

Appendix 4D

Half Yearly Report

Results for Release to the Market

Name of Entity: PWR Holdings Limited
ABN: 85 105 326 850

1. Reporting Period

Reporting Period:	Half year ended 31 December 2017 ("current period")
Previous Reporting Period	Half year ended 31 December 2016 ("previous corresponding period")

2. Results for Announcement to the Market

A\$'000

Revenues from ordinary activities	Up	9.4%	to	20,371
Profit / (loss) from ordinary activities after tax attributed to members	Up	13.6%	to	2,059
Net profit / (loss) for the period attributed to members	Up	13.6%	to	2,059

Dividends (distributions)	Amount per security	Franked amount per security
<i>Current period</i>		
Interim dividend	1.1 cents	100%
<i>Previous corresponding period</i>		
Interim dividend	0.90 cents	100%
Record date for determining entitlements to the dividend		29 March 2018

Brief explanation of revenue, net profit and dividends (results commentary)

Revenue of the Group for the six months ended 31 December 2017 was \$20.37 million (31 December 2016: \$18.62 million), an increase of 9.4%. The Group achieved organic growth of 10.6% compared to the comparative period, primarily arising from increased market penetration in the automotive original equipment manufacturers ("OEM") and motorsport sectors. This was impacted by a 1.3% unfavourable movement in exchange rates, resulting in total AUD revenue growth of 9.4%.

The statutory net profit after tax of the Group for the six months ended 31 December 2017 was \$2.06 million (31 December 2016: \$1.81 million), an increase of 13.6%. These results are after the reduction in net profit after tax for the impact of the corporate income tax rate reduction in the USA resulting in a decrease in net deferred tax assets of \$0.18 million and for a write down of the value of assets held for sale at C&R Racing of \$0.65 million.

EBITDA¹ for 1H FY18 was \$3.82 million whilst underlying EBITDA for 1H FY18 after adjusting for the write down in assets held for resale of \$0.65 million was \$4.48 million compared to \$3.37 million for 1H FY17, an increase of \$1.1m or 32.7%. Underlying EBITDA margins were 21.9% and 18.1% respectively.

Further information on results and operations is included in the Directors' Report.

Subsequent to the end of the reporting period:

- The directors declared a fully franked interim dividend for the half year ending 31 December 2017 of 1.1 cents per ordinary share to be paid on 6 April 2018, a total estimated distribution of \$1.1m based on the number of ordinary shares on issue as at 22 February 2018 and representing 53% of NPAT.

3. Net Tangible assets per security

	Current period	Previous corresponding period
Net tangible assets per security	\$0.24	\$0.21

¹ Earnings before interest, tax, depreciation and amortisation ("EBITDA") and underlying EBITDA are non-IFRS terms which have not been subject to audit or review but have been determined using information presented in the Group's interim financial report.

4. Details of entities over which control has been gained or lost during the period

Control gained over entities

Name of entities	Nil
Date(s) from which control was gained	N/A
Contribution to consolidated profit/(loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired.	N/A
Profit/(loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period.	N/A

Loss of control of entities

Name of entities	Nil
Date(s) from which control was lost	N/A
Contribution to consolidated profit/(loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost.	N/A
Profit/(loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period.	N/A

5. Details of Individual and Total Dividends

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim Current period dividend	6 April 2018	1.10 cents	100%	-
Previous corresponding period	7 April 2017	0.90 cents	100%	-

6. Dividend reinvestment plan

Details of any dividend reinvestment plans in operation

N/A
The last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan
N/A

7. Details of Associates and Joint Ventures:

Name of associate or joint venture entity	Percentage holding	
	Current period	Previous corresponding period
Nil	Nil	Nil

Where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period:

N/A

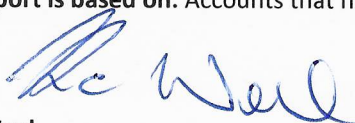
8. For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International Financial Reporting Standards)

N/A

9. Description of dispute or qualification if the accounts have been audited or subject to review

N/A

This report is based on: Accounts that have been subject to review.



