



29 February 2016

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

---

**HALF-YEAR FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

---

Please find attached the Appendix 4D and the half-year financial report for ADG Global Supply Limited (Subject to a Deed of Company Arrangement) for the half-year ended 31 December 2015.

**ADG Global Supply Limited**  
**(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)**

**ABN 16 082 341 197**  
**HALF YEAR ENDED 31 DECEMBER 2015 - ADDITIONAL DISCLOSURES**

**1. Reporting periods**

Half year ended (‘Current period’)	Half year ended (‘Previous corresponding period’)
31 December 2015	31 December 2014

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

			<b>AUD \$</b>
Revenue	Down	96%	886,520
Profit/(Loss) after tax attributable to members	Up	362%	832,292
Profit/(Loss) for the period attributable to members	Up	362%	832,292

**Brief summary**

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

**3. Net tangible asset backing**

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(2.32) cents / share	0.88 cents / share

**4. Changes in Controlled Entities**

Not applicable

**5. Dividends or Distributions**

Not applicable

**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 2015.

**10. Compliance statement**

This report should be read in conjunction with the attached Half Year Financial Report for the half-year ended 31 December 2015.

This report is signed in accordance with the terms of the Holding Deed which suspends the exercise by the Directors' and Officers' of their duties as directors and officers of ADG Global Supply Limited for the duration of the Holding Deed, but does not otherwise remove any Officer from office

Sign here:

 \_\_\_\_\_

Date: 29 February 2016

Signed for and on behalf of ADG Global Supply Limited (Subject to a Deed of Company Arrangement) (ACN 082 341 197) by its appointed deed administrator Simon Guy Theobald.

