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## FACSIMILE

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Date: 6 March 2015  
To: **Australian Securities Exchange** Fax number: **1300 135 638**  
From: Deed Administrators  
No. pages to follow: 15  
Subject: **Savcor Group Limited (Subject to Deed of Company Arrangement)**  
**ACN 127 734 196 ('the Company')**

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Dear Sir/Madam

Please find enclosed the Appendix 4E in relation to the preliminary final report to be placed on the Company's public ASX announcements.

Yours faithfully

A handwritten signature in black ink, appearing to be "Janna Robertson", written over a horizontal line.

Janna Robertson  
Deed Administrator

**Confidentiality Notice**

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# Appendix 4E

## Preliminary Final Report

### 1. Company details

Name of entity	<b>Savcor Group Limited (Subject to Deed of Company Arrangement)</b>
ABN:	52 127 734 196
Reporting period:	<b>Year ended 31 December 2014</b>
Previous corresponding period:	Year ended 31 December 2013

### 2. Results for announcement to the market

Revenues from ordinary activities	down	100.0%	to	\$-
Total revenue continuing and discontinuing operations	down	74.7%	to	\$22,065,000
Loss from ordinary activities after tax attributable to the owners of Savcor Group Limited	up	100.0%	to	\$-
Loss for the period attributable to the owners of Savcor Group Limited	up	62.3%	to	\$20,714,000

#### Discontinued operations

On 27 June 2014, Administrators were appointed over Savcor Group Limited and one of its subsidiaries. Shortly following their appointment the operations of the Group were wound up or disposed of.

Voluntary administrators were appointed to Savcor ART Pty Ltd (**Savcor ART**), a wholly owned subsidiary, on 19 August 2014. BPCJ Holdings Pty Ltd acquired the business through a Deed of Company Arrangement on 31 October 2014.

Savcor Products Pty Ltd sold its business and assets (and transferred its liabilities other than the Bank debt it guaranteed) to Savcor Products Australia Pty Ltd on 18 July 2014.

#### Dividends

There were no dividends paid, recommended or declared during the current financial period.

#### Comments

The loss for the consolidated entity after providing for income tax amounted to \$20,714,000.

### 3. Net tangible assets

	Reporting period	Previous corresponding period
Net tangible assets per ordinary security	(23.35) cents	(7.10) cents

### 4. Control gained over entities

Name of entities (or group of entities)	Not applicable	
Date control gained	Not applicable	
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities after income tax during the period (where material)		\$ -
Profit/ (loss) from ordinary activities after income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)		\$ -

### 5. Loss of control over entities

Name of entities (or group of entities)	Date control lost	
Pacific Lining Solutions Holdings Pty Ltd	27 June 2014	
Savcor ART New Zealand Ltd		
Savcor Corrosion Technology Co. Ltd		
Savcor India Pty Ltd		
Savcor Japan KK		
Savcor Tempo Oy		
Savcor ART Pty Ltd	24 October 2014	
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities after income tax during the period (where material)		\$ -
Profit/ (loss) from ordinary activities after income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)		\$ -

## 6. Dividends

### Current period

There were no dividends paid, recommended or declared during the current financial period.

### Previous corresponding period

There were no dividends paid, recommended or declared during the current financial period.

## 7. Dividend reinvestment plans

Dividend or distribution plans in operation:	Not applicable
The last date(s) for receipt of election notices for the dividend or distribution plans:	Not applicable

## 8. Details of associates and joint venture entities

Name of <i>Contribution to profit/ (loss) (where material)</i> associate/ joint venture	Current period	Previous corresponding period	Current period	Previous corresponding period
Cencorp Corporation	15.6%	38.5%	\$ (4,612,000)	\$(3,725,000)
Sacvor-Contech Joint Venture Limited	0.0%	50.0%	\$ -	\$3,000
VEC-Savcor Joint Venture	50.0%	50.0%	\$ -	\$217,000
<i>Group's aggregate share of associates and joint venture entities' profit/ (loss) (where material)</i>				
Profit/ (loss) from ordinary activities before income tax			\$ -	\$(3,505,000)
Income tax on operating activities			\$ -	\$ -

## 9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

## 10. Audit qualification or review

Details of audit/ review dispute or qualification:

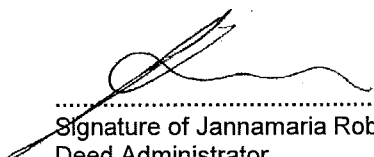
The Annual Report will be audited and a disclaimer opinion is expected to be issued.

## 11. Attachments

Details of attachments:

The Preliminary Financial Statements of Savcor Group Limited for the year ended 31 December 2014 are attached.

## 12. Signed



.....  
Signature of Jannamaria Robertson  
Deed Administrator

6 March 2015  
.....

Date

**SAVCOR GROUP LIMITED**  
**(SUBJECT TO DEED OF COMPANY ARRANGEMENT)**

**ABN 52 127 734 196**

**PRELIMINARY FINANCIAL STATEMENTS**  
**31 DECEMBER 2014**

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Note	Consolidated	
		2014	2013
		\$'000	\$'000
<b>Revenue</b>		-	5,497
Share of profits/(losses) of associates accounted for using the equity method	3	-	(4,803)
Other income		-	164
<b>Expenses</b>			
Cost of sales		-	(3,687)
Research and development expenses		-	(758)
Sales and marketing expenses		-	(1,295)
Administration expenses		-	(2,882)
Other expenses		-	(2,040)
Finance costs		-	(3,491)
<b>Loss before income tax expense from continuing operations</b>		-	(13,295)
Income tax expense		-	(924)
<b>Loss after income tax expense from continuing operations</b>		-	(14,219)
Loss after income tax expense from discontinued operations	4	(20,714)	(521)
<b>Loss after income tax expense for the year attributable to the owners of Savcor Group Limited</b>		(20,714)	(14,740)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(635)	3,144
<b>Other comprehensive income for the year, net of tax</b>		(635)	3,144
<b>Total comprehensive income for the year</b>		(21,349)	(11,596)
<b>Total comprehensive income for the year attributable to:</b>			
Continuing operations		-	(11,075)
Discontinued operations		(21,349)	(521)
		(21,349)	(11,596)

		<b>Consolidated</b>	
	<b>Note</b>	<b>2014</b>	<b>2013</b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit/ (loss) from continuing operations attributable to the owners of Savcor Group Limited</b>	<b>9</b>		
Basic earnings per share		-	(10.089)
Diluted earnings per share		-	(10.089)
<b>Earnings per share for profit/ (loss) from discontinuing operations attributable to the owners of Savcor Group Limited</b>	<b>9</b>		
Basic earnings per share		(14.698)	0.370
Diluted earnings per share		(14.698)	0.370
<b>Earnings per share for profit/ (loss) attributable to the owners of Savcor Group Limited</b>	<b>9</b>		
Basic earnings per share		(14.698)	(10.459)
Diluted earnings per share		(14.698)	(10.459)



# STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

		Consolidated	
	Note	2014 \$'000	2013 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,371	244
Trade and other receivables		1	5,722
Inventory		-	368
Income tax refund due		-	62
Total current assets		2,372	6,396
Assets of disposal groups classified as held for sale		-	15,914
<b>Total current assets</b>		2,372	22,310
<b>Non-current assets</b>			
Receivables		-	79
Investments accounted for using the equity method		-	6,168
Property, plant and equipment		-	100
Intangibles		-	358
Total non-current assets		-	6,705
<b>Total assets</b>		2,372	29,015
<b>Current liabilities</b>			
Trade and other payables		8,437	3,186
Borrowings	6	26,847	25,521
Income tax		-	2
Provisions		-	314
		35,284	29,023
Liabilities directly associated with assets classified as held for sale		-	11,365
<b>Total current liabilities</b>		35,284	40,388
<b>Non-current liabilities</b>			
Borrowings		-	163
Provisions		-	27
Total non-current liabilities		-	190
<b>Total liabilities</b>		35,284	40,578
<b>Net assets/(liabilities)</b>		(32,912)	(11,563)
<b>Equity</b>			
Issued capital		273,584	273,584
Reserves		(255,941)	(255,306)
Accumulated losses		(50,555)	(29,841)
<b>Total equity/(deficiency)</b>		(32,912)	(11,563)

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Issued Capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total Equity \$'000
<b>Consolidated</b>				
Balance at 1 January 2013	273,584	(258,456)	(15,101)	27
Loss after income tax expense for the year	-	-	(14,740)	(14,740)
Other comprehensive income for the year, net of tax	-	3,144	-	3,144
Total comprehensive income for the year	-	3,144	(14,740)	(11,596)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	6	-	6
Balance at 31 December 2013	273,584	(255,306)	(29,841)	(11,563)
	Issued Capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total Equity \$'000
<b>Consolidated</b>				
Balance at 1 January 2014	273,584	(255,306)	(29,841)	(11,563)
Loss after income tax expense for the year	-	-	(20,714)	(20,714)
Other comprehensive income for the year, net of tax	-	(635)	-	(635)
Total comprehensive income for the half-year	-	(635)	(20,714)	(21,349)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	-	-	-
Balance at 31 December 2014	273,584	(255,941)	(50,555)	(32,912)

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Consolidated	
	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	27,365	99,130
Payments to suppliers (inclusive of GST)	(26,487)	(95,482)
Dividends received	-	11
Interest received	14	126
Interest and other finance costs paid	(21)	(3,303)
Income taxes refunded	13	19
Net cash from/(used in) operating activities	884	501
<b>Cash flows from investing activities</b>		
Payments for tangible and intangible assets	-	(296)
Proceeds from sale of tangible and intangible assets	1,656	223
Proceeds from loans to related parties	(1)	500
Net cash from/(used in) investing activities	1,655	427
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	11,215
Repayments of borrowings	(2,832)	(17,653)
Repayment of finance lease principal	-	(29)
Net cash from financing activities	(2,832)	(6,467)
Net increase/(decrease) in cash and cash equivalents	(293)	(5,539)
Cash and cash equivalents at the beginning of the financial year	(4,775)	918
Effects of exchange rate changes on cash	(476)	(155)
Cash and cash equivalents at the end of the financial half-year	(5,548)	(4,776)

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

### *Note 1. Significant events during the reporting period*

The following events have occurred during the period to 31 December 2014.

*Savcor Group Limited ('the Company')*

The Directors placed Savcor Group Limited into Voluntary Administration through the appointment of Clifford Stuart Rocke, Scott Kershaw and Jannamaria Robertson (**Administrators**) on 27 June 2014.

Following the appointment of the Administrators, the operations of the Company and certain of its controlled entities have been wound up or have been disposed of.

At the meeting adjourned on 1 August 2014 and reconvened on 3 October 2014, the Administrators recommended to the creditors' of the Company, that, in the opinion of the Administrators, it was in the best interests of creditors to approve the execution of a deed of company arrangement. At the Reconvened Second Meeting of Creditors the creditors of the Company resolved to approve the execution of a Deed of Company Arrangement to recapitalise the Company (**DOCA**).

The Company subsequently executed the DOCA on 24 October 2014 in accordance with the recapitalisation proposal. As contemplated by the DOCA, the Company entered into an implementation deed with Triton Systems Australia Pty. Ltd. ACN 602 486 626 (**Triton**) and Triton Systems Inc, a company incorporated in the United States of America (**Triton Inc**), on 6 November 2014 (**Implementation Deed**).

The DOCA provides that, subject to shareholder approval (which was subsequently given):

- Triton and Triton Inc contribute funds via a subscription for ordinary shares in the Company. Post issue Triton and Triton Inc or parties associated with them will own 90% of issued shares in the Company
- \$500,000 of the funds will be allocated to:
  - i. firstly, \$150,000 of the \$500,000 is to be made available to pay employee priority creditors;
  - ii. thereafter the funds are available to meet costs associated with the administration and deed administration and the costs of administering a creditors' trust; and
  - iii. thereafter to pay a dividend to creditors in accordance with the order of priority set out in the *Corporations Act*.
- All of the Company assets will be transferred to the Creditors' Trust (other than a sum of working capital).

On 5 December 2014, the Deed Administrators announced an Extraordinary General Meeting ('EGM') would be convened to put forward the recapitalisation proposal for shareholder approval. The proposal was as follows:

- A capital consolidation on a 100 to 1 basis
- issue of 12,683,605 ordinary shares (post consolidation) to Triton or its nominee and other subscribers
- issue of 4,227,868 options on a 1:3 basis (post consolidation)
- appointment of new directors (subject to completion)
- removal of existing directors (subject to completion)
- disposal of Company assets.

The meeting was held on 12 January 2015 and all proposed resolutions were passed.

#### *Savcor Pty Ltd*

On 27 June 2014, voluntary administrators were appointed over Savcor Pty Ltd (**Savcor Pty**), the primary trading entity in Australia. Upon appointment, the Administrators evaluated the current projects and undertook an orderly wind down of all operations. At a creditors' meeting on 1 August 2014, the creditors resolved to place Savcor Pty Ltd in to liquidation. It is noted that Savcor Pty is exempt from financial reporting per Class Order 03/392 for the liquidation period from 1 August 2014.

#### *Savcor ART Pty Ltd*

Voluntary administrators were appointed over Savcor ART Pty Ltd (**Savcor ART**), a wholly owned subsidiary, on 19 August 2014 by the sole director. An operating licence agreement for the Papua New Guinea business of Savcor ART was executed with BPCJ Holdings Pty Ltd on 23 September 2014. At the meeting on 3 October 2014, the creditors resolved to place Savcor ART in a Deed of Company Arrangement (**DOCA**) and the transfer of Savcor ART to BPCJ Holdings Pty Ltd was subsequently completed. The DOCA was terminated on 31 October 2014 upon creation of the Savcor ART Creditors Trust (**Creditors Trust**).

#### *Savcor Products Pty Ltd*

Savcor Products Pty Ltd sold its business and assets (and transferred its liabilities other than the Bank debt it guaranteed) to Savcor Products Australia Pty Ltd on 18 July 2014.

### **Note 2: Liquidation basis**

#### *(a) Basis of preparation*

The financial report for the year ended 31 December 2014 has been prepared on a liquidation basis, due to the financial difficulties during the period, the appointment of Administrators and the subsequent wind down and disposal of operations.

In adopting this basis, assets are stated at their estimated net realisable values and liabilities are stated at their book value amounts. Consistent with the application of the liquidation basis, all assets and liabilities have been classified as current.

#### *(b) Maintenance of accounting records*

The Deed Administrators have prepared the 31 December 2014 report based on the limited information available to the Deed Administrators on their appointment. On 27 June 2014, the Administrators were appointed over the Company and one of its subsidiaries. The partial accounting records for these entities were obtained by the Administrators, however the accounts for the period of June 2014 were unable to be completed, given the timing of the appointment of the Administrators. Further, the information provided to the Administrators for the period prior to their appointment, contains limited information to support the numbers presented in the accounts.

### **Note 3. Share of profit/loss of associates accounted for using the equity method**

	Consolidated	
	2014 \$'000	2013 \$'000
Share of profit (loss) of associate and joint venture	(517)	(3,725)
Impairment loss of associate	(4,095)	(1,078)
Share of profits/(losses) of associates accounted for using the equity method continuing operations	-	(4,803)
Share of profits/(losses) of associates accounted for using the equity method discontinued operations	(4,612)	-

The impairment of the associate reflects the write down of the investment to \$0 in the balance sheet.

**Note 4. Discontinued operations**

	2014 \$'000	2013 \$'000
Revenue	22,065	81,731
Other income	439	210
Share of profit/loss in associates	(4,612)	220
Total revenue	17,892	82,161
Cost of sales	(18,428)	(67,030)
Research and development expenses	(1,117)	(541)
Sales and marketing expenses	(1,549)	(2,441)
Administration expenses	(4,753)	(9,554)
Other expenses	(10,612)	(389)
Finance costs	(1,796)	(49)
Total expenses	(38,253)	(80,004)
Profit/(loss) before income tax expense	(20,361)	2,157
Income tax expense	(353)	(2,678)
Profit/(loss) after income tax expense from discontinued operations	(20,714)	(521)

The discontinued operations reflect the entire consolidated group, as following the appointment of the Administrators were discontinued.

**Note 5. Cash and cash equivalents**

	2014 \$'000	2013 \$'000
Cash at bank and in hand	2,371	244
Cash and cash equivalents – classified as held for sale	-	1,136
Bank overdraft	(7,919)	(6,156)
Balance as per statement of cash flows	(5,548)	(4,776)

**Note 6. Current liabilities - borrowings**

	Consolidated	
	2014 \$'000	2013 \$'000
Bank overdraft	7,919	6,156
Bank loans	18,928	19,341
Insurance premium loans – unsecured	-	-
Lease liability	-	24
	26,847	25,521

The consolidated entity received waivers of breach of its banking covenants during the period. On appointment the Company's borrowings became immediately due and payable.

**Note 7. Equity – Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 8. Contingent liabilities**

As at 31 December 2014, the consolidated entity had given bank guarantees of \$631,216.58 (31 December 2013: \$2,157,000) in favour of certain customers in support of agreed project deliverables and warranties.

**Note 9. Earnings per share**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Earnings per share from continuing operations</i>		
Loss after income tax attributable to the owners of Savcor Group Limited	-	(12,243)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	140,928,943	140,928,943
Weighted average number of ordinary shares used in calculating diluted earnings per share	140,928,943	140,928,943
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	-	(8.69)
Diluted earnings per share	-	(8.69)
	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Earnings per share from discontinued operations</i>		
Loss after income tax attributable to the owners of Savcor Group Limited	(20,714)	(521)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	140,928,943	140,928,943
Weighted average number of ordinary shares used in calculating diluted earnings per share	140,928,943	140,928,943
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(14.70)	(0.37)
Diluted earnings per share	(14.70)	(0.37)

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Earnings per share from loss</i>		
Loss after income tax attributable to the owners of Savcor Group Limited	(20,714)	(12,764)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>140,928,943</u>	<u>140,928,943</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>140,928,943</u>	<u>140,928,943</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(14.70)	(9.06)
Diluted earnings per share	(14.70)	(9.06)