ("Creditor Payment"). A total of \$30,000 to be paid as a deposit, upon execution of the varied DOCA and the balance to be made available following receipt of creditor and shareholder approval of the recapitalisation proposal.
- c) The Creditor Payment will be loaned into the Company, following shareholder approval, and will be repaid from the following capital raisings (which are subject to the receipt of shareholder approval). It is proposed that the capital raisings will be as follows:
 - (i) Up to 250,000,000 shares at not less than \$0.02 to raise \$5,000,000;
 - (ii) Up to 75,000,000 shares and 50,000,000 options to acquire shares with an exercise price of not less than \$0.02 each with an expiry of 4 years from the date of issue, for the acquisition of an asset to re-instate the Company's shares to trading on the ASX; and
 - (iii) Up to 75,000,000 Lead Manager Options to acquire shares with an exercise price of not less than \$0.02 each with an expiry date of 4 years from the date of issue;

The proposed capital structure and reconstruction (including consolidation, share/option issues and share/option prices) may be varied at the Syndicate's sole discretion, subject to both ASX and shareholder approval.

- d) All of the directors of the Company will be removed and replaced by nominees of the Syndicate.
- e) All secured creditors must release any security over the Company and its assets contemporaneously with the effectuation of the DOCA.
- f) The Creditor Payment is made on the basis that following shareholder approval, release of securities and payment of the Creditor Payment, the DOCA will terminate.
- g) All subsidiaries of the Company that are dormant and not required by the Syndicate are to be deregistered, at no cost to the Company or the Syndicate.
- h) At Completion of the capital raising, the Company's cash position, net of liabilities, is greater than \$4m.

A.C.N 009 161 522 LIMITED (Formerly known as Subzero Group Limited)
(Subject to Deed of Company Arrangement)

ABN 68 009 161 522

INTERIM FINANCIAL REPORT 31 DECEMBER 2016

DIRECTORS' REPORT

Incomplete records

To prepare the half year financial report, the Directors who were not in office for the period under review have reconstructed the financial records of the Group using data provided by the Receivers and extracted from the Group's accounting system for the entire financial period. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the half year financial statements.

These half year financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the administration process.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial performance for the half-year then ended.

Financial performance

The profit for the six months ended 31 December 2016 was \$5,809,000 (2015: loss of \$612,000).

Principal activities

Refer to state of affairs and major activities of the half year.

Events after the end of the reporting period

On 9 February 2017, the Australian Securities and Investment Commission ("ASIC") granted the Company relief from its financial reporting requirements and it does not need to comply with any of the following obligations under Part 2M.3 of the Corporations Act in relation to half year ended 31 December 2015, year ended 30 June 2016 and half year ended 31 December 2016:

- Reporting to members of the Company under section 314 within the time required by section 315;
- Send report to a member of the Company in accordance with a request under subsection 316(a) within the time required by subsection 316(2);
- Lodge reports with ASIC under subsection 319(1) within the required time by that subsection

On 3 March 2017, at a duly convened creditors meeting of the Company, pursuant to Section 445F of the Corporations Act, the creditors resolved to approve a variation to the DOCA. On the same day, the Company, the Deed Administrators, the Secured Creditor and Otsana Pty Ltd executed the variation to the DOCA.

On 29 June 2017, the director Graham (Joe) Clayton resigned from office and Michael Davy, Nicholas Young and Kyla Garlic were appointed as Directors of the Company.

Auditor independence and non-audit services

The auditor's independence declaration is included on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



Michael Davy

Non-Executive Director

Dated 30 June 2017

RSM Australia Partners

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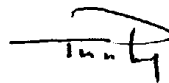
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of A.C.N 009 161 522 Limited (subject to a Deed of Company Arrangement) for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 30 June 2017

A.C.N 009 161 522 LIMITED (Formerly known as Subzero Group Limited)
(Subject to Deed of Company Arrangement)