Kees Weel

Managing Director

Dated this 22nd day of February 2018



**PWR Holdings Limited
and its controlled entities**

ACN:105 326 850

Interim Financial Report

For the six months ended 31 December 2017

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**PWR Holdings Limited
and its controlled entities**

Directors Report

For six months ended 31 December 2017

The directors present their report together with the financial report of PWR Holdings Limited (the "Company") and its controlled entities (the "Group") for the six months ended 31 December 2017 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the period are:

Director	Period of Directorship
Teresa Gayle Handicott <i>Independent, Non-Executive Director and Chairman</i>	Since 1 October 2015
Kees Cornelius Weel <i>Managing Director</i>	Since 30 June 2003
Jeffrey Ian Forbes <i>Independent, Non-Executive Director</i>	Since 7 August 2015
Roland Dane <i>Independent, Non-Executive Director</i>	Since 1 March 2017

The Company's registered office and principal place of business is 103 Lahrs Road, Ormeau, Queensland 4208.

Operating and financial review

The principal activities of the Group during the half year were the design, engineering, production, testing, validation and sales of customised aluminium cooling products and solutions to the motorsports, automotive original equipment manufacturing ("OEM"), automotive aftermarket and emerging technologies sectors for domestic and international markets.

Net profit after tax of the Group for the six months ended 31 December 2017 was \$2.06 million (31 December 2016: \$1.81 million).

Earnings per ordinary share of 2.06c was an increase of 13.8% on the prior period earnings per ordinary share of 1.81c.

This result was after recognising:

- \$0.18 million charge to income tax expense for the decrease in the net deferred tax balances in the USA following their reduction in their federal corporate tax rate from 35% to 21%; and
- \$0.65 million for the reduction in the carrying value of assets held for sale in the USA to reflect current offers received for that non-core business.

A reconciliation of underlying EBITDA¹ to the reported profit before tax in the consolidated statement of profit or loss and other comprehensive income is tabled below :

	1H FY18 A\$'000	1H FY17 A\$'000
Profit for the period before tax	3,072	2,546
Add : provision for reduction in value of assets held for sale	646	-
Add : net finance costs	102	126
Add : depreciation and amortisation	658	702
Underlying EBITDA ¹	<u>4,478</u>	<u>3,374</u>

**PWR Holdings Limited
and its controlled entities**

Directors Report

For six months ended 31 December 2017

Operating and financial review (continued)

Revenue

The Group achieved overall revenue growth of 9.4% compared to the prior corresponding period with organic revenue growth of 10.6%.

Organic revenue growth comprised growth in GBP sales of 22% and AUD sales of 17% compared to the prior corresponding period. USD sales declined by 11% following the decision to focus on supporting and developing core business products. Movements in the GBP, USD and AUD exchange rates did not impact results materially.

A higher R&D rebate compared to the prior period contributed to an increase in other income.

EBITDA

The higher underlying EBITDA and underlying EBITDA margin in 1H FY18 compared to the prior corresponding period was mainly due to:

- Economies of scale from higher volumes;
- Increased revenue;
- Overhead costs being maintained at similar levels to the prior year; and
- A higher R&D rebate than in the previous reporting period

Operating cash flow

The Group continued its strong cash conversion with 1H FY18 operating cash flow of \$2.4 million which is up 90% on the prior comparative period. This strong operating cash flow has enabled the Group to fund capital expenditure and working capital increases largely from cash resources.

	1H FY18	1H FY17	Change from prior period
	A\$'000	A\$000	
Operating cashflow	2,387	1,253	90.5%

Foreign currency

The Group is exposed to movements in foreign exchange rates, with consolidated revenue generated in various currencies as outlined below:

	1H FY18	1H FY17
British pounds (GBP)	49.9%	46.2%
US dollars (USD)	32.1%	38.7%
Australian dollars (AUD)	18.0%	15.1%

Review of principal business

During the six months ended 31 December 2017, the Group:

- Was selected as cooling assembly supplier for an additional OEM program in Europe;
- Continued OEM development and prototype work; and
- Completed the construction and initial production testing of a new aluminium heat exchanger core production line at C&R in the USA, to increase overall production capacity and focus on longer run production

¹ Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the Group's interim financial report.

**PWR Holdings Limited
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Directors Report

For six months ended 31 December 2017

programs. This will also provide additional production capacity at the Australian facility for research and development, bespoke production and the domestic aftermarket.

Operating and financial review (continued)

Balance sheet management

The balance sheet remains strong with cash of \$3.17 million (30: June 2017: \$9.06 million) and a nil net debt position.

Working capital was largely unchanged during the reporting period and is as expected due to the seasonality of operations.

Capital expenditure for the half was \$3.9 million (1H FY17: \$1.9 million), including \$2.7 million for the C&R heat exchanger core production line.