---



---

---

**ADG Global Supply Limited  
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)**

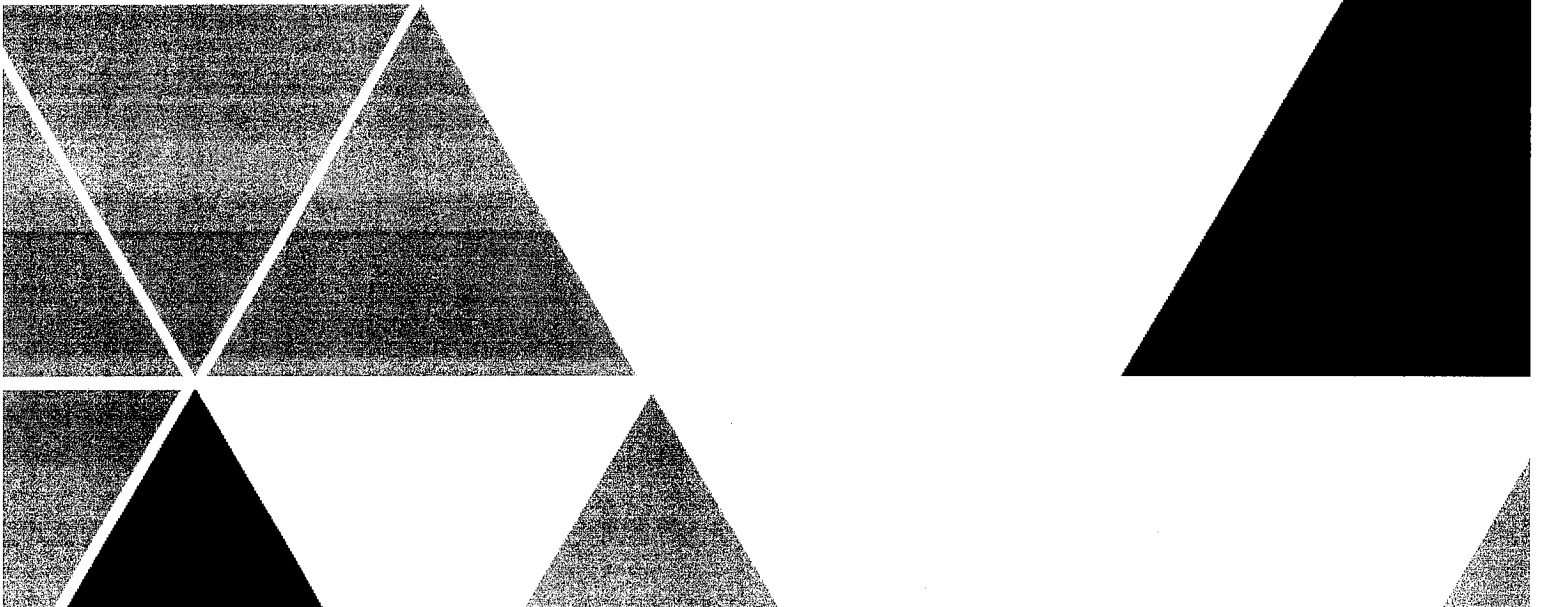
---

**(ASX Code: ADQ)**

---

Half-Year Financial Report 31 December 2015

ADG Global Supply Limited  
A.B.N. 16 082 34 1 197



## CORPORATE DIRECTORY

<b>Directors</b>	David J Schwartz <i>Chairman</i>
	John Mancini <i>Managing Director</i>
	Charles Morgan <i>Non-executive Director</i>
<b>Company Secretary</b>	Paul Roberts
<b>Principal registered office</b>	c/- PPB Advisory Level 21 140 St Georges Terrace Perth WA 6000  Phone: +61 (8) 9329 5900
<b>Share Register</b>	Boardroom Limited Level 7, 207 Kent Street Sydney, NSW 2000 Australia
<b>Auditors</b>	RSM Australia Partners 8 St Georges Terrace Perth WA 6000 Australia
<b>Solicitors</b>	Steinepreis Paganin Level 4, Next Building 16 Milligan Street Perth, WA 6000 Australia
<b>Bankers</b>	Australia and New Zealand Banking Group Limited Level 7, 77 St Georges Terrace Perth, WA 6000 Australia
<b>Stock exchange listings</b>	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 2015

---

## DIRECTORS' REPORT

Your Directors present their report on ADG Global Supply Limited at the half-year ended 31 December 2015.

### DIRECTORS

The following persons were Directors of ADG Global Supply Limited during the whole of the half-year and up to the date of this report unless otherwise stated:

Mr David Schwartz	Chairman (non-executive)
Mr John Mancini	Managing Director
Mr Charles Morgan	Non-executive Director

### COMPANY SECRETARY

Mr Paul Roberts

## REVIEW OF OPERATIONS AND RESULTS

### Financial Performance/Developments

Simon Theobald and Melissa Humann of PPB Advisory were appointed joint and several Voluntary Administrators of ADG Global Supply Pty Ltd (**ADG Pty Ltd**) and ADG Global Supply Limited (**ADG Limited**) on 6 January 2015 by the directors under s436A of the Corporations Act 2001. The company deconsolidated its controlled entities, including ADG Pty Ltd, from the financial statements on 6 January 2015 when it went into voluntary administration and lost control of its controlled entities.

At the second meeting of creditors on 11 February 2015, creditors resolved that ADG Limited execute a holding Deed of Company Arrangement (the Holding Deed). The Holding Deed was subsequently executed on 3 March 2015.

At a meeting of creditors held on 24 September 2015, creditors resolved to approve a variation to the DOCA put forward by Otsana Capital and executed on 3 March 2015. The variation deed was subsequently executed on 25 September 2015. Under the DOCA executed on the 25 September 2015, an agreed amount of \$600,000 will be available to settle creditors' claims under the DOCA and the Administrator fees upon the satisfaction of the conditions stipulated in the DOCA.

At the Annual General Meeting held on 28 January 2016, the shareholders approved the restructure and recapitalisation proposal. Refer to note 7 in the financial report for details.

### Subsequent Events

There are no matters or circumstances that have arisen since the end of the half-year ended 31 December 2015 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 other than disclosed in note 7 in the financial report.

# FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

---

## Return to creditors and shareholders

Based on our current estimates of asset realisations, the Deed Administrators anticipate there will be a substantial shortfall to the secured creditor of ADG Limited. Accordingly, we do not anticipate there will be any funds available to make a distribution to unsecured creditors or shareholders of ADG Limited.

