Appendix 4D
Half-year report

1. The reporting period is the half year ended 31 December 2016
The previous corresponding period is the half year ended 31 December 2015.

2. Results for announcement to the market

The Company was incorporated on 5 August 2016. On 16 December 2016 the company acquired eight businesses, and on 21 December 2016 the Company commenced trading on the Australian Stock Exchange. Therefore the Group's revenue results are for the period from 17 December 2016 to 31 December 2016. Prior to the listing the operations of the Company were administrative in nature and did not trade.

The loss for the period is primarily attributable to $3,887,733 of one-off cost items (after providing for income tax credits). These costs were associated with the Initial Public Offering ('IPO'), namely, IPO offer costs, acquisition expenses, corporate advisory costs, consulting and administration expenses.

2.1 Revenue from ordinary activities in the reporting period was $539,577. There was no revenue in the previous corresponding period.

2.2 Loss from ordinary activities after tax attributable to members was ($4,318,625) compared to a loss in the previous corresponding period of ($145,868). This equates to increase in loss of 2861%.

2.3 Loss after tax attributable to members was ($4,318,625) compared to a loss in the previous corresponding period of ($145,868). This equates to increase in loss of 2861%.

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

2.5 The record date for determining entitlements to the dividends: - Not Applicable

2.6 Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood: The loss for the period was primarily attributable to one-off cost items associated with the Initial Public Offering ('IPO'), namely, IPO offer costs, acquisition expenses, corporate advisory costs, consulting and travel expenses. Please refer to the ASX announcement accompanying this Appendix 4D for further commentary.

3. Net Tangible Assets:
Net Tangible Assets per ordinary security was 15.8 cents.
The prior corresponding period Net Tangible Assets per ordinary security was (-$ 574,918) when there were only 2 shares in the Company (prior to the capital raising and listing on the Australian Stock Exchange).

4. Entities over which control has been gained or lost during the period
Refer to Notes 3 and 4 of the attached Interim Financial Statements for details of entities over which control has been gained. There were no entities over which control was lost.

5. Dividends
There were no dividends paid or payable during the period.

6. Dividend Reinvestment Plan
The company does not have a dividend reinvestment plan.

7. Associates and Joint Venture Entities
The company has no associate companies or joint venture entities.

8. Accounting Standards used by Foreign Entities
The company has no foreign entities.

9. Audit qualification or review
The financial report has been independently reviewed and is not subject to a modified opinion or emphasis of matter paragraph.

Automotive Solutions Group Limited

ABN 28 613 474 089

Interim Financial Report

For the Half Year Ended 31 December 2016

Automotive Solutions Group Limited

ABN 28 613 474 089

Contents

For the Half Year Ended 31 December 2016

Automotive Solutions Group Limited

ABN 28 613 474 089

Directors' Report

31 December 2016

Your Directors submit the consolidated financial report of Automotive Solutions Group Limited (the "Group") for the half year ended 31 December 2016. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors & Officers

The names and particulars of the Directors and Company Secretary of the Group in office at any time during or since the end of the period are as follows:

Names	Position	Appointed/Resigned
Tanya Leah Mason	Director and Public Officer	Appointed Director on 5 August 2016 Appointed Public Officer on 9 November 2016
Bryce Paul Wedemeyer	Director	Appointed on 5 August 2016
Glenn Stephen Gaudet	Director, Company Secretary and Public Officer	Appointed on 5 August 2016 Resigned on 9 November 2016
Thomas Robin Phillips	Director and Chairman	Appointed on 9 November 2016
Mark Andrew Larkham	Director	Appointed on 9 November 2016
Peter James Alexander	Director	Appointed on 9 November 2016
Evan Christopher Neil Camilleri	Company Secretary	Appointed on 9 November 2016

Review and Results of Operation

Principal Activities

The principal activity of the Group during the financial half year is the design, manufacture, supply and fitment of automotive aftermarket parts, accessories and performance technology, with an emphasis on four-wheel drive and SUV markets. It supplies components, accessories, vehicle fitment and modification services to the private four-wheel drive and fleet vehicle markets through retail and wholesale distribution networks.

Achievements

The Group has achieved a number of important milestones in this reporting period:

- Raised $30,902,934 through an Initial Public Offering of shares in the Company, and listed on the Australia Stock Exchange in December 2016 under code '4WD'. A diversified group of institutional and retail investors acquired shares in the company at listing.
- Completed the acquisition of eight cornerstone businesses in the automotive aftermarket parts, accessories and performance technology industries, with a strong presence in the four-wheel drive and SUV markets.
- Successfully completed the initial integration of the acquired businesses, including immediate establishment of a national support office structure.

Operating results

The acquisition of the eight cornerstone businesses was completed on 16 December 2016. As a result, Automotive Solutions Group Limited's ownership of the businesses within the current reporting period was limited to a period of two weeks in December 2016, including the annual holiday closure period for the manufacturing and wholesaling businesses. The material financial items in the current reporting period relate to the due diligence and successful acquisition of the eight cornerstone businesses.

Automotive Solutions Group Limited

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Directors' Report

31 December 2016

The consolidated loss of the Group amounted to $ (4,318,625), after providing for income tax credits. This result was significantly driven by one off expenses associated with the acquisition and listing on the Australian Stock Exchange. These one-off expenses amounted to $3,887,733, after providing for income tax credits, and comprising the following:

- $1,498,721 of corporate advisory fees, pre-IPO business expenses and administration expenses related to the identification and sourcing of acquired businesses;
- $3,024,486 of consultancy, legal, accounting, broking fees, stamp duty and other fees related to the completion of the acquisitions and listing on the Australian Stock Exchange; and
- ($635,474) of income tax credits recognised in the Income Statement for the period.

Financial Position

The total Contributed Equity of the business has risen to $37,260,368, enabling the Group to undertake the acquisition program and provide a solid platform for future growth and expansion. No dividends were declared for the reporting period.

Cash Position

Automotive Solutions Group Limited finished the reporting period with $3,971,283 of cash and cash equivalents.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future Developments

The Group's strategy is to create a leading automotive solutions company with an emphasis on 4x4/SUV parts, accessories and performance technology markets. Management intend to achieve this strategy through acquisition and organic growth opportunities.

The Group has identified several opportunities to drive revenue growth, including expansion of the existing product and services range across all businesses within the Company. Strategic sourcing and economies of scale pricing benefits are also significant areas of opportunity for the Company.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2016 has been received and can be found on page 3 of the financial report.

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

Director:	Chairman: ....
Tanya Mason	Thomas Phillips

Dated this 28 day of February 2017

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Auditor's Independence Declaration
To The Directors of Automotive Solutions Group Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Automotive Solutions Group Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A F Newman
Partner - Audit & Assurance

Brisbane, 28 February 2017

Automotive Solutions Group Limited

ABN 28 613 474 089

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2016

	Note	Half-year Ended 31 December 2016 $	Half-year Ended 31 December 2015 $
Revenue from continuing operations	5	**539,577**	-
Cost of sales		**(652,164)**	-
Marketing expenses		**(21,679)**	-
Occupancy costs		**(90,876)**	-
Other expenses		**(188,367)**	-
Corporate advisory fees and pre-IPO business expenses		**(1,498,721)**	(145,868)
Acquisition costs, ASX listing fees and consulting fees		**(3,024,486)**	-
Loss before interest, tax, depreciation and amortisation (EBITDA)		**(4,936,716)**	(145,868)
Depreciation and amortisation expense		**(17,383)**	-
Earnings before interest and tax (EBIT)		**(4,954,099)**	(145,868)
Income tax benefit		**635,474**	-
Loss for the half year		**(4,318,625)**	(145,868)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive loss for the period		**(4,318,625)**	(145,868)
Loss attributable to:			
Members of Automotive Solutions Group Limited		**(4,318,625)**	(145,868)
Earnings per Share			
Basic earnings per share	6	**$ (1.04)**	$ (72,934.00)
Diluted earnings per share	6	**$ (1.04)**	$ (72,934.00)

The accompanying notes form part of these financial statements.

Automotive Solutions Group Limited

ABN 28 613 474 089

Consolidated Statement of Financial Position

As at 31 December 2016

	Note	31 December 2016 $	30 June 2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**3,971,283**	-
Trade and other receivables	7	**180,637**	-
Inventories		**3,961,354**	-
Other assets	8	**620,419**	2
TOTAL CURRENT ASSETS		**8,733,693**	2
NON-CURRENT ASSETS			
Other assets	8	**546,325**	-
Property, plant and equipment		**2,150,371**	-
Deferred tax assets		**1,673,690**	-
Intangible assets	9	**23,823,915**	-
TOTAL NON-CURRENT ASSETS		**28,194,301**	-
TOTAL ASSETS		**36,927,994**	2
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**4,134,276**	1,149,838
Employee benefits	11	**888,773**	-
TOTAL CURRENT LIABILITIES		**5,023,049**	1,149,838
Employee benefits	11	**113,040**	-
TOTAL NON-CURRENT LIABILITIES		**113,040**	-
TOTAL LIABILITIES		**5,136,089**	1,149,838
NET ASSETS		**31,791,905**	(1,149,836)
EQUITY			
Issued capital	12	**37,260,368**	2
Accummulated losses		**(5,468,463)**	(1,149,838)
TOTAL EQUITY		**31,791,905**	(1,149,836)

The accompanying notes form part of these financial statements.

Automotive Solutions Group Limited

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Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2016

	Equity	Retained Earnings	Total
	$	$	$
Balance at 1 July 2015	2	-	**2**
Loss for the period	-	(145,868)	**(145,868)**
Other comprehensive income	-	-	**-**
Total comprehensive income for the period	**-**	**(145,868)**	**(145,868)**
Transactions with owners in their capacity as owners:			
Dividends recognised	-	-	**-**
Balance at 31 December 2015	**2**	**(145,868)**	**(145,866)**
Balance at 1 July 2016	2	(1,149,838)	**(1,149,836)**
Loss for the period	-	(4,318,625)	**(4,318,625)**
Other comprehensive income	-	-	-
Total comprehensive income for the period	**-**	**(4,318,625)**	**(4,318,625)**
Transactions with owners in their capacity as owners:			
Shares issued, net of transaction costs	37,260,366	-	**37,260,366**
Dividends recognised	-	-	-
Balance at 31 December 2016	**37,260,368**	**(5,468,463)**	**31,791,905**

The accompanying notes form part of these financial statements.

Automotive Solutions Group Limited

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Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2016

	Note	Half-year Ended 31 December 2016 $	Half-year Ended 31 December 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**412,898**	-
Payments to suppliers and employees		**(365,779)**	-
Payments for acquisition-related and listing expenses		**(3,180,578)**	-
Net cash used in operating activities		**(3,133,459)**	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(181,026)**	-
Payment to acquire businesses	4	**(22,089,240)**	-
Purchase of non-current assets		**(546,325)**	-
Net cash used by investing activities		**(22,816,591)**	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**29,025,969**	-
Proceeds from the issue of redeemable preference shares		**2,186,000**	-
Payment of transaction costs		**(1,290,636)**	-
Net cash from financing activities		**29,921,333**	-
Net increase in cash and cash equivalents held		**3,971,283**	-
Cash and cash equivalents at beginning of the period		**-**	-
Cash and cash equivalents at end of the period		**3,971,283**	-

No cash flow statement is presented for the prior corresponding period. During the development of the business in the 2016 financial year, all investment and cash flows of the business were managed by external corporate advisory firms, giving rise to accrued liabilities for the Group. Consequently, no direct cash flows were attributable to the Group, with no resultant cash flow statement applicable to the business.

The condensed interim financial statements ('the interim financial statements') of Automotive Solutions Group Limited and controlled entities (the Group) are for the six (6) months ended 31 December 2016 and are presented in Australian Dollar ($AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with any public announcements made by the Group during the half year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

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

The financial report was authorised for issue by the Directors on 28 February 2017.

1 Basis of preparation and accounting policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Automotive Solutions Group Limited, and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 3 to the financial statements.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i) the consideration transferred;

ii) any non-controlling interest; and

iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(b) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the half year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at reporting date. Inventory is written down through an obsolescence provision if necessary.

(d) Property, plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Automotive plant and equipment	10% - 30%
General plant and equipment	10% - 20%
Motor Vehicles	10% - 25%
Leasehold improvements	5% - 15%
Computer Equipment	10% - 30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default. The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of non-financial assets

At the end of each reporting period the Group the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(g) Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(h) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

(k) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(l) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(n) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(o) Adoption of new and revised accounting standards

The Group has adopted applicable new and amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective as of 1 July 2016. There has been no significant impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards and Interpretations.

The Group has elected not to early adopt any other new Standards or amendments that are issued but not yet effective.

2 Segment Information

Being in the early stages of establishment, the Group has not yet defined its segments. As such, no segment reporting information has been compiled as yet. In future reporting periods, appropriate segment reporting information will be included in the financial reports.

3 Investments in Controlled Entities

	Country of incorporation	Class of Shares	Equity holding
Continuing Operations			
Fleet Alliance Pty Ltd	Australia	Ordinary	100%

Automotive Solutions Group Ltd was incorporated on 5 August 2016. On 5 August 2016, a business restructure was undertaken with respect to the share ownership of Fleet Alliance Pty Ltd in that a new holding company was established, Automotive Solutions Group Ltd, and it acquired 100% of the shares of Fleet Alliance Pty Ltd as part of an internal business restructure.

4 Business Combinations

On 16 December 2016, the Group acquired the following businesses:

1. Roo Systems
2. Barden Fabrications
3. Alloy Motor Accessories
4. JDR Motorsports
5. Dolium
6. TranSpec 4x4
7. Deering Autronics
8. Umhauers

4 Business Combinations (continued)

Roo Systems

Roo Systems has been operating for 21 years under the guidance of Glen Hadden. Glen has combined his many years of diesel knowledge and highly skilled staff, expert 4x4 chip manufacturers and cutting edge ECU programmers to deliver a diesel performance upgrade packages for the market.

Main services offered are accessory fitment, mechanical/auto electrical services and vehicle/engine performance with customers coming from retail, fleet, trade and government. The core target market however is retail customers including diesel 4x4 owners segmented into grey nomads, 4x4 offroaders and recreational tow vehicles for boats, caravans, camper trailers and the like. Roo Systems has access to through a nationwide channel of approximately 45 diesel workshop specialists.

Products include Roo Systems Diesel 4x4 ECU Remapping and Roo Systems Proprietary 4x4 Performance Exhausts. Roo Systems is also a key Australian distributor for USA made Baja Designs offroad LED light bars.

In addition, Glen leads a team of notable mechanical and technical specialists with a combined experience of over 40 years in dyno and performance motorsport tuning. These professionals head up the Roo Systems research and development for both chip and ECU remapping products. Other staff are handpicked to develop the best performance packages due to the demanding quality and needs of the 4x4 diesel upgrade industry.

Barden Fabrications

Barden Fabrications has been manufacturing sheet metal components and products for more than 25 years and with the use of cutting edge technology is a leading metals fabricator in Victoria.

Barden Fabrications can also assist with product design and provides a comprehensive sheet metal fabrication service including automated manufacturing with computer numerical control (‘CNC’) Laser Cutting, CNC Turret Punching, Robotic Welding, Brake Press Forming and Powdercoating services.

The acquisition of Barden Fabrications provides design and automated manufacturing of steel products to the automotive industry. The strategic acquisition of Barden provides a vertically integrated supply chain model for the design, manufacture and distribution of metal products to the automotive market through ASG’s network. The local manufacturing facility enables faster response to market and industry automotive model changes and control of manufacturing product quality.

Barden has been producing automotive components for the automotive industry for many years with modern technology to fabricate parts for many types of vehicles including the 4x4/SUV market. Barden also specialises in custom sheet metal fabrication for vehicle canopies and accessories.

Barden also provides fabrication and laser metal cutting solutions to a diverse range of industries, including construction, marine, rail and seating componentry. Servicing such a diverse range of industries leaves Barden well placed to provide best-in-class fabrication and technology solutions to the ASG network.

The company also has its own retailer, Uneek 4x4 Offroad Accessories, which provides a wide range of automotive accessories that includes those manufactured by Barden as well as other brands such as 23 Zero, Big Red and Cap Locker.

4 Business Combinations (continued)

Alloy Motor Accessories

Alloy Motor Accessories' experience spans 38 years in an industry increasingly focused on technology and quality. Evolution in vehicle design, safety and function has been matched by AMA's in-house development of superior quality, heavy duty and innovative accessories. Today, AMA is a leader in the field of professional vehicle fit-out accessories, and a recognized supplier of first choice to the original equipment, commercial service and special vehicle sectors.

AMA has established a well-respected line of products through innovative engineering and design skills. AMA produces heavy duty tray bodies, bullbars, nudge bars and various other vehicle accessories to cater for the 4x4 and transport sector.

Main services offered by AMA include accessory fitment, mechanical/auto electrical services and vehicle/engine performance, through in house and offsite fitting services, and full vehicle fitout options. AMA's customers include retail, fleet, trade and government, car dealerships and OEM supply.

AMA is a member of the Australian Automotive Aftermarket Association (AAAA).

JDR Motorsports

JDR Motorsports & 4x4 Enhancements was established in 2012 by John Robert. JDR Motorsports & 4x4 Enhancements prides itself on customer service with a focus on after sales to maintain high levels of customer service and repeat business through focused client engagement and professionalism of service.

The main brand/product line is Walkinshaw Performance, under which are sub-brands such as VCM performance, Harrop Performance, Flash Diesel, Hurricane Exhaust, XForce Exhaust, Extreme Clutches, Bilstein, H&R Coils, Manley, Jesel and Callies.

Product lines and services include Walkinshaw Performance (NSW/ACT licensee), Torque Tuner Australia (NSW agent), warrantable upgrades for Commodore and Colorado platforms from exhausts, air intakes, camshaft upgrades, brakes packages, interior items and suspension, Harrop Performance upgrades including, differentials, brakes, superchargers, wheels and shifters, VCM Performance camshaft upgrades, magnusun supercharger upgrades (GM, Ford, Jeep, Mercedes), suspension packages using Bilstein products, JDR Motorsports packages using VCM air intake systems and Hurricane exhaust or the new XForce varex exhaust, SUV upgrades using XForce exhaust, Safari snorkel and K&N hi flow air filter with Dyno Tune.

JDR Motorsports & 4x4 Enhancements services include accessory fitment, mechanical/auto electrical services, vehicle/engine performance, power upgrades, brake upgrades, auto electrical work, engine building and reconditioning and custom dyno tuning for both petrol and diesel vehicles.

JDR Motorsports & 4x4 Enhancements has a good mix of both trade and retail customers with the addition of the Walkinshaw reseller network licence and dealer network. JDR Motorsports & 4x4 Enhancements sponsors the SS Owners Club of NSW and supports the HSV owners club of NSW through member specials.

4 Business Combinations (continued)

Dolium

Dolium entered the 4x4 accessory aftermarket industry with the opening of a retail store in Welshpool WA in 1985. A key point of difference for Dolium has been a heavy focus on quality products; most have been used and proven in-house, or are products that Dolium has helped design and develop.

In the late 1980s, Dolium’s manufacturing operation was awarded an Australian Design Award for an aluminium bullbar design, which remains a standard in the industry to this day. Dolium is mostly a niche wholesaler to the 4X4 aftermarket industry, specialising in select product lines – which Dolium has had some design or conceptual role in developing.

Dolium is a long standing member of the following industry associations: Caravan Industry Association of WA (in National Luna name), MTA WA (Motor Traders Association – WA division) and AAAA (Australian Automotive Aftermarket Association). Adrian Stafford was a founding member of the MTA of WA 4x4 industry chapter.

TranSpec 4x4

TransSpec 4x4 was formed in 2013 to convert and upgrade 200 series Toyota Landcruisers for mining operations. There are over 140 vehicles converted by TransSpec 4x4 in all parts of Australia and the company has forward orders reaching out many months in advance.

TransSpec 4x4 has expanded since commencing operations. Their focus is design, invention and development, 4x4 conversion and customisation as well as providing products to the retail market.

Deering Autronics

In 1952, Deering Autronics opened its first auto electrical repairs garage in Midland, Western Australia. Since then, Deering Autronics has expanded to become one of Perth’s leading automotive electrical and air-conditioning specialists, operating from 2 locations in Western Australia.

Deering Autronics also offers accessory fitting services for all types of automotive electrical equipment to enhance customer’s driving experience, from dual battery setups to rear vision camera systems. Deering Autronics also supplies quality parts and accessories for Western Australia’s mining, agriculture and retail sectors.

Umhauers

Umhauers is a third generation, locally owned Geelong business, founded in 1928 by Reginald Umhauer. The Umhauers business base expanded into Warrnambool, and services Hamilton, Portland and across the border into South Australia.

From humble beginnings servicing motor vehicles, Umhauers now service a wide and growing client base with solar and power solutions, touring and camping products, and towing van and ute accessories.

Revenue and profit for the period

Disclosure of the revenue and profit for the period prior to the business combination date is impracticable, as no reliable financial records existed for the period 1 July to 16 December 2016. Extrapolating the results for the period post-acquisition is impracticable because the period 17 December to 31 December is not a reliable period to extrapolate due to the number of public holidays and end of year office closures.

4 Business Combinations (continued)

Acquisition costs

The details pertaining to the net assets acquired are detailed below. All acquisitions during the period occurred on 16 December 2016. The process to finalise the acquisition accounting, including estimation of identifiable intangible assets and to finalise the fair value of the inventory and plant and equipment acquired, will take several months to complete. As such, this process was not completed in the two weeks prior to 31 December 2016 and the business combinations have all been accounted for provisionally in the current reporting period.

	Roo Systems	Barden Fabrications	Alloy Motor Accessories	JDR Motorsports	Dolium	TranSpec 4x4	Deering Autronics	Umhauers	Total
	$	$	$	$	$	$	$	$	$
Assets and Liabilities at Fair Value									
Inventories	157,554	697,589	886,128	179,064	739,163	220,614	268,051	721,858	**3,870,021**
Other current assets	6,382	26,278	10,894	1,245	73,360	19,756	63,861	13,797	**215,573**
Plant and equipment	260,145	963,017	273,957	58,191	60,415	105,717	177,742	87,537	**1,986,721**
Deferred tax assets	14,461	110,800	46,839	29,141	10,997	11,261	80,366	9,957	**313,822**
Trade payables and accruals	-	-	-	-	-	(59,912)	-	-	**(59,912)**
Provisions	(48,204)	(369,334)	(156,129)	(97,138)	(36,656)	(37,537)	(267,885)	(33,189)	**(1,046,072)**
Net assets acquired (Fair Value)	**390,338**	**1,428,350**	**1,061,689**	**170,503**	**847,279**	**259,899**	**322,135**	**799,960**	**5,280,153**
Intangibles									
Goodwill and other intangible assets	4,595,119	9,543,283	3,811,961	1,124,829	586,680	1,417,463	756,330	1,988,250	**23,823,915**
Total consideration	**4,985,457**	**10,971,633**	**4,873,650**	**1,295,332**	**1,433,959**	**1,677,362**	**1,078,465**	**2,788,210**	**29,104,068**
Representing:									
Cash paid	3,617,596	8,773,663	3,917,518	880,456	1,152,486	1,331,269	778,659	1,637,593	**22,089,240**
Cash payable	483,000	67,586	136,128	186,367	-	100,000	49,968	730,093	**1,753,142**
Shares issued	884,861	2,130,384	820,004	228,509	281,473	246,093	249,838	420,524	**5,261,686**
	4,985,457	**10,971,633**	**4,873,650**	**1,295,332**	**1,433,959**	**1,677,362**	**1,078,465**	**2,788,210**	**29,104,068**

4 Business Combinations (continued)

The fair value of the equity issues has been measured by reference to the capital raised pursuant to the listing of the company's shares on 21 December 2016. Given the proximity to the date of the business combinations, being 16 December 2016, management has determined that this is reasonable basis to measure the fair value of the equity instruments issues as part of the consideration for the acquisitions.

Acquisition Costs

The $3,204,486 of acquisition costs, ASX Listing fees and consulting fees on the face of the Profit & Loss Statement is related to the following costs:

- $2,309,124 of Acquisition Costs

- $715,362 of Listing Costs

Variable contingent consideration receivable

Voluntary escrow applies to 5,261,686 Shares of the Initial Portfolio vendors, constituting 10.45 percent (%) of the Shares on issue after Completion of the Offer. In relation to the voluntary restriction agreements entered into with the Initial Portfolio vendors, the Shares which are subject to escrow will be released depending on whether the Initial Portfolio sold to Automotive Solutions Group Limited by those vendors have achieved specified EBIT thresholds during the 2017 and 2018 financial periods, following Completion. If these EBIT thresholds have not been met, the number of escrowed Shares which will be released to those vendors will be reduced, and the balance Shares sold to a party nominated by the Group (clawback clause).

The value of the clawback amount been measured at the time of the business combination and then will be remeasured each reporting date. Any subsequent changes in fair value would be recognised in profit or loss. At the time of the combination it has been measured at $nil as the EBIT targets are expected to be met in line with the prospectus forecasts and as such at the date of the acquisitions, and at period end, no shares are expected to be subject to clawback.

5 Revenue and Other Income

	Half-year Ended 31 December 2016 $	Half-year Ended 31 December 2015 $
Sales revenue		
- Sale of goods and services	**539,577**	-

6 Earnings per Share

Basic earnings per share is calculated by dividing the loss attributable to owners of the company by the weighted average number of ordinary shares outstanding during the half year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Half-year Ended 31 December 2016	Half-year Ended 31 December 2015
	#	#
Weighted average number of shares used in basic earnings per share	**4,139,892**	2
Shares deemed to be issued for no consideration in respect of share-based payments	**-**	-
Weighted average number of shares used in diluted earnings per share	**4,139,892**	2

Due to the prescribed calculation methodology of the Earnings Per Share (EPS) calculation, the EPS for the current reporting period was significantly impacted by the timing of the capital raising which occurred later in the reporting period in December 2016.

The numerator in the Earnings per Share calculation is primarily driven by the expensing of one-off costs and non-recurring acquisition expenses for the reporting period.

7 Trade and Other Receivables

	31 December 2016	30 June 2016
	$	$
CURRENT		
Trade receivables	**180,637**	-

8 Other Assets

	31 December 2016	30 June 2016
CURRENT		
Prepayments	**171,506**	-
GST receivable	**448,913**	-
	620,419	-
NON-CURRENT		
Security deposits	**546,325**	-

At 31 December 2016, $546,325 of funds were held in Solicitors' Trust Accounts as security deposits for leased premises. Subsequent to year end, the funds have been released from the Trust Accounts and are held by a financial institution as a security bond for cash-backed guarantees.

9 Intangible Assets

	31 December 2016 $	30 June 2016 $
Goodwill and other intangible assets	**23,823,915**	-
Accumulated impairment losses	**-**	-
Total Goodwill and other intangible assets	**23,823,915**	-

Goodwill has arisen as a result of business combinations.

10 Trade and Other Payables

	31 December 2016 $	30 June 2016 $
CURRENT		
Unsecured liabilities		
Trade payables	**229,125**	-
GST payable	**(263)**	-
Employee benefits	**105,951**	-
Sundry payables and accrued expenses	**842,095**	-
Payables for business combinatons	**1,753,142**	-
Other payables	**1,204,226**	1,149,838
	4,134,276	1,149,838

11 Employee Benefits

	31 December 2016 $	30 June 2016 $
CURRENT		
Annual leave	**441,469**	-
Long service leave	**447,304**	-
	888,773	-
NON-CURRENT		
Long service leave	**113,040**	-

12 Issued Capital

	31 December 2016 #	30 June 2016 #	31 December 2016 $	30 June 2016 $
Opening balance	**2**	2	**2**	2
Shares issued				
Shares issued in accordance with the prospectus dated 7 December 2016	**30,902,934**	-	**30,902,934**	-
Shares issued on conversion of convertible notes (a)	**14,031,000**	-	**2,636,000**	-
Shares issued as consideration for business combinations	**5,261,686**	-	**5,261,686**	-
Key management personnel shares issued (b)	**150,000**	-	**150,000**	-
Equity raising costs, net of income tax benefit	**-**	-	**(1,690,254)**	-
Closing balance	**50,345,622**	2	**37,260,368**	2

(a) The Group entered into convertible note agreements to raise $2,636,000 towards the costs of the IPO. On completion of the IPO these notes converted into 14,031,000 ordinary shares.

(b) Immediately prior to the IPO certain key management personnel were issued shares for their services rendered in the pre IPO period. These shares were issued at $1 each consistent with the shares issued in the IPO.

13 Contingent Liabilities

In the opinion of the Directors, the Group did not have any contingencies at 31 December 2016.

14 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

15 Non-cash financing and investing activities

(a) As outlined in the Prospectus dated 7 December 2016, the initial seed funding of the business included $2,636,000 of convertible notes issued which converted to $14,031,000 of shares issued on listing. Proceeds from the issue of convertible notes was $2,636,000 less $450,000 where proceeds were received through the offsetting of costs.

(b) As noted above in Note 12, shares were issued as part consideration for the business combinations. In addition shares were issued to key management personnel in lieu of payment for services rendered.

Automotive Solutions Group Limited

ABN 28 613 474 089

Directors' Declaration

The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 4 to 24 are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and

   (b) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.

2. In the directors' opinion, 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 made in accordance with a resolution of the Board of Directors.

Director ....
Tanya Mason

Chairman ....
Thomas Phillips

Dated this 28 day of February 2017

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUTOMOTIVE SOLUTIONS GROUP LIMITED

We have reviewed the accompanying half-year financial report of Automotive Solutions Group Limited (the Company), which comprises the consolidated financial statements being 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 statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year

Directors' Responsibility for the Half-year Financial Report

The Directors of Automotive Solutions Group Limited 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 controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 Automotive Solutions Group Limited consolidated entity'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 Automotive Solutions Group 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 complied with the independence requirements of the *Corporations Act 2001*.

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 Automotive Solutions Group Limited is not in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A F Newman
Partner - Audit & Assurance

Brisbane, 28 February 2017