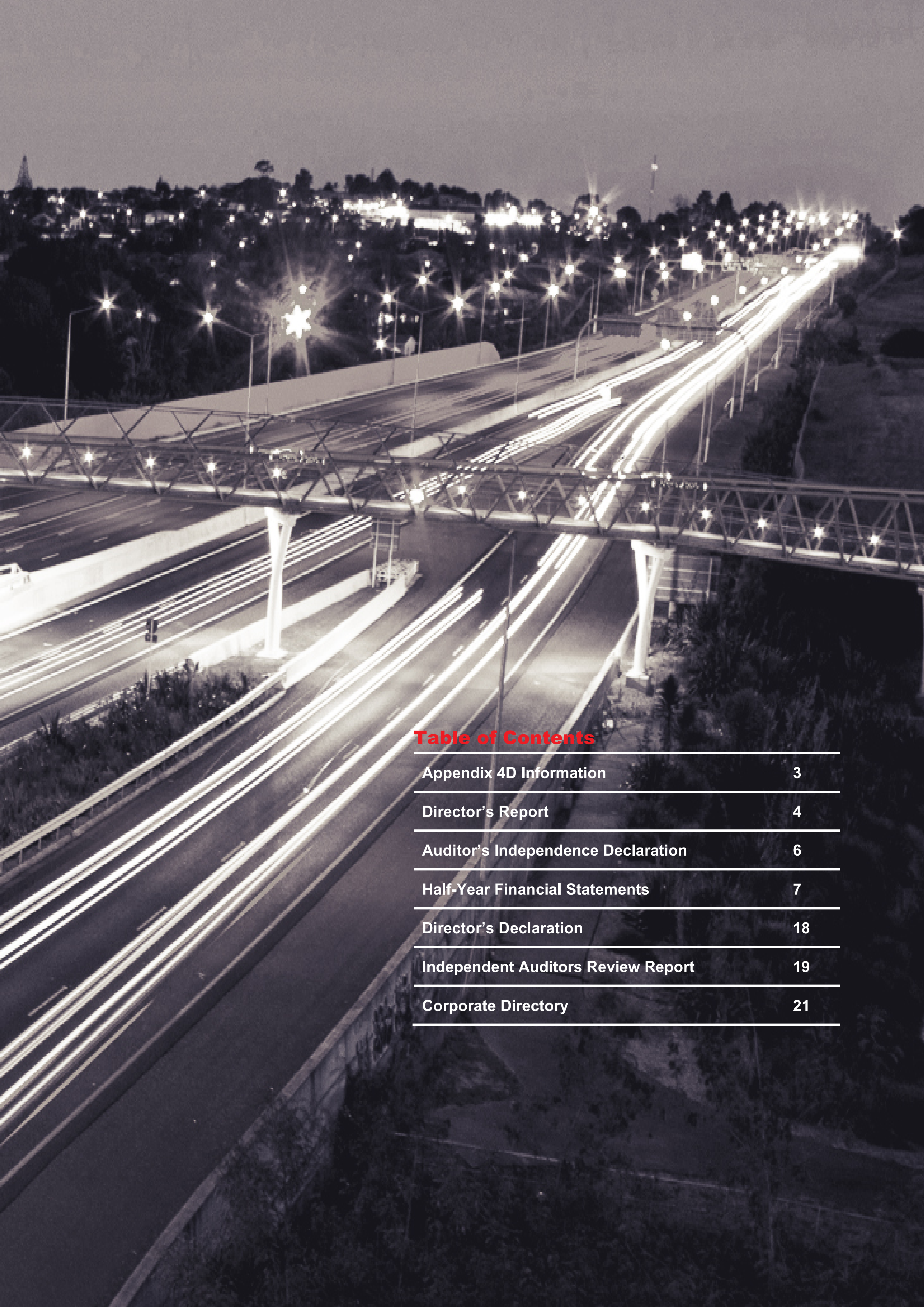
APPENDIX 4D & HALF YEAR REPORT

FOR THE HALF YEAR ENDING 31 DECEMBER 2019

ABN: 81 104 662 259

Engineer Construct Sustain

MAKING THE COMPLEX SIMPLE



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Appendix 4D Information for ASX

The following information is provided to ASX in accordance with Listing Rule 4.2A.3. This information should be read in conjunction with SRG Global Limited's Financial Report for the half-year ended 31 December 2019 as contained herein.