ABN 68 009 161 522

INTERIM FINANCIAL REPORT 31 DECEMBER 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December 2016 \$'000	31 December 2015 \$'000
Revenue from continuing operations	8,970	31,422
Cost of sales	(7,059)	(23,369)
Gross profit	1,911	8,053
Other income	7,877	196
General and administration expense	(460)	(2,605)
Vehicle and equipment costs	(1,025)	(1,085)
Depreciation and amortisation	(304)	(1,228)
Finance costs	(427)	(349)
Employee benefits expense	(906)	(2,504)
Rental expense	(325)	(1,090)
Loss on disposal of assets	(532)	-
Income (loss) before income tax	5,809	(612)
Income tax expense	-	-
Income (loss) for the period	5,809	(612)
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	-	-
Total comprehensive income (loss) for the year	5,809	(612)
Total comprehensive income (loss) attributable to:		
Members of the parent entity	5,713	(635)
Non-controlling interest	96	23
	5,809	(612)
Basic earnings/(loss) per share (cents per share)	2.30	(0.24)

The accompanying notes form part of these financial statements.

A.C.N 009 161 522 LIMITED (Formerly known as Subzero Group Limited)
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INTERIM FINANCIAL REPORT 31 DECEMBER 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	31 December 2016 \$'000	30 June 2016 \$'000
CURRENT ASSETS			
Trade and other receivables		-	11,652
Inventories		-	1,468
TOTAL CURRENT ASSETS		-	13,120
NON-CURRENT ASSETS			
Property, plant and equipment		-	8,001
Financial assets		-	69
Intangible assets		-	21
TOTAL NON-CURRENT ASSETS		-	8,091
TOTAL ASSETS		-	21,211
CURRENT LIABILITIES			
Trade and other payables	3	9,087	31,180
Borrowings	4	22,758	26,008
Current tax liabilities		-	234
Provisions		-	1,193
TOTAL CURRENT LIABILITIES		31,845	58,615
NON-CURRENT LIABILITIES			
Provisions		-	250
TOTAL NON-CURRENT LIABILITIES		-	250
TOTAL LIABILITIES		31,845	58,865
NET LIABILITIES		(31,845)	(37,654)
EQUITY			
Issued capital	5	18,383	18,383
Reserves		-	(502)
Accumulated losses		(50,228)	(55,439)
Total parent equity interest		(31,845)	(37,558)
Non-controlling interest		-	(96)
TOTAL DEFICIENCY		(31,845)	(37,654)

The accompanying notes form part of these financial statements.

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INTERIM FINANCIAL REPORT 31 DECEMBER 2016

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED
31 DECEMBER 2016**

	Issued Capital	Accumulated Losses	Reserves	Non-Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2015	18,383	(50,720)	(502)	(75)	(32,914)
Loss for the period	-	(635)	-	23	(612)
Total comprehensive loss for the period	-	(635)	-	23	(612)
Balance at 31 December 2015	-	(51,335)	-	(52)	(33,526)
 Balance at 1 July 2016	 18,383	 (55,439)	 (502)	 (96)	 (37,654)
Profit for the period	-	5,211	502	96	5,809
Total comprehensive income for the period	-	5,211	502	96	5,809
Balance at 31 December 2016	18,383	(50,228)	-	-	(31,845)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	31 December 2016 \$'000	31 December 2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	20,712	26,540
Payments to suppliers and employees	(19,330)	(26,802)
Net cash from / (used in) operating activities	1,382	(262)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of plant and equipment	1,000	-
Net cash from investing activities	1,000	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(2,500)	-
Net cash used in financing activities	(2,500)	-
Net decrease in cash and cash equivalents	(118)	(262)
Cash and cash equivalents at beginning of period	(786)	(319)
Cash and cash equivalents at end of period	(904)	(581)

The accompanying notes form part of these financial statements

A.C.N 009 161 522 LIMITED (Formerly known as Subzero Group Limited)
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INTERIM FINANCIAL REPORT 31 DECEMBER 2016

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements for the half year ended 31 December 2016 cover A.C.N 009 161 522 Limited (Formerly known as Subzero Group Limited) ("the Company") and its controlled entities as a consolidated entity (also referred to as "the Group"). The Company is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

This interim financial report was issued on 30 June 2017 by the directors of the Company.

a) Statement of compliance

The interim financial report is a condensed financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting' where possible (refer to note 1(b)).

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

This half-year report does not include the full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide in full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this half-year financial report is read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The Accounting policies adopted in the preparation of this half-year financial report are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended 30 June 2016, except for the adoption of new standards and interpretations effective as of 1 July 2015 applied retrospectively. The adoption of these Standards and Interpretations has had no material impact.

New and revised accounting standards and interpretations

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australia Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Company.

