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**24 AUGUST 2018**

**RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 2018**

**HIGHLIGHTS**

- OPUS achieved a **\$6.3 million profit after tax**, EPS of 5.97 cents and declared **fully franked dividend** of 13 cents per share for the half year ended 30 June 2018
- A small increase in profit before tax from operations was achieved in our core business of book and book-like printing with overall results significantly enhanced by a net non-recurring profit
- **Continued efforts for ongoing operational efficiency** of the core business
- **Expansion of warehousing and printing facilities** to enhance our position as a leading one stop shop for printing solutions and services in Australia

OPUS Group Limited ("OPUS" or the "Group") (ASX: OPG) is a group of leading specialist print and related services provider based in Australia.

**FINANCIAL RESULTS OVERVIEW**

<b>A \$000</b>	<b>Half-year ended 30 June 2018</b>	<b>Half-year ended 30 June 2017</b>	<b>Change % Favourable/ (Unfavourable)</b>
Revenue	38,880	39,692	(2%)
EBITDA	7,610	5,270	44%
Profit before tax	6,857	4,523	52%
<b>Profit after tax</b>	<b>6,291</b>	<b>3,233</b>	<b>95%</b>
Earnings per share	5.97 Cents	3.37 Cents	77%
Fully franked dividend per share	Special : 13 Cents	Ordinary: 1 Cent	120%

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Commenting on the half year result released today, OPUS Chairman Mr Richard Celarc said:

“Our half-year results of a slight increase in operating profit levels on reduced revenue compared to prior year is reflective of the sustained progress we are making with a hands-on approach to managing operational efficiency.

We are boosting our in house capabilities with a number of capex investments and will continue to calibrate our operations to meet the challenges in our market space. Looking to the 2<sup>nd</sup> half of this year, we will work to enhance our value proposition for customers and deliver results to our shareholders.”

The business recorded a slight sales decline of 2% or \$812,000 but achieved an increase operating profit of \$168,000 over the prior comparative period. This was mainly driven by the completion of some one-off projects in the comparative periods not having recurred in this period. Such reduction was partially offset by (i) the commencement of a new long-term contract signed with a customer in early 2017 which increased its order volume gradually in the second half of 2017 and the first half of 2018; and (ii) a new long-term warehouse and fulfilment contract commenced in the second quarter of 2018.

Reported profit before tax increased by approximately 52% or \$2,334,000 compared to the half-year ended 30 June 2017. This was mainly attributable to the net effect of non-recurring items comprising a \$4,840,000 gain from the reclassification of a foreign exchange translation reserve to profit as a result of de-registration of a foreign entity and the expensing of \$2,674,000 listing costs incurred in the proposed Scheme of Arrangement and listing in Hong Kong.

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## **OUTLOOK**

Our business objective is to retain our position as a leading one stop shop for printing solutions and services in Australia by enhancing our end-to-end solutions as well as expanding our warehousing and printing facilities in conjunction to the benefits of successful re-domiciliation.

As a sustainable print partner, we will continue to collaborate with our customers to enhance our service-proposition and deliver results to exceed our shareholders' expectation.

A meeting of shareholders will be held on 6 September 2018 to consider a proposed Scheme of Arrangement pursuant to which, if approved by shareholders and the Court, the listing of the company would be transferred to Hong Kong in accordance with the documents previously sent to shareholders.

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## **ABOUT OPUS GROUP**

OPUS Group is an Australian group of three specialist print and related services businesses, each a leader in their individual market.

Servicing multiple industries, OPUS Group is the preferred partner to many of the world's largest publishers.

### **Contacts:**

#### **For investors & media:**

Tammy Tang (Executive Director) +61 2 9584 7623

## 1. Company details

Name of entity:	Opus Group Limited
A.B.N.:	48 006 162 876
Reporting period:	For the half-year ended 30 June 2018
Previous period:	For the half-year ended 30 June 2017

## 2. Results for announcement to the market

	Half-year ended 30 Jun 2018 AUD\$'000s	Half-year ended 30 Jun 2017 AUD\$'000s	Change %
Revenue	38,880	39,692	(2%)
Profit after income tax	6,291	3,233	95%
Net profit attributable to the owners of Opus Group Limited	6,291	3,233	95%

For review of result, refer to Review of Operations included in the Directors' Report.