Events subsequent to reporting date

The Board declared an interim dividend of 1.1 cents per share. The financial effect of the interim dividend has not been brought to account in the consolidated financial statements for the half-year ended 31 December 2017.

Other than the matter noted above, there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future periods.

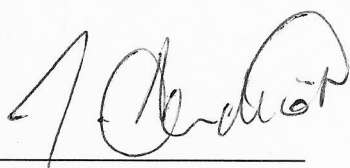
Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the six months ended 31 December 2017.

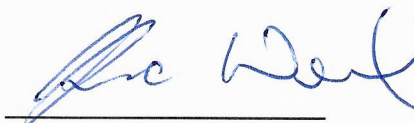
Rounding of amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars or, in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the directors:



Teresa Handicott
Chairman



Kees Weel
Managing Director

Dated at Brisbane, this 22nd day of February 2018.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of PWR Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of PWR Holdings Limited for the half-year ended 31 December 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A stylized, handwritten signature of the KPMG firm, rendered in black ink.

KPMG

A handwritten signature in black ink, appearing to read 'J Adams'.

Jason Adams
Partner

Brisbane
22 February 2018

**PWR Holdings Limited
and its controlled entities**

**Consolidated Statement of Profit or Loss
and Other Comprehensive Income**

For the six months ended 31 December 2017

	<i>Note</i>	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Revenue		20,371	18,624
Other income		300	-
Raw materials and consumables used		(4,115)	(4,030)
Employee expenses		(9,916)	(9,003)
Occupancy expenses		(877)	(826)
Other expenses		(1,285)	(1,391)
Write down in value of assets held for sale	<i>B3</i>	(646)	-
Profit before depreciation, net finance costs and income tax		3,832	3,374
Depreciation and amortisation		(658)	(702)
Profit before net finance costs and income tax		3,174	2,672
Finance income		16	7
Finance costs		(118)	(133)
Net finance income/(costs)		(102)	(126)
Profit before income tax		3,072	2,546
Income tax expense	<i>B4</i>	(1,013)	(734)
Profit for the period		2,059	1,812
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		(139)	(46)
Total comprehensive income for the period		1,920	1,766
Basic and diluted earnings per share		2.06 cents	1.81 cents

The accompanying notes are an integral part of these interim financial statements.

**PWR Holdings Limited
and its controlled entities**

Consolidated Statement of Financial Position

As at 31 December 2017

	<i>Note</i>	31 Dec 2017 \$'000	30 June 2017 \$'000
Assets			
Current assets			
Cash and cash equivalents		3,168	9,064
Trade and other receivables		4,280	3,444
Inventories		7,162	7,281
Assets held for sale		390	1,061
Current tax assets		814	900
Other assets		1,414	501
Total current assets		17,228	22,251
Non-current assets			
Property, plant and equipment	<i>B5</i>	10,824	7,890
Intangible assets		14,102	14,129
Deferred tax assets		1,513	2,023
Other assets		420	-
Total non-current assets		26,859	24,042
Total assets		44,087	46,293
Liabilities			
Current liabilities			
Trade and other payables		3,293	2,921
Loans and borrowings		550	290
Employee benefits		1,421	1,421
Provisions		107	114
Total current liabilities		5,371	4,746
Non-current liabilities			
Loans and borrowings		378	474
Employee benefits		137	112
Total non-current liabilities		515	586
Total liabilities		5,886	5,332
Net assets		38,201	40,961
Equity			
Issued capital	<i>C1</i>	25,921	25,921
Reserves		33	152
Retained earnings		12,247	14,888
Total equity		38,201	40,961

The accompanying notes are an integral part of these interim financial statements.

**PWR Holdings Limited
and its controlled entities**

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**Consolidated Statement of Changes in Equity
For the six months ended 31 December 2017**

<i>Note</i>	Share capital \$'000	Foreign currency translation reserve \$'000	Share based payments reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2017	25,921	103	49	14,888	40,961
Total comprehensive income for the period					
Profit for the period	-	-	-	2,059	2,059
Other comprehensive income	-	(139)	-	-	(139)
Total comprehensive income	-	(139)	-	2,059	1,920
Transactions with owners, recorded directly in equity					
Dividends paid	-	-	-	(4,700)	(4,700)
Employee share based payments	-	-	20	-	20
Total transactions with owners	-	-	20	(4,700)	(4,680)
Balance at 31 December 2017	25,921	(36)	69	12,247	38,201
Balance at 1 July 2016	25,921	514	-	10,288	36,723
Total comprehensive income for the period					
Profit for the period	-	-	-	1,812	1,812
Other comprehensive income	-	(46)	-	-	(46)
Total comprehensive income	-	(46)	-	1,812	1,766
Transactions with owners, recorded directly in equity					
Dividends paid	-	-	-	(3,780)	(3,780)
Employee share based payments	-	-	16	-	16
Total transactions with owners	-	-	16	(3,780)	(3,764)
Balance at 31 December 2016	25,921	468	16	8,320	34,725

The accompanying notes are an integral part of these interim financial statements.