Name of entity
SRG Global Limited ('Company'; 'Group' or 'SRG Global'), ABN 81 104 662 259

Details of reporting period

	6-month period ended
Reporting period	31 December 2019
Previous corresponding period	31 December 2018

Results for announcement to the market

For the six months ended 31 December		%	2019 $000's	2018 $000's
Revenue from ordinary activities	Up	11	259,164	232,568
Profit from ordinary activities after tax attributable to members	Down	48	3,537	6,793
Net profit for the period attributable to members	Down	48	3,537	6,793
Earnings per share (basic)	Down	58	0.8¢	1.9¢
Net tangible assets per security (basic)	Down	42	22.6¢	39.1¢

Dividends & distributions	Amount per security	Franked Amount per security
Reporting period		
Interim dividend for the six months ended 31 December 2019	0.5¢	0.5¢
Previous corresponding period		
Interim dividend for the six months ended 31 December 2018	1.0¢	1.0¢

Dividend reinvestment plan
SRG Global does not have a dividend reinvestment plan.

Half-year information given to ASX under listing rule 4.2A.3
This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made during the reporting period by the Company in accordance with the continuous disclosure requirements of the ASX Listing Rules and *Corporations Act 2001*.

Comparative financial information
SRG Global Limited was formed in September 2018 when a Scheme of Arrangement ('Scheme') between SRG Limited ('SRG') and Global Construction Services Ltd ('GCS') was completed. For accounting purposes, the Scheme was determined to be effective on 31 August 2018. Accordingly, the comparative financial information for the six months ended 31 December 2018 includes a six-month contribution from SRG (1 July 2018 to 31 December 2018) and a four-month contribution from GCS (1 September 2018 to 31 December 2018).

Directors' Report

The Directors submit their report for the half-year ended 31 December 2019 for the consolidated entity, consisting of SRG Global Limited and its controlled entities.

Directors
The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Non-Executive Chairman	Mr Peter J McMorrow
Managing Director	Mr David W Macgeorge
Non-Executive Director	Mr Peter J Brecht
Non-Executive Director	Mr Michael W Atkins
Non-Executive Director	Mr John J Derwin

During the half-year period Mr Peter D Wade resigned on 26 November 2019 and Mr Vincenzo (Enzo) D Gullotti resigned on 2 October 2019.

Company Secretaries
The names of the Company Secretaries in office during the half-year and until the date of this report are set out below. Company Secretaries were in office for the entire period unless otherwise stated.

Mr Roger CH Lee
Mr Paul J Hegarty

Principal Activities
During the half-year, the principal continuing activities of the consolidated entity consisted of delivering a suite of engineering-led specialist construction, maintenance and mining services across the entire asset lifecycle.

Review of Operations
Construction Segment
Our operations in the Construction Segment consist of supplying integrated products and services to customers involved in the construction of infrastructure projects. These typically include bridges, dams, office towers, high rise apartments, shopping centres, hotels, car parks, recreational buildings and hospitals. Contracts are typically short to medium term in nature.

For the six months ended 31 December 2019 the Construction Segment generated revenues of $148.6m, an increase of 15.2% on the previous corresponding period. EBITDA for the six-month period was $4.2m, a decrease of 35.9% on the previous corresponding period.

Asset Services Segment
Our operations in the Asset Services Segment consist of supplying integrated services to customers across the entire asset life cycle. Services provided span multiple sectors including oil and gas, energy, transport infrastructure, steel, marine, mining, power generation, commissioning, de-commissioning, shutdowns and minor civil works. Contracts vary in length with the majority being long-term.

For the six months ended 31 December 2019 the Asset Services Segment generated revenues of $76.4m, an increase of 27.2% on the previous corresponding period. EBITDA for the six-month period was $9.7m, an increase of 44.0% on the previous corresponding period.

Mining Services Segment
The Mining Services Segment services mining clients and provides comprehensive ground solutions including production drilling, ground and specialist geotechnical services. Contracts vary in length with the majority being long-term.