## 3. Dividend

	Record date	Payment date	Amount per shares Cent	Franked amount per shares Cent
Dividend declared on 23 February 2018 - Final dividend	28 May 2018	8 June 2018	1	1
Dividend declared on 14 June 2018 - Special dividend	8 August 2018	22 August 2018	13	13

## 4. Dividend Reinvestment Plan

On 14 June 2018, the Group has approved the establishment of OPUS Dividend Reinvestment Plan ("DRP") to provide shareholders with a method of reinvesting all or part of their special dividend declared on 14 June 2018. The last date for receipt of an election notice for participation in the DRP was 9 August 2018. The final issue price for shares of the DRP was determined based on the five day weighted average trading price of OPUS shares commencing on the second trading day after the record date. The DRP has been accomplished by the date of this report and it resulted at 28,614,371 additional shares issued on 22 August 2018.

## 5. Net tangible assets

	Half-year ended 30 Jun 2018 Cents	Year ended 31 Dec 2017 Cents
Net tangible assets per ordinary share	21.54	34.16

## 6. Review status

The consolidated financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

## 7. Attachments

The Interim Report of Opus Group Limited for the half-year ended 30 June 2018 is attached.

**8. Signed**



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Richard Celarc  
Chairman  
Sydney

Date: 24 August 2018

# **Opus Group Limited and Controlled Entities**

**A.B.N. 48 006 162 876**

**Interim Report - 30 June 2018**

**OPUS Group Limited and Controlled Entities  
Directors' Report  
30 June 2018**

The directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the "OPUS Group" or the "Group") consisting of Opus Group Limited (referred to hereafter as the "Company" or the "parent entity") and the entities it controlled during the half-year ended 30 June 2018.

**(a) Directors**

The following persons were directors of OPUS Group Limited during the financial half-year and up to the date of this report, unless otherwise stated.

Richard F. Celarc  
C. K. Lau  
T. Y. Tang  
Paul A. Young  
M. L. Lam (retired on 17 May 2018)

**(b) Principal Activities**

The principal activities of the OPUS Group are providing production and distribution of publications, including electronic delivery of online material, regional production of scientific, medical, technical and scholarly journals, loose leaf manuals and primary, secondary and higher education texts and read for pleasure. As well as, provision of secure government communication requirements including document production, web hosting, electronic fulfilment, call centre, warehousing and logistics for the Australian Federal Government, State Governments and Local Councils.

**(c) Review of Operations**

**HALF-YEAR ENDED 30 JUNE 2018 OPERATING RESULT, FINANCIAL SUMMARY AND COMMENTARY**

OPUS Group continuing operations generated revenue of \$38,880,000 which decreased by 2% when compared to the prior period (half-year ended 30 Jun 2017: \$39,692,000). The profit of OPUS Group after income tax amounted to \$6,291,000 which increased by 95% when compared to the prior period (half-year ended 30 Jun 2017: \$3,233,000). The improvement of profit after tax was attributable to the net effect of the reclassification of \$4,840,000 gain from foreign exchange translation reserve to profit or loss as a result of de-registration of the foreign entity and \$2,674,000 re-domiciliation expenses charged to profit or loss for the half-year ended 30 June 2018.

Reported Financial Performance

	Half-year ended 30 Jun 2018 AUD\$'000s	Half-year ended 30 Jun 2017 AUD\$'000s	% Change Favourable/ (Unfavourable)
<b>Continuing operations</b>			
Revenue	38,880	39,692	(2%)
Operating expenses	(37,765)	(35,709)	(6%)
Other income	5,542	521	964%
Operating profit before net finance income	6,657	4,504	48%
Net finance income	200	19	953%
Profit before income tax	6,857	4,523	52%
Income tax expense	(566)	(1,290)	56%
Profit for the half-year ended 30 June	6,291	3,233	95%

**(c) Review of Operations (Continued)**

**HALF-YEAR ENDED 30 JUNE 2018 OPERATING RESULT, FINANCIAL SUMMARY AND COMMENTARY (CONTINUED)**

Asset and Capital Structure as at date of the Consolidated Statement of Financial Position:

	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>AUD\$'000s</b>	<b>AUD\$'000s</b>
Total current assets	39,642	43,362
Total current liabilities	(25,699)	(14,274)
Net current assets	13,943	29,088
Finance lease liabilities	(228)	(255)
Cash and cash equivalents	19,338	25,673
Net cash	19,110	25,418
Total equity	22,691	35,990

As at 30 Jun 2018, OPUS Group had total equity of \$22,691,000 (31 Dec 2017: \$35,990,000). The reduction in total equity was as a result of the declaration of 13 cents special dividend on 14 June 2018 with a payment date on 22 August 2018 in which such dividend of \$13,696,000 was classified from equity to current liabilities as well as the paid out of 1 cent final dividend amounted \$1,054,000 in respect of the year end of 31 December 2017.

There is net working capital of \$13,943,000 (31 Dec 2017: \$29,088,000). The current ratio is 1.5 (31 Dec 2017: 3.0). OPUS Group had cash of \$19,338,000 (31 Dec 2017: \$25,673,000). The borrowings of OPUS Group are represented by finance lease liabilities of \$228,000 (31 Dec 2017: \$255,000). OPUS Group's gearing ratio, which is calculated on the basis of the total interest-bearing debts over the total equity, is 1.0% (31 Dec 2017: 0.7%).

**(d) Rounding of Amounts**

OPUS Group Limited is a Company of the kind referred to in the Australian Securities and Investment Commission ("ASIC") Corporation (Rounding in Financials/Directors' Reports) Instrument 2016/191 dated 24 March 2016. Amounts in the Financial Report and Directors' Report have been rounded off in accordance with legislative instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**(e) Auditor's independence declaration**

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 6 for the half-year ended 30 June 2018.

This report is made in accordance with a resolution of the directors, pursuant to section 306(3) (a) of the *Corporations Act 2001*.




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Richard Celarc  
Chairman

24 August 2018  
Sydney

## DECLARATION OF INDEPENDENCE BY GILLIAN SHEA TO THE DIRECTORS OF OPUS GROUP LIMITED

As lead auditor for the review of Opus Group Limited for the half-year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Opus Group Limited and the entities it controlled during the period.



Gillian Shea  
Partner

**BDO East Coast Partnership**

Sydney, 24 August 2018

## **Opus Group Limited and Controlled Entities**

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**30 June 2018**

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Consolidated Statement of Profit or Loss and Other Comprehensive Income  
Consolidated Statement of Financial Position  
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Notes to the Consolidated Financial Statements  
Directors' declaration  
Independent auditor's review report to the members of Opus Group Limited

#### **General information**

The consolidated financial statements cover Opus Group Limited as a consolidated entity consisting of Opus Group Limited and the entities it controlled at the end of, or during, the half-year. The consolidated financial statements are presented in Australian dollars, which is Opus Group Limited's functional and presentation currency.

Opus Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

#### **Registered office and principal place of business**

138 Bonds Road,  
Riverwood, NSW 2210

A description of the nature of the OPUS Group's operations and its principal activities are included in the Directors' Report, which is not part of the consolidated financial statements.

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 24 August 2018.

**OPUS Group Limited and Controlled Entities**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**for the half-year ended 30 June 2018**

	Note	Half-year ended 30 Jun 2018 AUD\$'000s	Half-year ended 30 Jun 2017 AUD\$'000s
Revenue		38,880	39,692
Other income	5	5,542	521
Expenses:			
Changes in inventories		(11,841)	(12,015)
Other production costs and freight		(8,094)	(8,246)
Employee benefits expense		(12,172)	(12,675)
Occupancy costs		(1,132)	(1,058)
Depreciation and amortisation expense		(953)	(766)
Other expenses		(3,573)	(949)
<b>Operating profit before net finance income</b>		<b>6,657</b>	<b>4,504</b>
<b>Net finance income</b>		<b>200</b>	<b>19</b>
<b>Profit before income tax</b>	6	<b>6,857</b>	<b>4,523</b>
Income tax expense	7	(566)	(1,290)
<b>Profit for the half-year ended</b>		<b>6,291</b>	<b>3,233</b>
<b>Other comprehensive income, net of income tax</b> <i>Items that may be reclassified subsequently to profit or loss</i>			
De-recognition of foreign currency translation reserve		(4,840)	101
Exchange differences on translation of foreign operations		-	3
<b>Other comprehensive income for the half-year ended, net of income tax</b>		<b>(4,840)</b>	<b>104</b>
<b>Total comprehensive income for the half-year ended</b>		<b>1,451</b>	<b>3,337</b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share</b>			
Basic earnings per share	3	5.97	3.37
Diluted earnings per share	3	5.97	3.23

