



Date: 12 May 2017

ASX Market Announcements  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

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**HALF-YEAR FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

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Please find attached the Appendix 4D and the half-year financial report for ADG Global Supply Limited for the half-year ended 31 December 2016.

**ADG Global Supply Limited****ACN 082 341 197  
HALF YEAR ENDED 31 DECEMBER 2016 - ADDITIONAL DISCLOSURES****1. Reporting periods**

Half year ended (‘Current period’)	Half year ended (‘Previous corresponding period’)
31 December 2016	31 December 2015

**2. Results for announcement to the market**

	%	AUD \$'000
Revenue	629	6,461
Profit after tax attributable to members	646	6,210
Profit for the period attributable to members	646	6,210

**Brief summary**

Refer to review of operations and results section in the directors' report.

Revenue of \$6,461,000 includes an amount of \$6,388,000 being a write back of bank borrowings and creditors to the income statement due to the extinguishment of liabilities upon completion of the Deed of Company Arrangement which effectuated the completion of the Company's Administration.

**3. Net tangible asset backing**

	Current period	Previous corresponding period
Net tangible liability per ordinary security	(13.30) cents / share	(185.59)# cents / share

#For the purpose of comparison of earnings per share, prior half-year total number of shares of 316,456,218 is shown as if the share consolidation of every 40 shares into 1 share and subsequent share consolidation of every 2 shares into 1 share occurred in the prior half-year, becoming 3,955,924 shares.

**4. Changes in Controlled Entities**

Not applicable

**5. Dividends or Distributions**

Not applicable

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**6. Dividend or Distribution Reinvestment Plans**

Not applicable

**7. Material interests in entities which are not controlled entities**

Not applicable

**8. Foreign Entities**

Not applicable

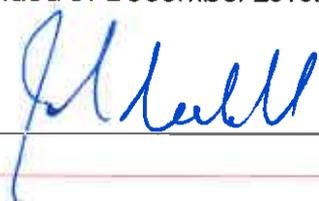
**9. Independent Review Report**

Refer to the Half Year Financial Report for the half-year ended 31 December 2016.

**10. Compliance statement**

This report should be read in conjunction with the attached Half Year Financial Report for the half-year ended 31 December 2016.

Signature: \_\_\_\_\_



Date: 12 May 2017

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## ADG Global Supply Limited

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**(ASX Code: ADQ)**

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Half-Year Financial Report 31 December 2016

ADG Global Supply Limited  
ACN 082 341 197

## **CORPORATE DIRECTORY**

### **Directors**

John Cahill (Chairman)  
Karen Amos  
Martin Casey

### **Company Secretary**

Martin Casey

### **Principal registered office**

Unit 132, 15 Hall Street  
Port Melbourne Victoria 3207

### **Share Register**

Boardroom Pty Limited  
Grosvenor Place, Level 12  
225 George Street, Sydney, NSW, 2000, Australia

### **Auditors**

RSM Australia Partners  
8 St Georges Terrace  
Perth WA 6000

### **Stock exchange listings**

ADG Global Supply Limited shares are listed on the Australian Securities Exchange (Shares ASX ticker: ADQ).

# FINANCIAL REPORT

## FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### DIRECTORS' REPORT

Your Directors present their report on ADG Global Supply Limited at the half-year ended 31 December 2016.

#### DIRECTORS

The Directors in office during the financial year and at the date of this report (unless otherwise stated) were as follows:

<b>Current Directors</b>	<b>Appointed</b>	<b>Position</b>
Mr John Cahill	29 July 2016	Chairman
Ms Karen Amos	29 July 2016	Non-executive director
Mr Martin Casey	29 July 2016	Non-executive director
<b>Former Directors</b>		
	<b>Resigned/Retired</b>	
Mr David Schwartz	29 July 2016	Chairman
Mr John Mancini	29 July 2016	Managing Director
Mr Charles Morgan	29 July 2016	Non-executive director

<sup>1</sup> Shareholders approved the election of each of Mr de Mori, Mr Young and Mr Mison at the Extraordinary General Meeting of the Company held on 28 January 2016. Shareholders again approved the election of each of Mr de Mori, Mr Young and Mr Mison at the Extraordinary General Meeting of the Company held on 5 July 2016. At both times when shareholders approved the appointment of Mr de Mori, Mr Young and Mr Mison, the Company remained in Administration, under the control of the Administrators, and the proposed directors did not take up office.