For the six months ended 31 December 2019 the Mining Services Segment generated revenues of $34.2m, a decrease of 21.5% on the previous corresponding period. EBITDA for the six-month period was $6.6m, a decrease of 7.6% on the previous corresponding period.

Matters subsequent to the end of the half-year financial results

In January 2020 the Company executed a $90m multi-disciplinary services contract with Alcoa of Australia (‘Alcoa’). The scope of services includes heavy mechanical and electrical maintenance, specialist rope access and scaffold services at Alcoa’s alumina refinery in Kwinana, Western Australia. The contract is for a duration of five years with contract services commencing in February 2020. Refer to the Company’s announcement published with ASX on 29 January 2020 for further information.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity’s operations, the results of those operations, or the consolidated entity’s state of affairs in future financial years other than the matters above and the dividend as set out below.

Dividends

On Tuesday, 25 February 2020 the Company declared an interim half a cent per share, fully franked dividend (2018: one cent per share fully franked). The Record Date for this dividend is Wednesday, 11 March 2020 with payment to be made on Wednesday, 29 April 2020.

Comparative financial information

SRG Global Limited was formed in September 2018 when a Scheme of Arrangement (‘Scheme’) between SRG Limited (‘SRG’) and Global Construction Services Ltd (‘GCS’) was completed. For accounting purposes, the Scheme was determined to be effective on 31 August 2018. Accordingly, the comparative financial information for the six months ended 31 December 2018 includes a six-month contribution from SRG (1 July 2018 to 31 December 2018) and a four-month contribution from GCS (1 September 2018 to 31 December 2018).

Auditors’ Independence Declaration

The auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is set on the next page and forms part of the Directors’ Report for the half-year ended 31 December 2019.

Rounding

The parent entity is a Company of the kind specified in *ASIC Corporation Legislative Instrument 2016/191*. In accordance with that class order, amounts contained in the interim consolidated financial statements have been rounded to the nearest thousand dollars ($’000) unless specifically stated otherwise.

This report is made in accordance with a resolution of the directors, pursuant to Section 306(3) of the *Corporations Act 2001*.

Mr Peter J McMorrow
Non-Executive Chairman
Perth, 25 February 2020

Auditors' Independence Declaration

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Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF SRG GLOBAL LIMITED

As lead auditor for the review of SRG Global Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of SRG Global Limited and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 25 February 2020

Consolidated Statement of Profit or Loss & Other Comprehensive Income
For the Half-Year Ended 31 December 2019

	Note	31 Dec 2019 $'000	31 Dec 2018 $'000
Revenue		259,164	232,568
Other Income		1,338	2,854
Construction and servicing costs		(121,632)	(120,851)
Employee benefits expense		(110,865)	(79,824)
Depreciation expense		(8,443)	(4,427)
Amortisation expense		(2,540)	(3,231)
Other expenses		(15,019)	(21,687)
Finance expenses		(1,184)	(761)
Share of net profits of joint ventures accounted for using the equity method		1,104	350
Profit before tax		**1,923**	**4,991**
Income tax benefit	6	1,614	1,802
Profit after tax for the period		**3,537**	**6,793**
Other comprehensive income			
Exchange differences arising on translation of foreign operations		(86)	962
Total comprehensive income for the period, net of tax		**3,451**	**7,755**

		2019	2018
Earnings per share attributable to members of the parent entity			
Basic earnings per share (cents per share)	10	0.8	1.9
Diluted earnings per share (cents per share)	10	0.8	1.9

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2019

	Note	31 Dec 2019 $'000	30 Jun 2019 $'000
Current assets			
Cash and cash equivalents		33,551	58,280
Trade and other receivables		72,759	70,583
Contract assets		42,435	47,462
Inventories		13,957	13,041
Prepayments		9,223	3,987
Derivative financial instrument		191	-
Investments accounted for using the equity method		2,438	1,099
Current tax assets		382	-
Total Current Assets		**174,936**	**194,452**
Non-current assets			
Property, plant and equipment		72,820	71,453
Right of use assets	4	20,937	-
Intangible assets		135,029	137,556
Deferred tax assets		27,854	27,177
Total non-current assets		**256,640**	**236,186**
Total assets		**431,576**	**430,638**
Current liabilities			
Trade and other payables		73,363	84,113
Contract liabilities		10,746	15,592
Borrowings	7	22,141	21,222
Right of use liabilities	4	6,610	-
Tax liabilities		-	1,746
Provisions		18,445	20,828
Derivative financial instrument		-	54
Total current liabilities		**131,305**	**143,555**
Non-current liabilities			
Borrowings	7	22,902	24,880
Right of use liabilities	4	14,628	-
Provisions		6,537	9,475
Total non-current liabilities		**44,067**	**34,355**
Total liabilities		**175,372**	**177,910**
Net assets		**256,204**	**252,728**
Equity			
Contributed equity		218,096	215,896
Reserves		7,464	8,204
Retained profits		30,644	28,628
Total equity		**256,204**	**252,728**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2019