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**OPUS Group Limited and Controlled Entities**  
**Consolidated Statement of Financial Position as at 30 June 2018**

	Note	30 Jun 2018 AUD\$'000s	31 Dec 2017 AUD\$'000s
<b>Current assets</b>			
Cash and cash equivalents		19,338	25,673
Trade and other receivables		11,792	10,870
Inventories		6,514	5,331
Other current assets		1,906	1,262
Current tax receivable		92	226
<b>Total current assets</b>		<b>39,642</b>	<b>43,362</b>
<b>Non-current assets</b>			
Property, plant and equipment		6,739	7,003
Deposits paid for acquisition of property, plant and equipment		1,301	-
Deferred tax assets		3,302	2,460
<b>Total non-current assets</b>		<b>11,342</b>	<b>9,463</b>
<b>Total assets</b>		<b>50,984</b>	<b>52,825</b>
<b>Current liabilities</b>			
Trade and other payables		8,187	10,607
Dividend payable		13,696	-
Interest bearing liabilities	10(c)	58	56
Employee benefits		3,758	3,611
<b>Total current liabilities</b>		<b>25,699</b>	<b>14,274</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		427	422
Interest bearing liabilities	10(c)	170	199
Employee benefits		283	245
Provisions		1,714	1,695
<b>Total non-current liabilities</b>		<b>2,594</b>	<b>2,561</b>
<b>Total liabilities</b>		<b>28,293</b>	<b>16,835</b>
<b>Net assets</b>		<b>22,691</b>	<b>35,990</b>
<b>Equity</b>			
Share capital	8	14,491	14,491
Reserves		-	4,840
Retained earnings		8,200	16,659
<b>Total equity</b>		<b>22,691</b>	<b>35,990</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**OPUS Group Limited and Controlled Entities**  
**Consolidated Statement of Changes in Equity for the half-year ended 30 June 2018**

	Note	Share capital AUD\$'000s	Reserves AUD\$'000s	Retained earnings AUD\$'000s	Total AUD\$'000s
<b>Balance at 1 January 2017</b>		6,036	9,591	13,103	28,730
Profit after income tax		-	-	3,233	3,233
Other comprehensive income, net of tax		-	104	-	104
Total comprehensive income for the half-year ended		-	104	3,233	3,337
<i>Transactions with owners in their capacity as owners</i>					
Dividend paid	9	-	-	(1,067)	(1,067)
Share buy-back, net of transaction costs		(2,699)	-	-	(2,699)
Share options exercised, net of transaction costs		6,984	-	-	6,984
Transfer		4,810	(4,810)	-	-
Total changes in ownership interests		9,095	(4,810)	(1,067)	3,218
<b>Balance at 30 June 2017</b>		15,131	4,885	15,269	35,285
	Note	Share capital AUD\$'000s	Reserves AUD\$'000s	Retained earnings AUD\$'000s	Total AUD\$'000s
<b>Balance at 1 January 2018</b>		14,491	4,840	16,659	35,990
Profit after income tax		-	-	6,291	6,291
Other comprehensive income, net of tax		-	(4,840)	-	(4,840)
Total comprehensive income for the half-year ended		-	(4,840)	6,291	1,451
<i>Transactions with owners in their capacity as owners</i>					
Dividend paid	9	-	-	(14,750)	(14,750)
Total changes in ownership interests		-	-	(14,750)	(14,750)
<b>Balance at 30 June 2018</b>		14,491	-	8,200	22,691

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**OPUS Group Limited and Controlled Entities**  
**Consolidated Statement of Cash Flows for the half-year ended 30 June 2018**