## 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 the terms of the Holding Deed which suspends the exercise by the Directors' and Officers' of their duties as directors and officers of ADG Limited for the duration of the Holding Deed, but does not otherwise remove any Officer from office

Sign here:

 \_\_\_\_\_

Date: 29 February 2016

Signed for and on behalf of ADG Global Supply Limited (Subject to a Deed of Company Arrangement) (ACN 082 341 197) by its appointed deed administrator Simon Guy Theobald

# FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	31 December 2015 \$	31 December 2014 \$
<b>Revenue</b>	3	-	<b>21,867,895</b>
Other income	3	886,520	-
<b>Expenses</b>			
Raw materials and consumables used		-	(18,384,925)
Employee benefits expense		-	(2,148,249)
Depreciation and amortisation expense		-	(171,748)
Other expenses		(54,228)	(1,109,837)
Finance costs		-	(371,676)
<b>Profit/(Loss) before income tax</b>		<b>832,292</b>	<b>(318,540)</b>
Income tax expense		-	-
<b>Profit/(Loss) attributable to the members of ADG Global Supply Limited</b>		<b>832,292</b>	<b>(318,540)</b>
<b>Other comprehensive income</b> <i>Items that may be reclassified subsequently to operating result</i>			
Foreign currency translation		-	371,215
Income tax relating to components of other comprehensive income		-	-
<b>Other comprehensive income for the period net of income tax</b>		-	<b>371,215</b>
<b>Total comprehensive income for the period</b>		<b>832,292</b>	<b>52,675</b>
Earnings per share (cents per share)			
- basic earnings per share		0.26	(0.10)
- diluted earnings per share		0.26	(0.10)

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



# FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Notes	31 December 2015 \$	30 June 2015 \$
<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		437,873	383,646
Income tax payable		-	-
Borrowings	4	6,903,741	7,790,261
Provisions		-	-
<b>Total Current Liabilities</b>		7,341,614	8,173,907
<b>Non-Current Liabilities</b>			
Provisions		-	-
<b>Total Non-Current Liabilities</b>		-	-
<b>TOTAL LIABILITIES</b>		7,341,614	8,173,907
<b>NET LIABILITIES</b>		<b>(7,341,614)</b>	<b>(8,173,907)</b>
<b>EQUITY</b>			
Issued capital	6	18,684,233	18,684,233
Option valuation reserve		344,671	344,671
Foreign exchange translation reserve		-	-
Accumulated losses		(26,370,518)	(27,202,811)
<b>TOTAL DEFICIENCY IN EQUITY</b>		<b>(7,341,614)</b>	<b>(8,173,907)</b>

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

# FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

## STATEMENT OF CASHFLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 December 2015 \$	31 December 2014 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	20,534,372
Payments to suppliers and employees	-	(19,979,058)
Other receipts	886,520	-
Interest Received	-	43
Interest paid	-	(371,677)
Income tax paid	-	(15,962)
<b>Net cash flows provided by operating activities</b>	<b>886,520</b>	<b>167,718</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	-	(57,664)
<b>Net cash flows used in investing activities</b>	<b>-</b>	<b>(57,664)</b>
<b>Cash flows from financing activities</b>		
Net repayment of borrowings	(886,520)	(147,089)
<b>Net cash flows used in financing activities</b>	<b>(886,520)</b>	<b>(147,089)</b>
Net decrease in cash and cash equivalents	-	(37,035)
Cash and cash equivalents at beginning of period	-	225,780
<b>Cash and cash equivalents at end of period</b>	<b>-</b>	<b>188,745</b>

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

# FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

## STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Issued capital	Options valuation reserve	Foreign exchange translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	<b>18,684,233</b>	<b>378,391</b>	<b>330,172</b>	<b>(16,562,609)</b>	<b>2,830,188</b>
Loss for the period	-	-	-	(318,544)	(318,544)
Other comprehensive income for the period (net of tax)	-	-	371,215	-	371,215
Total comprehensive income for the period	-	-	371,215	(318,544)	52,671
<b>Transactions with owners, in their capacity as owners</b>					
Value of options cancelled during the period	-	(33,720)	-	-	(33,720)
Total transactions with owners and other transfers	-	(33,720)	-	-	(33,720)
<b>Balance at 31 December 2014</b>	<b>18,684,233</b>	<b>344,671</b>	<b>701,387</b>	<b>(16,881,153)</b>	<b>2,849,138</b>
<b>Balance at 1 July 2015</b>	<b>18,684,233</b>	<b>344,671</b>	<b>-</b>	<b>(27,202,811)</b>	<b>(8,173,907)</b>
Profit for the period	-	-	-	832,293	832,293
Other comprehensive income for the period (net of tax)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	832,293	832,293
<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>18,684,233</b>	<b>344,671</b>	<b>-</b>	<b>(26,370,518)</b>	<b>(7,341,614)</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 2015.