#### COMPANY SECRETARY

Mr Martin Casey

#### REVIEW OF OPERATIONS AND RESULTS

The Company had been placed into Administration on 6 January 2015. The Company's creditors agreed a Deed of Company Arrangement (DOCA) which was executed on 3 March 2015 with the proponent of the DOCA being Otsana Pty Ltd. The Company's creditors approved a variation to the DOCA put forward by Otsana Pty Ltd, with the variation executed on 25 September 2015. Under the variation to the DOCA executed on the 25 September 2015, an agreed amount of \$590,000 (originally \$600,000, but subsequently varied) was to be made available to settle creditors' claims and the Administrators' fees under the DOCA upon the satisfaction of the conditions stipulated in the DOCA.

On 19 August 2016, the Varied DOCA entered into between the creditors of the Company and Otsana Pty Ltd, then subsequently assigned to Zweimal Pty Ltd, was effectuated and the Company's Administration ended. Accordingly, on 19 August 2016, the Administrators resigned and handed control of the Company back to its directors.

# FINANCIAL REPORT

## FOR THE HALF YEAR ENDED 31 DECEMBER 2016

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Prior to completion of the DOCA, Otsana Pty Ltd entered into an agreement with Zweimal Pty Ltd (a company associated with Mr John Cahill) for Zweimal Pty Ltd to fund a number of payments under the DOCA and for Otsana Pty Ltd to assign all of its rights in the DOCA to Zweimal Pty Ltd. In accordance with the terms of the DOCA, the funds provided by Zweimal Pty Ltd were provided by way of loan funds from Zweimal Pty Ltd to the Company, and those funds were utilised to effectuate the DOCA and to end the Administration.

The Administration ended on 19 August 2016.

On 26 July 2016, the issued capital of the company was consolidated on the basis that every 2 shares were consolidated into 1 share. The pre-consolidated number of shares of 7,911,590 became 3,955,924 post consolidation.

There are no other significant events to report.

### **CURRENT FOCUS OF THE COMPANY**

After the Administration of the Company was ended, and control of the Company was returned to its directors, the directors have been attending to a number of administrative matters, including preparation and finalisation of accounts for the year ended 30 June 2016 (being in respect of the period where none of the current directors were on the board, and control of the Company was with the Administrators) and for the half-year ended 31 December 2016.

The board is open to new business ideas for the Company and have had preliminary consideration of several business ideas, none of which have progressed to a sufficient level.

### **SUBSEQUENT EVENTS**

There are no matters or circumstances that have arisen since the end of the half-year ended 31 December 2016 which have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the Company, in future financial reporting periods.

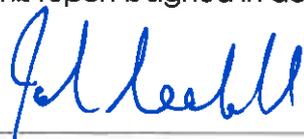
### **ROUNDING OF AMOUNTS**

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

### **AUDITORS' INDEPENDENCE DECLARATION**

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is included in this half-year financial report.