	<b>Half-year ended 30 Jun 2018 AUD\$'000s</b>	<b>Half-year ended 30 Jun 2017 AUD\$'000s</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	41,809	46,096
Payments to suppliers and employees (inclusive of GST)	(41,846)	(41,407)
Net income tax paid	(1,269)	(1,076)
Other income	702	521
Interest received	211	134
Interest and borrowing costs paid	(8)	(109)
<b>Net cash (used in)/provided by operating activities</b>	<b>(401)</b>	<b>4,159</b>
<b>Cash flows from investing activities</b>		
Net cash outflows on disposal of a subsidiary	-	(25)
Payments for purchase of property, plant and equipment	(2,009)	(717)
Proceeds from the disposal of property, plant and equipment	25	25
<b>Net cash used in investing activities</b>	<b>(1,984)</b>	<b>(717)</b>
<b>Cash flows from financing activities</b>		
Payment for share buy-back, including transaction costs	-	(2,699)
Dividends paid	(1,054)	(1,067)
Net proceeds from exercised share options	-	6,984
Payment of finance leases liabilities	(27)	(27)
Payment of re-domiciliation costs	(2,913)	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(3,994)</b>	<b>3,191</b>
<b>Net (decrease)/increase in cash and cash equivalents during the half-year ended</b>	<b>(6,379)</b>	<b>6,633</b>
<b>Cash and cash equivalents at the beginning of the half- year ended</b>	<b>25,673</b>	<b>17,519</b>
Net effect of exchange rate changes on cash	44	3
<b>Cash and cash equivalents held at the end of the half-year ended</b>	<b>19,338</b>	<b>24,155</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**1. Summary of significant accounting policies**

**(i) Statement of Compliance**

These general purpose consolidated interim financial statements for the half-year ended 30 June 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of OPUS Group and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2017, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 24 August 2018.

**(ii) Basis of Preparation**

The consolidated financial statements have been prepared on the basis of historical cost. All amounts are presented in Australian dollars, unless otherwise noted. The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Comparative information in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows has been presented for the half-year ended 30 June 2017. When necessary, the comparative figures have been adjusted to conform to changes in presentation in the current period.

**(iii) Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the financial year ended 31 December 2017, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**New, revised or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The Group has applied for the first time *AASB 15 Revenue from Contracts with Customers* and *AASB 9 Financial Instruments* from 1 January 2018, along with a number of other standards effective from 1 January 2018. The adoption of these Accounting Standards and Interpretations do not have any significant impact on interim financial statements of the Group.

With the adoption of these new and revised Accounting Standards, the following accounting policies were revised and applied retrospectively:

***Revenue recognition***

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

***Sales of goods***

Revenue arising from sales of goods is recognised at the point in time when the customer (i.e. publishers) has obtained control of the publications, on delivery at their premises. . This is considered fulfilment of the performance obligation. Invoices are issued and revenue is recognised at that point in time according to contractual terms, with consideration to any trade discounts, volume rebates and penalties.. Trade discounts, volume rebates and penalties may give rise to variable consideration and the deferral of revenue.

***Rendering of services***

The Group provide warehousing and logistic services for which revenue is recognised over time on a systematic basis. The total consideration in the service contracts with the customer is allocated to all services based on their stand-alone selling price which is based on the list prices at which the Group sells the services in separate transactions.

**1. Summary of significant accounting policies (Continued)**

**(iii) Accounting Policies (continued)**

***Financial assets***

Trade and other receivables are recognised initially at fair value, less provision for impairment.

***Impairment of financial assets***

The Group assesses on a forward looking basis the expected credit loss (“ECL”) associated with its debt instrument assets carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by *AASB 9/ IFRS 9* that is to measure the loss allowance at the amount equal to lifetime ECL at initial recognition and through its life of the asset. The impairment methodology applied depends on whether there has been a significant increase in credit risk by considering reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full; or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

***Credit-impaired financial assets***

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

***Write-off policy***

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings.

**New, revised or amended Accounting Standards and Interpretations not yet mandatory or early adopted**

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The directors’ assessment on the impact of these new *Australian Accounting Standards and Interpretations* have been outlined in the Company’s 2017 annual financial report for the financial year ended 31 December 2017.