**PWR Holdings Limited
and its controlled entities**

Consolidated Statement of Cash Flows

For the six months ended 31 December 2017

	<i>Note</i>	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Cash flows from operating activities			
Cash receipts from customers		19,370	19,127
Cash paid to suppliers and employees		(16,983)	(17,874)
Cash generated from operations		2,387	1,253
Interest paid		(15)	(26)
Income tax received/(paid)		126	(2,111)
Net cash from/(used in) operating activities		2,498	(884)
Cash flows from investing activities			
Interest received		16	7
Proceeds from sale of property, plant and equipment		16	78
Payments for property, plant and equipment (net of asset finance)		(3,900)	(1,901)
Net cash used in investing activities		(3,868)	(1,816)
Cash flows from financing activities			
Dividends paid	C2	(4,700)	(3,780)
Drawdown of finance facility		320	-
Payment of finance lease liabilities		(155)	(196)
Net cash used in financing activities		(4,535)	(3,976)
Net increase in cash and cash equivalents		(5,905)	(6,676)
Cash and cash equivalents at 1 July		9,064	8,797
Effect of exchange rate fluctuations on cash held		9	(3)
Cash and cash equivalents at 31 December		3,168	2,118

The accompanying notes are an integral part of these interim financial statements.

**PWR Holdings Limited
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**Notes to the consolidated interim financial statements
For the six months ended 31 December 2017**

Section A About this report

A1 Reporting entity

PWR Holdings Limited (the “company”) is a company domiciled in Australia.

These consolidated interim financial statements of the Company as at and for the six months ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group Entities”).

The Group is involved in the design, engineering, production, testing, validation and sales of customised cooling products and solutions to the motorsports, automotive original equipment manufacturing, automotive aftermarket, emerging technologies and industrial industries for domestic and international markets.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2017 are available from the Company’s website (www.pwr.com.au) or upon request from the Company’s registered office at 103 Lahrs Road, Ormeau, Queensland 4208.

A2 Basis of preparation

(a) Statement of compliance

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, and with IAS 34 *Interim Financial Reporting*.

They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2017.

The accounting policies applied in these interim financial statements are the same applied in the Group’s consolidated financial statements as at and for the year ended 30 June 2017.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the Interim Financial Report and Directors’ Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

These interim financial statements were approved by the Board of Directors on 22 February 2018.

(b) Use of estimates and judgements

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2017.

During the half year, the Group reassessed its estimate of the fair value less costs to sell of assets held for sale.

(c) New accounting standards

The Group has not early adopted any of the new accounting standards and amendments as described in the Group’s 30 June 2017 consolidated financial statements. The new standards and amendments relevant to the Group include AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with*

**PWR Holdings Limited
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Notes to the consolidated interim financial statements

For the six months ended 31 December 2017

Customers, AASB 16 Leases, and the Disclosure Initiative (Amendments to AASB 107). The Group is continuing its work on performing a more detailed assessment on areas of the Group's financial statements that may be impacted and expects to disclose additional quantitative information before they are adopted.

Section B Business performance

B1 Operating segments

The Group determines its operating segments based on information presented to the Managing Director being the chief operating decision maker.

Intersegment pricing is determined based on cost plus a margin.

	PWR Performance				Total	
	Products		C&R			
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	14,761	12,258	5,610	6,366	20,371	18,624
Inter-segment revenues	1,496	2,076	80	235	1,576	2,311
Segment revenue	16,257	14,334	5,690	6,601	21,947	20,935
Operating EBITDA ¹	5,184	3,236	(1,101)	206	4,083	3,442
Depreciation	(488)	(502)	(170)	(200)	(658)	(702)
Segment profit/(loss) before interest and tax	4,696	2,734	(1,271)	6	3,425	2,740

¹ Operating EBITDA is the segment's profit from operations before interest, taxation, depreciation and amortisation.