	Share Capital Ordinary $'000	Reverse Acquisition Reserve $'000	Total Issued Capital $'000	Retained Earnings $'000	Share Based Payments Reserve $'000	Asset Revaluation Reserve $'000	Foreign Currency Translation Reserve $'000	Total Equity $'000
Balance at 1 July 2019	**304,376**	**(88,480)**	**215,896**	**28,628**	**8,235**	**682**	**(713)**	**252,728**
Profit for the period	-	-	-	3,537	-	-	-	**3,537**
Other comprehensive income	-	-	-	-	-	-	(86)	**(86)**
Total comprehensive income	**-**	**-**	**-**	**3,537**	**-**	**-**	**(86)**	**3,451**
Transactions with owners in their capacities as owners								
Issue of ordinary shares, net of transaction costs	2,200	-	2,200	-	-	-	-	**2,200**
Share based payments	-	-	-	-	28	-	-	**28**
Dividends paid	-	-	-	(2,203)	-	-	-	**(2,203)**
Transfer to retained earnings	-	-	-	682	-	(682)	-	**-**
Balance at 31 December 2019	**306,576**	**(88,480)**	**218,096**	**30,644**	**8,263**	**-**	**(799)**	**256,204**
Balance at 1 July 2018	**155,810**	**(89,541)**	**66,269**	**40,415**	**7,455**	**682**	**(1,133)**	**113,688**
Opening balance adjustment on application of AASB 15	-	-	-	(7,199)	-	-	-	**(7,199)**
Balance at 1 July 2018	**155,810**	**(89,541)**	**66,269**	**33,216**	**7,455**	**682**	**(1,133)**	**106,489**
Profit for the period	-	-	-	6,793	-	-	-	**6,793**
Other comprehensive income	-	-	-	-	-	-	962	**962**
Total comprehensive income	**-**	**-**	**-**	**6,793**	**-**	**-**	**962**	**7,755**
Transactions with owners in their capacities as owners								
Issue of ordinary shares, net of transaction costs	847	-	847	-	-	-	-	**847**
Share based payments	-	-	-	-	780	-	-	**780**
Dividends paid	-	-	-	(3,698)	-	-	-	**(3,698)**
Fair value of consideration on acquisition of subsidiaries	148,780	-	148,780	-	-	-	-	**148,780**
Balance at 31 December 2018	**305,437**	**(89,541)**	**215,896**	**36,311**	**8,235**	**682**	**(171)**	**260,953**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2019

	31 Dec 2019 $'000	31 Dec 2018 $'000
Receipts from customers	283,796	221,923
Interest received	63	471
Payments to suppliers and employees	(291,779)	(222,169)
Interest paid	(1,247)	(1,091)
Income tax (paid) / refunded	(1,191)	1,043
Cash (outflow) / inflow from operating activities	**(10,358)**	**177**
Payments for business combinations	-	(1,758)
Proceeds from business combinations	-	39,215
Payments for property, plant and equipment	(7,650)	(11,595)
Proceeds from sale of property, plant and equipment	1,668	-
Payments of contingent consideration	-	(2,530)
Dividends from joint ventures	(2,253)	-
Cash (outflow) / inflow from investing activities	**(8,235)**	**23,332**
Proceeds from issuance of shares	-	847
Proceeds from borrowings	30,179	10,051
Repayment of borrowings	(34,142)	(6,897)
Payment of dividends	(2,202)	(3,698)
Cash (outflow) / inflow from financing activities	**(6,165)**	**303**
Net cash (decrease) / increase in cash and cash equivalents	**(24,758)**	**23,812**
Effect of exchange rates on cash and cash equivalents in foreign currency	29	(127)
Cash and cash equivalents at the beginning of financial period	58,280	29,713
Cash and cash equivalents at the end of the financial period	**33,551**	**53,398**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Report

1. Basis of Preparation of Half-Year Financial Report

This general purpose financial report for the interim half-year reporting period ended 31 December 2019 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, these statements should be read in conjunction with the most recent annual financial reports, but additional notes have been included where such notes are deemed relevant to the understanding of the half-year financial report.