**(iii) Estimates**

When preparing the interim financial statements, there are a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the OPUS Group’s last annual financial statements for the year ended 31 December 2017, except for the adoption of *AASB 9* which had no material impact on the provision for doubtful debts.

**2. Significant events and transactions**

There are no significant changes in financial position and performance of the OPUS Group since the end of the last annual financial statements for the year ended 31 December 2017, except for the proposed re-organisation.

On 14 June 2018, the Group entered into a Scheme Implementation Agreement (“SIA”) under which OPUS shareholders will exchange their securities in OPUS for securities in a newly incorporated Bermudan entity, Left Field Printing Group Limited (“TopCo”) on a basis of three TopCo shares for every one OPUS share. Once the listing approval from the Stock Exchange of Hong Kong (“HKEx”) has become unconditional, and the scheme is approved by OPUS shareholders and the Federal Court, TopCo will list on the HKEx and OPUS will be delisted from the Australian Securities Exchange.

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**for the half-year ended 30 June 2018**

**3. Earnings per share**

	<b>Half-year ended 30 Jun 2018</b>	<b>Half-year ended 30 Jun 2017</b>
Basic earnings per share (cents )	5.97	3.37
Diluted earnings per share (cents)	5.97	3.23

  

	<b>Half-year ended 30 Jun 2018 AUD\$'000s</b>	<b>Half-year ended 30 Jun 2017 AUD\$'000s</b>
Earnings used in calculating basic and diluted earnings per share	6,291	3,233
	<b>'000s</b>	<b>'000s</b>
Weighted average number of ordinary shares used as the denominator in calculating the basic profit per share	105,356	95,851
Adjustments for calculation of diluted earnings per share: Share options	-	4,142
Weighted average number of ordinary shares used as the denominator in calculating the diluted profit per share	105,356	99,993

**4. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

(a) Description of the segment

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker as defined above that are used to make strategic decisions.

These individuals review the business primarily from a product and service offering perspective and have identified one distinct operating segment: Publishing Services.

Publishing Services provides digital and offset printing, and other ancillary business services including digital asset management, content management, back catalogue fulfilment, direct to consumer distribution and warehousing, variable data and intelligent mailing. It has short run, medium and long run production capabilities and in-house finishing.

It also has a business services model that enables the efficient and seamless content creation to consumption for the Federal government, government departments and agencies. This includes webhosting, electronic fulfilment, printing on demand and digital asset management. These capabilities have been extended to the publishing sector as well.

(b) Segment revenue

Sales between segments are carried out on an arm's length basis and are eliminated on consolidation. The revenue from external parties reported is measured in a manner consistent with that in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The revenue by geographic location is not used by the Chief Operating Decision Maker in reviewing the performance of the CGU. The Board considered the cost to develop it would be excessive.

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**for the half-year ended 30 June 2018**

**4. Segment reporting (Continued)**

(c) Inter-segment transactions

Sales between segments are carried out arm's length and are eliminated on consolidation.

(d) EBITDA as monitored by the Board and Senior Management

The Chief Operating Decision Maker assesses the performance of the operating segments based on a measure of EBITDA as monitored by the Board and Senior Management ("EBITDA"). This measure is consistent with the presentation of financial information internally for management accounting purposes.

A reconciliation of EBITDA to the profit before income tax per the Consolidated Statement of Profit or Loss and Other Comprehensive Income is as follows:

	Half-year ended 30 Jun 2018 AUD\$'000s	Half-year ended 30 Jun 2017 AUD\$'000s
EBITDA on ordinary activities	7,610	5,270
Depreciation and amortisation expense	(953)	(766)
Net finance income	200	19
Profit before income tax	<u>6,857</u>	<u>4,523</u>

(e) Segment Information

Half-year ended 30 Jun 2018	Publishing AUD\$'000s	Other <sup>^</sup> AUD\$'000s	Total AUD\$'000s
External revenue	38,880	-	38,880
Other income	678	4,864	5,542
Operating expenses	(33,725)	(3,087)	(36,812)
<b>EBITDA</b>	<u>5,833</u>	<u>1,777</u>	<u>7,610</u>
Depreciation and amortisation expense	(869)	(84)	(953)
Net finance income	(36)	236	200
<b>Profit before income tax</b>	<u>4,928</u>	<u>1,929</u>	<u>6,857</u>

<sup>^</sup> Included in "Other" mainly represented income arising from the reclassification of \$4,840,000 gain from foreign exchange translation reserve to profit or loss as a result of de-registration of foreign entity and \$2,674,000 listing expenses charged to profit or loss for the half-year ended 30 June 2018. It also includes the Group's activities in finance revenue and costs, staff costs and other corporate activities incurred under central corporate and treasury function which are not able to be allocated to Publishing.