The half-year financial report should be read in conjunction with the annual financial report of ADG Global Supply Limited as at 30 June 2015.

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 2015 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 net current liabilities and net liabilities of \$7,341,614.

The Directors believe that there are reasonable grounds to believe that ADG Global Supply Limited will continue as a going concern because the Varied Deed of Company Arrangement ("DOCA"), once effectuated, will extinguish all liabilities associated with the administration of ADG Global Supply Limited and result in a restructure and recapitalisation of ADG Global Supply Limited. Subsequent to 31 December 2015, the shareholders approved the restructure and recapitalisation proposal at the Annual General Meeting held on 28 January 2016. Refer to note 7 in the financial report for further details.

Accordingly, the Directors believe that ADG Global Supply Limited 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.

If the DOCA is not effectuated and the restructure and recapitalisation to raise capital is not successful, there is significant uncertainty whether ADG Global Supply Limited 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 financial report.

The 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**

### **Products and services from which reportable segments derive their revenues**

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Industrial Products includes products that are manufactured and distributed by the company including safety, MRO (maintenance, repairs & operations), drilling equipment & fluids and off-the-road tyres.

Global Procurement is a service which assists clients with purchasing and supply of a range of goods and capital equipment to site.

Supply Chain covers a comprehensive range of logistics, in-country support, freight forwarding and project logistics services.

Transfer prices between operating segments are set at an arms-length basis in a manner similar to transactions with third parties.

The following tables present revenue and results information regarding operating segments for the half-year ended 31 December 2015.

## 2. SEGMENT INFORMATION (CONTINUED)

	Industrial Products \$	Global Procurement \$	Supply Chain \$	Total \$
<b>HALF-YEAR ENDED 31 DECEMBER 2015</b>				
<b>Revenue</b>				
Sales to external customers	-	-	-	-
Other revenues				886,520
Total segment revenue				<u>886,520</u>
<b>Result</b>				
Profit before tax and finance costs				832,292
Finance costs				-
Profit before income tax				<u>832,292</u>
Income tax expense				-
Net profit for the year				<u>832,292</u>
<b>Assets and liabilities</b>				
Segment assets	-	-	-	-
Unallocated assets				-
Total assets				<u>-</u>
Segment liabilities	-	-	-	-
Unallocated liabilities				7,341,614
Total liabilities				<u>7,341,614</u>

	Industrial Products \$	Global Procurement \$	Supply Chain \$	Total \$
<b>HALF-YEAR ENDED 31 DECEMBER 2014</b>				
<b>Revenue</b>				
Sales to external customers	850,000	17,012,576	4,005,319	21,867,895
Other revenues				-
Total segment revenue				<u>21,867,895</u>
<b>Result</b>				
Profit before tax and finance costs				52,675
Finance costs				(371,215)
Loss before income tax				<u>(318,540)</u>
Income tax expense				-
Net loss for the year				<u>(318,540)</u>
<b>Assets and liabilities</b>				
Segment assets	6,855,578	10,154,189	140,000	17,149,767
Unallocated assets				2,435,562
Total assets				<u>19,585,329</u>
Segment liabilities	-	9,039,595	134,400	9,173,995
Unallocated liabilities				7,562,183
Total liabilities				<u>16,736,178</u>

### 3. REVENUE

	31 December 2015 \$	31 December 2014 \$
<b>Revenue</b>		
Sales revenue	-	21,867,895
Total revenue	-	21,867,895
<b>Other income</b>		
Other income	886,520	
Total other income	886,520	-

### 4. BORROWINGS

	31 December 2015 \$	30 June 2015 \$
<i>Current</i>		
Interchange facility 1 (Subject to DOCA)	2,600,000	2,600,000
Interchange facility 2 (Subject to DOCA)	1,600,000	1,600,000
Interchange facility 3 (Subject to DOCA)	1,155,000	1,155,000
Asset purchase facility (Subject to DOCA)	325,000	325,000
Overdraft facility (Subject to DOCA)	1,011,241	1,897,761
Property guarantee (Subject to DOCA)	212,500	212,500
	<u>6,903,741</u>	<u>7,790,261</u>