	31 Dec 2017	31 Dec 2016
	\$'000	\$'000
Reconciliation of reportable segment profit or loss		
<i>Profit before tax</i>		
Profit before tax for reportable segments	3,425	2,740
Write down of assets held for sale	(646)	-
Net finance income/(costs)	(102)	(126)
Elimination of inter-segment profit	395	(68)
Consolidated profit before tax	3,072	2,546

B2 Seasonality of operations

The Group's operations are subject to seasonal fluctuations as a result of motorsports seasons operating on a calendar year basis, with the majority of motorsports team spend occurring in the second half of the financial year. As a result, the Group typically has lower revenues and profits in the first half of the financial year.

B3 Assets held for sale

Part of the C&R segment is presented as assets held for sale following the commitment of the Group's management in the 2017 financial year to sell certain assets related to its operation located at North Carolina, USA. Efforts to sell the assets are progressing with the transaction expected to conclude during the 2018

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Notes to the consolidated interim financial statements

For the six months ended 31 December 2017

financial year. The sale relates to non-cooling components of the business, with the Group intending to focus resources on supporting and developing cooling related businesses.

The assets held for sale primarily relate to inventory and property, plant and equipment. During the half year period ended 31 December 2017, the Group decreased its estimate of the fair value less costs to sell of these assets based on the current status of negotiations with potential purchasers resulting in an impairment loss of \$0.65 million being recognised in the statement of profit or loss and other comprehensive income.

B4 Income tax expense

The Group's consolidated effective tax rate for the six months ended 31 December 2017 was 33.0% (28.8%). The increase in effective tax rate was mainly caused by a decrease in the corporate income tax rate in the USA from 35% to 21% which was effective from 1 January 2018. The reduction in the corporate tax rate reduces the net deferred tax assets recognised by the Group's US operations with the decrease being reflected as a charge to income tax expense. The Group's effective tax rate excluding the impact of this adjustment was 27.2%.

B5 Property, plant and equipment

During the half year ended 31 December 2017, the Group continued the construction and installation of the heat exchanger core production line at its C&R Racing operations in the USA. Amounts capitalised in the period amounted to \$2.7 million and were included as part of capital work in progress at period end.

Section C Capital structure and borrowings

C1 Capital and reserves

	31 Dec 2017		31 Dec 2016	
	No. of shares	\$'000	No. of shares	\$'000
Share capital				
<i>Ordinary shares</i>				
Balance at 1 July	100,000,000	25,921	100,000,000	25,921
Balance at 31 December	100,000,000	25,921	100,000,000	25,921

C2 Dividends

Dividends recognised in the current period by the Company are:

	Cents per share	Total amount \$'000	Franked/unfranked	Date of payment
2017 Final Dividend	4.70	4,700	Franked	15 September 2017
Total amount		4,700		

No dividends were recognised by the Company during the prior period.

Subsequent to half year end, the Company declared the following dividends:

	Cents per share	Total amount \$'000	Franked/unfranked	Date of payment
2018 Interim Dividend	1.10	1,100	Franked	6 April 2018
Total amount		1,100		

**PWR Holdings Limited
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Notes to the consolidated interim financial statements

For the six months ended 31 December 2017

Section D Other information

D1 Subsequent events

The Board declared an interim dividend of 1.1 cents per share. The financial effect of the interim dividend has not been brought to account in the consolidated financial statements for the half-year ended 31 December 2017.

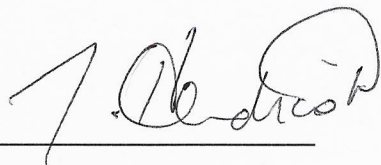
Other than the matter noted above, there has not arisen in the interval since the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' declaration

In the opinion of the directors of PWR Holdings Limited (the "Company"):

- (a) the consolidated financial statements and notes, set out on pages 6 to 12 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

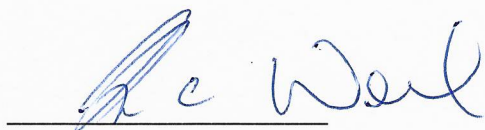
Signed in accordance with a resolution of the directors:



Teresa Handicott

Chairman

Dated at Brisbane, this 22nd day of February 2018.



Kees Weel

Managing Director

Dated at Brisbane, this 22nd day of February 2018.



Independent Auditor's Review Report

To the shareholders of PWR Holdings Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of PWR Holdings Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of PWR Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2017;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date;
- Notes A1 to D1 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises PWR Holdings Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half year.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim 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 Interim Financial Report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibilities for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of PWR Holdings Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim 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.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Jason Adams
Partner

Brisbane
22 February 2018