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars.

b) Incomplete records

To prepare this half year financial report, the Directors who were not in office during the periods presented in this report have reconstructed the financial records of the Group using data extracted from the Group's accounting system for the entire financial period. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the half year financial statements.

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Incomplete records (continued)

These half year financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the external administration process of the Company.

Consequently, and although the Directors have prepared this financial report to the best of their knowledge based on the information that is available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial performance for the half-year then ended.

c) Going concern

The DOCA provides for, inter alia, the recapitalisation of the Company and (subject to regulatory approval) re-quotation of its securities on the ASX.

A summary of the material terms of the "Recapitalisation Proposal" in relation to the Company is set out below. The following summary is not a substitute for the terms of the DOCA and the Recapitalisation Proposal, which forms Schedule 1 to the DOCA. Capitalised terms not defined below have the meanings given to them in the DOCA or Recapitalisation Proposal.

- a) The Company will consolidate its existing shares on a one (1) for (30) basis.
- b) The Syndicate (or nominees of the Syndicate) will provide \$440,000 cash towards the creditors of the Company (Creditor Payment). A total of \$30,000 to be paid as a deposit, upon execution of the varied DOCA and the balance to be made available following receipt of creditor and shareholder approval of the recapitalisation proposal.
- c) The Creditor Payment will be loaned into the Company, following shareholder approval and shall be repaid from the below capital raisings (which will be subject to the receipt of shareholder approval). It is proposed that the capital raisings will be as follows:
 - (i) Up to 250,000,000 shares at not less than \$0.02 to raise \$5,000,000;
 - (ii) Up to 75,000,000 shares and 50,000,000 options to acquire shares with an exercise price of not less than \$0.02 each with an expiry of 4 years from the date of issue, for the acquisition of an asset to re-instate the Company's shares to trading on the ASX; and
 - (iii) Up to 75,000,000 Lead Manager Options to acquire shares with an exercise price of not less than \$0.02 each with an expiry date of 4 years from the date of issue.

The proposed capital structure and reconstruction (including consolidation, share/option issues and share/option prices) may be varied at the Syndicate's sole discretion, subject to both ASX and shareholder approval.

- d) The proposed capital structure and reconstruction (including consolidation, share/option issues and share/option prices) may be varied at the Syndicate's sole discretion, subject to both ASX and shareholder approval.
- e) All secured creditors must release any security over the Company and its assets contemporaneously with the effectuation of the DOCA.
- f) The Creditor Payment is made on the basis that following shareholder approval, release of securities, and payment of the Creditor Payment, the DOCA will terminate.
- g) All subsidiaries of the Company that are dormant and not required by the Syndicate are to be deregistered, at no cost to the Company or the Syndicate.
- h) At completion of the capital raising, the Company's cash position, net of liabilities, is greater than \$4m.

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

c) Going concern (continued)

For these reasons, the Directors consider the Group to be a going concern. Notwithstanding the material uncertainties of future events inherent in the above, the Directors consider it is appropriate to prepare financial information on a going concern basis and hence no adjustments have been made to the financial information relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary if the Group does not continue as a going concern.

NOTE 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Company and its controlled entities operate in one business segment, being Mining Services, in Australia. The various products and services all relate to the same economic characteristics and are sold to a common set of customers. Based on the operation of a single segment and geography, separate segment numbers have not been provided as the financial statements represent one segment.

NOTE 3: TRADE AND OTHER PAYABLES

	31 December 2016	30 June 2016
	\$'000	\$'000
Current		
Trade payables	*	7,674
Other payables	*	18,334
	9,087	26,008

* The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), there is insufficient information to enable this level of disclosure to be made.

At 30 June 2016 other payables include amounts outstanding to the Australian Taxation Office (ATO), GST payable, PAYG withholding payable, superannuation accrual, payroll accrual and other accruals and payables.

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 4: BORROWINGS

	31 December 2016	30 June 2016
	\$'000	\$'000
Current		
Bank overdraft	*	785
Bank loans	*	22,668
Hire purchase liabilities	*	2,555
Total current borrowings	22,758	26,008

(a) Secured liabilities

The total secured liabilities are as follows:

Overdraft facility	*	785
Bank loans	*	22,668
Hire purchase liabilities	*	2,555
Total secured liabilities	22,758	26,008

* The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), there is insufficient information to enable this level of disclosure to be made.

