



**ASX ANNOUNCEMENT**

**FOR IMMEDIATE RELEASE TO THE MARKET**

**PPK Group Limited – ASX Code: PPK**

**Monday 29 February 2016**

**Market Update and Half Year Results**

PPK Group Limited (PPK) advises that it is continuing negotiations with a number of interested parties with reference to a prospective, merger, sale or equity injection alternatives in relation to its mining services businesses and PPK itself.

One of the parties with whom PPK is dealing, a major state owned Chinese mining equipment manufacturer is in the process of appointing legal and accounting firms to continue a detailed due diligence on PPK generally and the PPK mining services businesses in particular.

Until such time as it is clear whether there will be a sale or merger of the PPK mining services businesses the PPK directors are not in a position to determine:

- an appropriate carrying value for the mining services assets; and
- if the mining services businesses will continue to operate in their current structure.

Accordingly, PPK is not in a position to complete and lodge accounts for the half year ended 31 December 2015.

PPK however can and does advise that it has sustained a loss of \$4,276,000 before tax (\$4,144,000 after tax) for the six months to 31 December 2015:

- with trading conditions in the mining services businesses continuing to be difficult in line with the general downturn in the resources sector; and
- income and capital gains generated by the PPK property and investment division continuing to support the mining services businesses.

A further update will be provided, and accounts finalised and lodged, as soon as a final outcome has been confirmed in relation to the prospective merger, sale or equity injection alternatives.

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