This report is signed in accordance with a resolution of the Board of Directors



Director

Date: 12<sup>th</sup> May, 2017

# FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

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

	Notes	31 December 2016 \$'000	31 December 2015 \$'000
<b>Revenue</b>	3	-	-
Other income	3	6,461	886
<b>Expenses</b>			
Raw materials and consumables used		-	-
Employee benefits expense		-	-
Depreciation and amortisation expense		-	-
Other expenses		(251)	(54)
Finance costs		-	-
<b>Profit before income tax</b>		<b>6,210</b>	<b>832</b>
Income tax expense		-	-
<b>Profit attributable to the members of ADG Global Supply Limited</b>		<b>6,210</b>	<b>832</b>
<b>Other comprehensive income</b> <i>Items that may be reclassified subsequently to operating result</i>			
Foreign currency translation		-	-
Income tax relating to components of other comprehensive income		-	-
<b>Other comprehensive income for the period net of income tax</b>		-	-
<b>Total comprehensive income for the period</b>		<b>6,210</b>	<b>832</b>
Earnings per share (cents per share)			
- basic earnings per share		156.99	21.04
- diluted earnings per share		156.99	21.04

The accompanying notes form part of the half-year financial report.

# FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	31 December 2016 \$'000	30 June 2016 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		-	-
Trade and other receivables		-	-
Inventories		-	-
Other assets		-	-
<b>Total Current Assets</b>		-	-
<b>Non-Current Assets</b>			
Property, plant and equipment		-	-
Intangible assets		-	-
<b>Total Non-Current assets</b>		-	-
<b>TOTAL ASSETS</b>		-	-
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		15	448
Income tax payable		-	-
Borrowings	4	511	6,289
Provisions		-	-
<b>Total Current Liabilities</b>		526	6,737
<b>Non-Current Liabilities</b>			
Provisions		-	-
<b>Total Non-Current Liabilities</b>		-	-
<b>TOTAL LIABILITIES</b>		526	6,737
<b>NET LIABILITIES</b>		<b>(526)</b>	<b>(6,737)</b>
<b>EQUITY</b>			
Issued capital	6	18,684	18,684
Option valuation reserve		345	345
Foreign exchange translation reserve		-	-
Accumulated losses		(19,555)	(25,765)
<b>TOTAL DEFICIENCY IN EQUITY</b>		<b>(526)</b>	<b>(6,736)</b>

The accompanying notes form part of the half-year financial report.

# FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

## STATEMENT OF CASHFLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December 2016 \$'000	31 December 2015 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	-	-
Payments to suppliers and employees	(251)	-
Other receipts	73	886
Interest Received	-	-
Interest paid	-	-
Income tax paid	-	-
<b>Net cash flows provided by operating activities</b>	<b>(178)</b>	<b>886</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	-	-
<b>Net cash flows used in investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Net proceeds from/(repayment of) borrowings	178	(886)
<b>Net cash flows used in financing activities</b>	<b>178</b>	<b>(886)</b>
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
<b>Cash and cash equivalents at end of period</b>	<b>-</b>	<b>-</b>

*The accompanying notes form part of the half-year financial report.*

# FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

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

	Issued capital	Options valuation reserve	Foreign exchange translation reserve	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2015</b>	<b>18,684</b>	<b>345</b>	-	<b>(27,203)</b>	<b>(8,174)</b>
Profit for the period	-	-	-	832	832
Other comprehensive income for the period (net of tax)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	832	832
<b>Transactions with owners, in their capacity as owners</b>					
Value of options cancelled during the period	-	-	-	-	-
Total transactions with owners and other transfers	-	-	-	-	-
<b>Balance at 31 December 2015</b>	<b>18,684</b>	<b>345</b>	-	<b>(26,371)</b>	<b>(7,342)</b>
<b>Balance at 1 July 2016</b>	<b>18,684</b>	<b>345</b>	-	<b>(25,765)</b>	<b>(6,736)</b>
Profit for the period	-	-	-	6,210	6,210
Other comprehensive income for the period (net of tax)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	6,210	6,210
<b>Transactions with owners, in their capacity as owners</b>					
Value of options cancelled during the period	-	-	-	-	-
Total transactions with owners and other transfers	-	-	-	-	-
<b>Balance at 31 December 2016</b>	<b>18,684</b>	<b>345</b>	-	<b>(19,555)</b>	<b>(526)</b>

The accompanying notes form part of the half-year financial report.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of ADG Global Supply Limited as the full annual financial report for year ended 30 June 2016.