(b) Assets pledged as security

The bank loan and overdraft facility is secured by security cover all of the Group's property that it has at any time sufficient right, interests or powers to grant a security interests.

Macquarie as the Group's financier, has taken options over 15 million issued shares and a commercial property. These assets are provided by a private company under the control of former key management personnel of the group.

The carrying amounts of assets pledged as security for additional current and non-current borrowings are: The carrying amounts of assets pledge as security for additional current and non-current borrowings are:

Current		
Trade and other receivables	-	11,652
Inventories	-	1,468
Total current assets pledged as security	-	13,120
Non-current		
Property, plant and equipment	-	8,001
Total non-current assets pledged as security	-	8,001
Total assets pledged as security	-	21,121

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 5: ISSUED CAPITAL	Note	31 December 2016 \$'000	30 June 2016 \$'000
(a) Issued Capital:			
Ordinary shares fully paid		18,383	18,383
(b) Movement in ordinary share capital of the Company during the period was as follows:			
		Number	\$'000
Opening balance at 1 July 2016		252,915,402	18,383
Closing balance at 31 December 2016		252,915,402	18,383

NOTE 6: CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities

The Company and its controlled entities have no known contingent liabilities as at 31 December 2016.

Commitments

The Company and its controlled entities have no known commitments as at 31 December 2016.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

On 9 February 2017, the Australian Securities and Investment Commission ("ASIC") granted the Company relief from its financial reporting requirements and it does not need to comply with any of the following obligations under Part 2M.3 of the Corporations Act in relation to half year ended 31 December 2015, year ended 30 June 2016 and half year ended 31 December 2016:

- Reporting to members of the Company under section 314 within the time required by section 315;
- Send report to a member of the Company in accordance with a request under subsection 316(a) within the time required by subsection 316(2);
- Lodge reports with ASIC under subsection 319(1) within the required time by that subsection

On 3 March 2017, at a duly convened creditors meeting of the Company, pursuant to Section 445F of the Corporations Act, the creditors resolved to approve a variation to the DOCA. On the same day, the Company, the Deed Administrators, the Secured Creditor and Otsana Pty Ltd executed the variation to the DOCA.

On 29 June 2017, the director Graham (Joe) Clayton resigned from office and Michael Davy, Nicholas Young and Kyla Garlic were appointed as Directors of the Company.

A.C.N 009 161 522 LIMITED (Formerly known as Subzero Group Limited)
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INTERIM FINANCIAL REPORT 31 DECEMBER 2016

DIRECTORS' DECLARATION

- 1) In the opinion of the Directors:
 - a) As set out in note 1(b), although the current Directors have prepared the financial statements and notes thereto to the best of their knowledge based on the information made available to them, they are of the opinion that it **is not possible** to state that the half-year financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ending on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.
- 2) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable subject to the future events disclosed in note 1(c) occurring.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by



Michael Davy
Non-Executive Director
Dated 30 June 2017

RSM Australia Partners

8 St Georges Terrace Perth WA 6000

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
A.C.N 009 161 522 LIMITED (SUBJECT TO A DEED OF COMPANY ARRANGEMENT)**

We were engaged to review the accompanying half-year financial report of A.C.N 009 161 522 Limited (subject to a Deed of Company Arrangement), which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. Because of the matter described in the Basis for Disclaimer Conclusion section of our report, we were not able to complete our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of A.C.N 009 161 522 Limited (subject to a Deed of Company Arrangement), would be in the same terms if given to the directors as at the time of this auditor's review report.

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Basis for Disclaimer Conclusion

A.C.N 009 161 522 Limited (subject to a Deed of Company Arrangement) was placed into voluntary administration and receivership on 11 February 2016. We were unable to obtain sufficient appropriate evidence to verify the amounts disclosed in the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date. As a result, we were unable to determine whether any adjustments to these amounts were necessary.

Disclaimer Conclusion

Because of the significance of the matter described in the Basis for Disclaimer of Conclusion section of our report, we do not express a conclusion as to whether the half-year financial report of A.C.N 009 161 522 Limited (subject to a Deed of Company Arrangement) and its controlled entities is in accordance with the *Corporations Act 2001*, including:

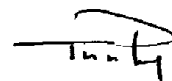
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

We draw attention to Note 1. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 30 June 2017