**Half-year ended  
30 Jun 2017**

	Publishing AUD\$'000s	Other* AUD\$'000s	Loss on disposal of subsidiary+ AUD\$'000s	Total AUD\$'000s
External revenue	39,692	-	-	39,692
Other income	492	29	-	521
Operating expenses	(34,553)	(257)	(133)	(34,943)
<b>EBITDA</b>	<u>5,631</u>	<u>(228)</u>	<u>(133)</u>	<u>5,270</u>
Depreciation and amortisation expense	(765)	(1)	-	(766)
Net finance income	(14)	33	-	19
<b>Profit before income tax</b>	<u>4,852</u>	<u>(196)</u>	<u>(133)</u>	<u>4,523</u>

\* Included in "Other" are the Group's activities in finance revenue and costs, staff costs and other corporate activities incurred under central corporate and treasury function which are not able to be allocated to Publishing.

+ Loss on disposal of subsidiary during the half-year ended 30 June 2017 represented \$133,000 from disposal of Ligare Limited in New Zealand.

(f) Segment assets and liabilities

The amounts provided to the Chief Operating Decision Maker with respect to total assets and total liabilities are not reported by operating segment. The Chief Operating Decision Maker does not receive information about the geographical locations of the segment assets and liabilities.

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**for the half-year ended 30 June 2018**

**5. Other income**

	Half-year ended 30 Jun 2018 AUD\$'000s	Half-year ended 30 Jun 2017 AUD\$'000s
Scrap recoveries	299	337
Insurance refund	71	14
Discount received	125	50
Gain on deregistration of a foreign entity	4,840	-
Other	207	120
<b>Total other income</b>	<b>5,542</b>	<b>521</b>

**6. Profit before income tax**

Profit before income tax includes the following items which require specific disclosure:

	Half-year ended 30 Jun 2018 AUD\$'000s	Half-year ended 30 Jun 2017 AUD\$'000s
Provision for/(reversal of) impairment of trade receivables	18	(132)
Reversal of obsolete inventories	(55)	(103)
Minimum lease payments related to operating leases	1,505	1,277
Superannuation	889	955
Foreign exchange losses/(gains)	4	(5)

**7. Income tax expense**

The Group calculates the half-year ended income tax expense using the tax rate of 30% (30 June 2017: 30%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The major components of income tax expense in the Consolidated Statements of Profit or Loss are:

	Half-year ended 30 Jun 2018 AUD\$'000s	Half-year ended 30 Jun 2017 AUD\$'000s
Current tax expense	1,433	1,155
Deferred tax (income)/expense	(838)	197
Over provision of previous periods	(29)	(62)
<b>Total income tax expense</b>	<b>566</b>	<b>1,290</b>

**8. Share capital**

	note	30 Jun 2018 Shares	31 Dec 2017 Shares	30 Jun 2018 AUD\$'000s	31 Dec 2017 AUD\$'000s
<b>Ordinary shares</b>					
Fully paid		105,355,570	92,257,662	14,491	6,036
Share buy-back	(a)	-	(6,902,092)	-	(3,339)
Exercise of share options	(b)	-	20,000,000	-	6,984
Transfer from share option reserve		-	-	-	4,810
Fully paid		<b>105,355,570</b>	<b>105,355,570</b>	<b>14,491</b>	<b>14,491</b>

(a) An extraordinary general meeting was held on 8 December 2016 to approve a maximum of 20 million shares under the on-market share buy-back, which was commenced on 9 December 2016 and remains open until the earlier of 8 December 2017 or when 20 million shares have been bought back. As of 8 December 2017, the share buy-back was closed and OPUS bought back and fully cancelled 11,058,026 shares.

(b) During the year ended 31 December 2017, the ultimate parent Lion Rock Group Limited exercised 20 million of share options amounted \$7,000,000 at \$0.35 each. As of 30 June 2018, there were no outstanding share options.

Ordinary shares entitle the holder to participate in dividends in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and there is no limit on the amount of authorised capital.

**OPUS Group Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**for the half-year ended 30 June 2018**

**9. Equity - dividends**

Dividends paid during the half-year ended 30 June 2018 were \$1,054,000 (30 June 2017: \$1,067,000).

On 14 Jun 2018, the directors declared 13 cents fully franked special dividend per share with a record date on 8 August 2018 as well as a Dividend Reinvestment Plan ("DRP"). The final issue price for shares of the DRP was determined based on the five day weighted average trading price of OPUS shares commencing on the second trading day after the record date. The DRP has been accomplished by the date of this report and it resulted at 28,614,371 additional shares issued on 22 August 2018. Payment of \$1,930,000 was made on 22 August 2018 for those shareholders who opted to receive cash.

**10. Contractual commitments for expenditure**

(a) Capital commitments

Aggregate capital expenditure contracted for at reporting date, but not provided for in the accounts due:

Plant and equipment  
**Total capital commitments**

30 Jun 2018 AUD\$'000s	31 Dec 2017 AUD\$'000s
823	456
<b>823</b>	<b>456</b>

(b) Lease commitments

Non-cancellable operating lease rentals are payable as follows:

Not later than one year  
 Later than one year but not later than five years  
**Total lease commitments**

30 Jun 2018 AUD\$'000s	31 Dec 2017 AUD\$'000s
2,388	2,249
2,773	3,942
<b>5,161</b>	<b>6,191</b>

(c) Finance lease commitments

Commitments in relation to finance lease payments are payable as follows:

Not later than one year  
 Later than one year but not later than five years

Future finance charges  
 Recognised as a liability

Representing finance leases  
 Current  
 Non-current  
**Total finance leases**

30 Jun 2018 AUD\$'000s	31 Dec 2017 AUD\$'000s
58	56
170	199
<b>228</b>	<b>255</b>
27	35
<b>255</b>	<b>290</b>
71	70
184	220
<b>255</b>	<b>290</b>

The OPUS Group leases offices, factories, warehouses and plant and machinery under non-cancellable operating leases and finance lease arrangements expiring within one to five years. The leases vary in contract period, escalation clauses and renewal rights depending on the assets involved. On renewal, the terms of the lease are generally re-negotiated.

**11. Contingent liabilities**

The obligations of the controlled entities under commercial agreements amounts to \$550,000 in total and are secured by a bank guarantee (31 December 2017: \$550,000).

**12. Fair value measurement of financial instruments**

The financial assets and liabilities included in the current assets and liabilities in the Consolidated Statement of Financial Position are carried at amounts that approximate net fair values. As at reporting date there were no financial assets and liabilities recognised in the Consolidated Statement of Financial Position using fair value measurements.

**13. Subsequent events**

The DRP has been accomplished by the date of this report. Payment of \$1,930,000 was made on 22 August 2018 for those shareholders who opted to receive cash. 28,614,371 additional shares issued on 22 August 2018 and it resulted at an increase of share capital by \$11,766,000 and reduction of dividend payable by the same amount.

Except for the DRP aforesaid, there was no other matter or circumstance that arose which has significant affected, or may significantly affect OPUS Group's operations, the results of these operations, or OPUS Group's state of affairs in future financial years.

**OPUS Group Limited and Controlled Entities  
Directors' Declaration**

In accordance with a resolution of the Directors of OPUS Group Limited, the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 18, 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 OPUS Group Limited and its controlled entities financial position as at 30 June 2018 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

On behalf of the Directors,

This declaration is made in accordance with a resolution of the Directors made pursuant to section 303(5) (a) of the *Corporation Act 2001*.



Richard Celarc  
Chairman  
24 August 2018

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Opus Group Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Opus Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2018 and its financial 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 the Group, 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 have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

BDO

A handwritten signature in black ink, appearing to read 'Gillian Shea', with a long, sweeping underline.

Gillian Shea  
Partner

Sydney, 24 August 2018