The half-year financial report should be read in conjunction with the annual financial report of ADG Global Supply Limited as at 30 June 2016. It is also recommended that the half-year financial report be considered together with any public announcements made by ADG Global Supply Limited during the half-year ended 31 December 2016 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

#### ***New and Revised Accounting Standards and Interpretations***

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian 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.

#### ***Going Concern***

The half-year financial report has been prepared on the going concern basis and contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Company had cash outflows from operating activities of \$0.178 million for the half-year ended 31 December 2016 and, as of that date, the Company had net current liabilities and net liabilities of \$0.526 million. At the date of this report, the Company has no cash and is reliant on funding from Zweimal Pty Ltd. These factors indicate a material uncertainty which may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

The directors believe that there are reasonable grounds to believe that the Company will continue as a going concern after consideration of the following factors:

- The varied Deed of Company Arrangement ("DOCA") has been effectuated and all liabilities associated with the administration of ADG Global Supply Limited have been extinguished, other than the loan from Zweimal Pty Ltd;
- The loan from Zweimal Pty Ltd will be repayable on the issue of new capital or within 5 years, whichever event occurs first; and
- The Company plans to raise capital to enable it to pursue business opportunities.

Upon satisfaction of all conditions associated with the reinstatement of the shares on the ASX, the Company's securities will be reinstated on the ASX in due course.

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the half-year financial report.

The half-year financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company does not continue as a going concern.

## 2. SEGMENT INFORMATION

For the period 6 January 2015 to 19 August 2016, the company was under administration.

For the half-year ended 31 December 2016, there was no business activity conducted by the company during this period, other than in relation to the realisation of assets and finalisation of the Administration.

## 3. REVENUE

	31 December 2016 \$'000	31 December 2015 \$'000
<b>Revenue</b>		
Sales revenue	-	-
<b>Other income</b>		
Other income	73	886
Write-back of creditors+	6,388	-
	<u>6,461</u>	<u>886</u>

+As the Varied DOCA was effectuated on 19 August 2016, the bank borrowings and creditors subject to DOCA that remain unpaid were extinguished and written back to the income statement.

## 4. BORROWINGS

	31 December 2016 \$'000	30 June 2016 \$'000
Bank loan facilities (subject to DOCA)	-	6,179
Loan from Ostana Pty Ltd	-	110
Loan from Zweimal Pty Ltd	511	-
	<u>511</u>	<u>6,289</u>

Interest charges with respect to the bank loan facilities were suspended since the company went into voluntary administration on 6 January 2015 until they were extinguished on 19 August 2016.

The Loan from Zweimal Pty Ltd is repayable within 5 years, or earlier upon certain circumstances, including the issue of new capital. The loan accrues interest at the rate of 500bps margin over the Reserve Bank Cash rate, after an initial period to 31 March 2017. Zweimal Pty Ltd may secure the loan by way of a security interest over all property of the Company.

### *Classification*

All bank borrowings have been classified as current in the financial statements as the company was under voluntary administration from 6 January 2015 to 19 August 2016. All borrowings subject to DOCA have been recorded at their amortised cost until such time where the lender have agreed to settlement of amounts owing.

#### 4. BORROWINGS (Continued)

Prior to completion of the DOCA, Otsana Pty Ltd entered into an agreement with Zweimal Pty Ltd (a company associated with Mr John Cahill) for Zweimal Pty Ltd to fund a number of payments under the DOCA and for Otsana Pty Ltd to assign all of its rights in the DOCA to Zweimal Pty Ltd. As at 30 June 2016, the loan balance owing to Otsana Pty Ltd was \$110,000 (with the liability crystallised at completion of the Administration) . This was subsequently assigned to Zweimal Pty Ltd in July 2016.