### 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 2015	30 June 2015
Number of ordinary shares (a)	<u>316,456,218</u>	<u>316,456,218</u>

#### (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	\$
Opening number of shares	1/7/2015	316,456,218	18,684,233
Closing number of shares	31/12/2015	<u>316,456,218</u>	<u>18,684,233</u>

## 7. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 31 December 2015, the shareholders approved the restructure and recapitalisation proposal at the Annual General Meeting held on 28 January 2016. The key points are as follows:

- (i) The consolidation of the issued capital of the company on the basis that every 40 shares be consolidated into 1 share;
- (ii) The issue of securities pursuant to a prospectus of: -
  - a. Up to 65,000,000 shares to sophisticated and professional investors nominated by Otsana to receive securities ("Promoter Nominees") at an issue price of \$0.00001 each to raise up to \$650;
  - b. Up to 200,000,000 shares to the Promoter Nominees, existing shareholders and the general public at an issue price of not less than \$0.01 each to raise up to \$2,000,000; and
  - c. Up to 65,000,000 unquoted options to the Promoter Nominees each with an exercise price of not less than \$0.01, expiring on the date which is 4 years after the date of issue, at an issue price of \$0.00001 each to raise up to \$650;
- (iii) The payment of \$600,000 to the company's creditors in order to extinguish the company's existing debt which will be funded by: (1) the capital raising referred to in (ii)(b) above; (2) sale of inventory in the previously held controlled entity; and/or (3) loan from Otsana in the event the proceeds from capital raising are inadequate; and
- (iv) The replacement of all existing directors and company secretary with new directors and company secretary on completion of the recapitalisation.

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

Other than the above, there are no matters or circumstances that have arisen since the half-year ended 31 December 2015, 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.



## 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 2015 and of its performance for the financial half-year ended on that date; and
3. Subject to the achievement of the matters described in Note 1, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with the terms of the Holding Deed which suspends the exercise by the Directors' and Officers' of their duties as directors and officers of ADG Global Supply Limited for the duration of the Holding Deed, but does not otherwise remove any Officer from office

Sign here: 

Date: 29 February 2016

Signed for and on behalf of ADG Global Supply Limited (Subject to Deed of Company Arrangement) (ACN 082 341 197) by its appointed deed administrator Simon Guy Theobald



**RSM Australia Partners**

8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100

F +61(0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
ADG GLOBAL SUPPLY LIMITED (SUBJECT TO A DEED OF COMPANY ARRANGEMENT)**

We have reviewed the accompanying half-year financial report of ADG Global Supply Limited (subject to a Deed of Company Arrangement), which comprises the statement of financial position as at 31 December 2015, 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 2015 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 (subject to a Deed of Company Arrangement), 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.

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

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

### *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 (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.

### *Basis for Qualified Conclusion*

The company was placed in Voluntary Administration on 6 January 2015. Our auditor's review report, dated 6 July 2015, on the financial report for the half-year ended 31 December 2014, expressed a disclaimer of conclusion, due to our inability to obtain sufficient appropriate evidence to verify the balances in the statement of financial position as at 31 December 2014 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 31 December 2014. Accordingly, we do not express a conclusion on 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 31 December 2014.


### *Qualified Conclusion*

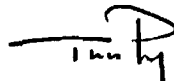
Based on our review, which is not an audit, except for the effects on the corresponding figures on the matter described in the Basis for Qualified Conclusion paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of ADG Global Supply Limited (subject to a Deed of Company Arrangement) 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 2015 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*

Without further qualifying our conclusion, we draw attention to Note 1 to the financial statements, which indicates that the company had net current liabilities and net liabilities of \$7,341,614 as at 31 December 2015. 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 and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The logo for RSM Australia Partners, consisting of the letters "RSM" in a stylized font above the text "RSM AUSTRALIA PARTNERS".  
RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read "Tutu Phong".

TUTU PHONG  
Partner

Perth, WA  
Dated: 29 February 2016



**RSM Australia Partners**

8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100  
F +61(0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of ADG Global Supply Limited for the half-year ended 31 December 2015, 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: 29 February 2016

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

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation