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19 December 2016

Mr Adrian Smythe
ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

EMAIL: adrian.smythe@asx.com.au

Dear Sir,

AUTOMOTIVE SOLUTIONS GROUP LTD (ASX CODE: 4WD)

Automotive Solutions Group Ltd ('ASG') confirms:

- (a) satisfaction of all conditions precedent and completion of the acquisition of the 8 businesses comprising the Initial Portfolio (as defined in the Prospectus) pursuant to the Business Sale Agreements (as defined in the Prospectus);
- (b) conversion of the Company's 20 convertible notes and the issue of 14,031,000 ordinary shares;
- (c) 5,261,686 securities are subject to voluntary escrow as follows:

AMOUNT	ESCROW PERIOD
2,885,209	12 months
2,376,477	24 months

- (d) the Deferred Consideration (as defined in the Prospectus), operates as follows:

5,261, 686 ordinary shares are allotted to the Initial Portfolio vendors as part consideration for the acquisitions. This allotment occurred at completion of the acquisitions. The shares are subject to voluntary escrow, which restricts the ability of those Shareholders to dispose of, create any security interest in, or transfer effective ownership or control of, the restricted shares for 12 or 24 months (depending on the vendor). The escrowed shares are subject to a performance review claw-back at the end of the relevant escrow period. The claw-back operates as follows:

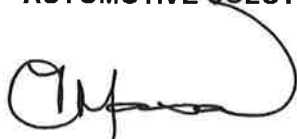
- (i) If that business' actual EBIT ('Earnings Before Interest and Tax') for the escrowed period (i.e. 1 or 2 years) is equal to or more than the EBIT used to calculate the purchase price, then the shares are released in full to the vendor after expiry of the relevant escrow term; or

- (ii) If that business' actual EBIT for the escrowed period (i.e. 1 or 2 years) is less than the EBIT used to calculate the purchase price, then the shares are subject to a claw-back. The claw-back is the shortfall EBIT amount times by the purchase multiple and equals the lesser of:
- (A) Claw-back ÷ VWAP ('volume weighted average price' for the past 15 trading days); and
 - (B) The total number of shares held in escrow for the applicable Initial Portfolio business.
- (iii) Where there is a Claw-back event, the Vendor forfeits the Claw-back shares to ASG (or its nominee). ASG through its lead manager would place these shares and return the capital to ASG.

Should you have any queries or require anything further, please do not hesitate to contact our office.

Yours faithfully

AUTOMOTIVE SOLUTIONS GROUP LTD



TANYA MASON
CEO