As the Varied DOCA was effectuated on 19 August 2016, the bank borrowings balances recorded as at 30 June 2016 have been extinguished. The DOCA and associated expenses were extinguished partly by proceeds from receivables recovered during the Administration and partly by way of a loan from Zweimal Pty Ltd (a company associated with Mr John Cahill). As at 19 August 2016, the loan balance owing to Zweimal Pty Ltd was \$450,450, including \$110,000 assigned from Otsana Pty Ltd. As at the date of this Report, the loan balance owing to Zweimal Pty Ltd is \$511,185. As the loan from Zweimal Pty Ltd is repayable within 5 years, or earlier upon certain circumstances including the issue of new capital, the loan has been classified as current.

#### 5. COMMITMENTS AND CONTINGENCIES

Since the last annual reporting date, there have been no material changes to any contingent liabilities or contingent assets.

#### 6. ISSUED CAPITAL

	31 December 2016	30 June 2016
Number of ordinary shares (a)	3,955,924	7,911,590

##### (a) Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue	Date	Number	\$'000
Opening number of shares	1/7/2016	7,911,590	18,684
Share consolidation on the basis of every 2 shares being consolidated into 1 share		(3,955,924)	-
Closing number of shares	31/12/2016	3,955,924	18,684

#### 7. EVENTS AFTER THE REPORTING DATE

There are no matters or circumstances that have arisen since the half-year ended 31 December 2016, which have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial reporting periods.

## 8. EARNINGS PER SHARE

Basic earnings/(loss) per share amounts are calculated by dividing net earnings for the year attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings/(loss) per share amounts are calculated by dividing the net earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	31 December 2016 \$'000	31 December 2015 \$'000
Net profit attributable to ordinary shareholders for basic earnings per share	6,210	832
Effect of dilutive equity instruments	-	-
Net profit attributable to ordinary shareholders for diluted earnings per share	<u>6,210</u>	<u>832</u>

	Number of shares	Number of shares
Weighted average number of ordinary shares for basic (loss)/earnings per share	3,955,924*	3,955,924#+
Effect of dilution:	-	-
Adjusted weighted average number of ordinary shares for diluted (loss)/earnings per share	<u>3,955,924*</u>	<u>3,955,924#+</u>

+On 12 February 2016, the issued capital of the company were consolidated on the basis that every 40 shares were consolidated into 1 share. The pre-consolidated number of shares of 316,456,218 became 7,911,590 post consolidation.

\* On 26 July 2016, the issued capital of the company were consolidated on the basis that every 2 shares were consolidated into 1 share. The pre-consolidated number of shares of 7,911,590 became 3,955,924 post consolidation.

#For the purpose of comparison of earnings per share, prior half-year total number of shares of 316,456,218 is shown as if the share consolidation of every 40 shares into 1 share and subsequent share consolidation of every 2 shares into 1 share occurred in the prior half-year.

The number of ordinary shares on issue at 31 December 2016 was 3,955,924 (31 December 2015: 316,456,218 – pre-consolidation).

## DIRECTORS' DECLARATION

In the directors' opinion:

1. The attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the financial half-year ended on that date; and
3. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001



John Cahill  
Director

Date: 12<sup>th</sup> May 2017



**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
ADG GLOBAL SUPPLY LIMITED**

We have reviewed the accompanying half-year financial report of ADG Global Supply Limited, which comprises the statement of financial position as at 31 December 2016, and 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.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company 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. We conducted 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*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ADG Global Supply Limited, 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 ADG Global Supply Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ADG Global Supply Limited is not in accordance with the *Corporations Act 2001* including:

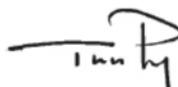
- (a) giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

*Material Uncertainty Related to Going Concern*

We draw attention to Note 1 to the financial statements, which indicates that the company had cash outflows from operating activities of \$0.178 million for the half-year ended 31 December 2016 and, as of that date, the company had net current liabilities and net liabilities of \$0.526 million. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 12 May 2017

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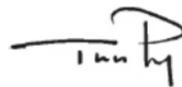
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the half-year financial report of ADG Global Supply Limited 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: 12 May 2017