Except where indicated otherwise, all amounts are presented in Australian dollars.

With the exception of application of AASB16 *Leases* ('AASB 16') as described in Note 4, there has been no changes to the application of Australian Accounting Standards during the half-year period.

2. Comparative financial information

SRG Global Limited was formed in September 2018 when a Scheme of Arrangement ('Scheme') between SRG Limited ('SRG') and Global Construction Services Ltd ('GCS') was completed. For accounting purposes, the Scheme was determined to be effective on 31 August 2018. Accordingly, the comparative financial information for the six months ended 31 December 2018 includes a six-month contribution from SRG (1 July 2018 to 31 December 2018) and a four-month contribution from GCS (1 September 2018 to 31 December 2018).

3. Critical accounting estimates and judgements

For the half-year ending 31 December 2019 the critical judgments, estimates and assumptions that management has made on the application of accounting policies and the reported amounts of assets, liabilities, income and expenses are consistent with those applied to the consolidated financial report for the year ended 30 June 2019, with the exception of:

- Valuation of share-based payments (Note 11)
- Incremental borrowing rates used for valuation of right of use assets and leases (Note 4)

Refer relevant note for details.

4. Application of AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019 and has not restated comparatives for the 2018 reporting period as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

On adoption of AASB 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*.

These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was between 3.13% and 3.51%. To calculate the rate, a base reference rate and the associated credit margin was taken from the debt facilities that the Group are currently a party to as it was determined that that this approach was the best match to satisfy the prescription within the standard.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

4. Application of AASB 16 Leases (continued)

The group's leasing activities and how these are accounted for:

The group leases various offices, warehouses, equipment and cars. Lease contracts are typically made for fixed periods of 3 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2019 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs
- less any incentives received

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Impact on application of AASB 16

	Opening Balance 1 Jul 2019 $'000
Operating lease commitments disclosed as at 30 June 2019	33,807
Discounted using the lessee's incremental borrowing rate of at the date of initial application	32,644
(Less): Exempt leases recognised on a straight-line basis as expense	(8,271)
Right of use liability recognised as at 1 July 2019	**24,373**

4. Application of AASB 16 Leases (continued)

The recognised right of use liabilities is as follows:	1 Jul 2019 $'000	31 Dec 2019 $'000
Current right of use liability	6,440	6,610
Non-current right of use liability	17,933	14,628
	24,373	**21,238**

The associated right-of-use assets for property leases were measured on a retrospective basis with the cumulative effect of initially applying the standard recognised at the date of initial application. The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

The recognised right of use assets relate to the following types of assets:	1 Jul 2019 $'000	31 Dec 2019 $'000
Properties	22,873	19,693
Equipment and vehicles	1,500	1,244
Total right of use assets	**24,373**	**20,937**

The impact on the Group consolidated income is:	31 Dec 2019 $'000
Decrease in operating lease expense	3,477
Increase in borrowing cost	(375)
Increase in right of use asset depreciation	(3,386)
Decrease in profit before tax	**(284)**
Increase in income tax benefit	85
Decrease in profit after tax	**(199)**

Practical expedients applied:

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate on each portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease
- the accounting for lease and non-lease components as a single lease component

The group has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying AASB 117 and Interpretation 4 *Determining Whether an Arrangement Contains a Lease*.

The Group has adopted the practical expedient available under paragraph 15 of AASB 16 that allows a lessee to elect, by class of underlying **asset**, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

5. Segment Information

a) Description of segments

Management has determined that strategic decision making is facilitated and enhanced by evaluation of operations on the customer segments of Construction, Asset Services and Mining Services. For each of the strategic operating segments, the Managing Director reviews internal management reports on a regular basis.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations have inherently different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

The following summary describes the operations in each of the Group's reportable segments:

Construction

Our operations in the Construction Segment consist of supplying integrated products and services to customers involved in the construction of infrastructure projects. These typically include bridges, dams, office towers, high rise apartments, shopping centres, hotels, car parks, recreational buildings and hospitals. Contracts are typically short to medium term in nature.

Asset Services

Our operations in the Asset Services Segment consist of supplying integrated services to customers across the entire asset life cycle. Services provided span multiple sectors including oil and gas, energy, transport infrastructure, steel, marine, mining, power generation, commissioning, de-commissioning, shutdowns and minor civil works. Contracts vary in length with the majority being long-term.

Mining Services

The Mining Services Segment services mining clients and provides comprehensive ground solutions including production drilling, ground and specialist geotechnical services. Contracts vary in length with the majority being long-term.

The Managing Director assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement excludes certain non-recurring expenditures which are of an isolated nature such as equity settled share-based payments and corporate activities pertaining to the overall Group including the treasury function which manages the cash and funding arrangements of the Group.

Segment information provided to the Managing Director for the half-year ended 31 December 2019 is set out at Note 5(b).

5. Segment Information (continued)

b) Segment Revenues and Results

	Construction $'000	Asset Services $'000	Mining Services $'000	Corporate $'000	Total $'000
31 December 2019					
Construction Revenue	148,557	-	-	-	148,557
Services Revenue	-	76,380	34,227	-	110,607
Revenue	**148,557**	**76,380**	**34,227**	**-**	**259,164**
EBITDA	**4,157**	**9,654**	**6,644**	**(7,468)**	**12,987**
Depreciation	(2,276)	(2,731)	(2,548)	(889)	(8,444)
Amortisation	(744)	(1,796)	-	-	(2,540)
Finance costs	(167)	(207)	(287)	(523)	(1,184)
Equity accounted investment results	1,104	-	-	-	1,104
Profit before income tax	**2,074**	**4,920**	**3,809**	**(8,880)**	**1,923**
Income tax benefit					1,614
Profit after income tax					**3,537**
31 December 2018					
Construction Revenue	128,939	-	-	-	128,939
Services Revenue	-	60,047	43,582	-	103,629
Revenue	**128,939**	**60,047**	**43,582**	**-**	**232,568**
EBITDA	**6,482**	**6,706**	**7,193**	**(7,321)**	**13,060**
Depreciation	(1,108)	(924)	(2,192)	(203)	(4,427)
Amortisation	(1,930)	(1,301)	-	-	(3,231)
Finance costs	(17)	(181)	-	(563)	(761)
Equity accounted investment results	350	-	-	-	350
Profit before income tax	**3,777**	**4,300**	**5,001**	**(8,087)**	**4,991**
Income tax benefit					1,802
Profit after income tax					**6,793**

c) Segment Assets and Liabilities

	Construction $'000	Asset Services $'000	Mining Services $'000	Corporate $'000	Total $'000
31 December 2019					
Segment assets	212,283	132,429	43,968	42,896	**431,576**
Segment liabilities	69,175	49,242	23,457	33,498	**175,372**
30 June 2019					
Segment assets	214,032	119,917	44,711	51,978	**430,638**
Segment liabilities	89,173	38,436	24,738	25,563	**177,910**

6. Income Tax Benefit

The effective tax rate for the current period is affected by the recognition of an over provision of tax expense in respect to the prior tax year.

In the prior corresponding period, the effective tax rate was affected by the recognition of a deferred tax asset in connection with entities entering the tax consolidation group ('TCG'). On entering the TCG, a deferred tax asset was created via a revaluation of the asset value for tax purposes. This deferred tax asset gives rise to a tax benefit in the form of higher future depreciation expense that will be released over the remaining life of the assets.

7. Loans and borrowings

	31 Dec 2019 $'000	30 Jun 2019 $'000
Current		
Secured borrowings	22,141	21,222
	22,141	**21,222**
Non-current		
Secured borrowings	22,902	24,880
	22,902	**24,880**
Total loans and borrowings	**45,043**	**46,102**
The Group has access to the following lines of credit:		
Total facilities available		
Bank overdraft	1,500	1,500
Hire purchase facility	40,000	69,852
Other facilities	53,450	29,900
Bank guarantee facility	20,500	20,550
Surety bond facility	176,418	176,415
	291,868	**298,217**
Facilities used at the end of the period:		
Bank overdraft	-	-
Hire purchase facility	22,217	22,226
Other facilities	20,646	28,743
Bank guarantee facility	17,584	16,630
Surety bond facility	51,831	55,696
	112,278	**123,295**
Facilities not used at the end of the period:		
Bank overdraft	1,500	1,500
Hire purchase facility	17,783	47,626
Other facilities	32,804	1,157
Bank guarantee facility	2,916	3,920
Surety bond facility	124,587	120,719
	179,590	**174,922**

For bank overdraft, bank guarantee and other facilities, a general security arrangement is in place which creates a security interest in all present and future assets of the Group.

8. Dividends

On Tuesday, 25 February 2020 The Company declared an interim half a cent per share fully franked dividend (2018: one cent fully franked). The Record Date for this dividend is Wednesday, 11 March 2020 with payment to be made on Wednesday, 29 April 2020.

9. Earnings Per Share

	31 Dec 2019	31 Dec 2018
Profit attributable to members of the parent entity – $'000	3,537	6,793
WANOS used in the calculations of basic EPS (shares)	443,018,018	365,094,732
WANOS used in the calculations of diluted EPS (shares)	443,018,018	365,094,732
Earnings per share		
Basic (cents per share)	0.8¢	1.9¢
Diluted (cents per share)	0.8¢	1.9¢

10. Related Party Transactions

On 2 October 2019, Vincenzo (Enzo) Gullotti resigned and was remunerated $786,165 on termination. This amount was a combination of accumulated entitlements and allowances as per his employment agreement with SRG Global Limited.

During the period under review, the Group granted 1,600,000 performance rights to eligible management and staff under the Company Performance Rights Plan (the 'Plan'). Expense for the period of the performance rights granted is $12,000.

In addition to this, the Group also granted 2,650,000 performance rights to the Managing Director, Mr David W Macgeorge and other senior executives under the Plan. The expense for the period of the performance rights granted is $16,000.

There were no other significant related party transactions outside of the normal course of business, during the 6 months ending 31 December 2019.

11. Contingencies

There has been no change in contingent liabilities, contingent assets or commitments since the last annual reporting date, being 30 June 2019.

12. Events occurring after the reporting period

In January 2020 the Company executed a $90m multi-disciplinary services contract with Alcoa of Australia ('Alcoa'). The scope of services includes heavy mechanical and electrical maintenance, specialist rope access and scaffold services at Alcoa's alumina refinery in Kwinana, Western Australia. The contract is for a duration of five years with contract services commencing in February 2020. Refer to the Company's announcement published with ASX on 29 January 2020 for further information.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years other than the matters above.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statement and notes set out on pages 7 to 17 are in accordance with the *Corporations Act 2001*, including:

    a) Complying with Accounting Standards AASB134 *Interim Financial Reporting* and *Corporation Regulations 2001* and other mandatory professional reporting requirements, and

    b) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

2. There are reasonable grounds to believe that SRG Global Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors, pursuant to s303(5) of the *Corporations Act 2001*.

Mr Peter J McMorrow
Non-Executive Chairman
Perth, 25 February 2020

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Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of SRG Global Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of SRG Global Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated 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 then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 Group's financial position as at 31 December 2019 and its financial 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 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.

Independent Auditor's Review Report

BDO

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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Partner

Perth, 25 February 2020

Corporate Directory

Directors

Non-Executive Chairman	Mr Peter J McMorrow
Managing Director	Mr David W Macgeorge
Non-Executive Director	Mr Peter J Brecht
Non-Executive Director	Mr Michael W Atkins
Non-Executive Director	Mr John J Derwin

Company Secretaries
Mr Roger CH Lee
Mr Paul J Hegarty

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Contact Details

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ASX Code
SRG

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Share Registry
Computershare Investor Services Pty Ltd
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Perth WA 6000

Bankers

Commonwealth Bank of Australia	National Australia Bank
300 Murray Street	100 St Georges Terrace
Perth WA 6000	Perth WA 6000