



CIVMEC LIMITED

(Company Registration No: 201011837H)

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SECOND
QUARTER ENDED 31 DECEMBER 2015**



PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

INCOME STATEMENT

	Group			Group		
	Q2 FY2016 S\$'000	Q2 FY2015 S\$'000	+ / (-) %	6M FY2016 S\$'000	6M FY2015 S\$'000	+ / (-) %
Sales revenue	91,527	126,404	(27.6)	235,367	296,589	(20.6)
Cost of sales	(79,736)	(110,128)	(27.6)	(206,070)	(260,284)	(20.8)
Gross profit	11,791	16,276	(27.6)	29,297	36,305	(19.3)
Other income	453	235	92.7	844	502	68.1
Share of profit in joint venture	1,109	-		1,109	-	
Administrative expenses	(6,541)	(6,253)	4.6	(12,413)	(11,252)	10.3
Finance costs	(466)	(515)	(9.5)	(889)	(1,257)	(29.3)
Profit before tax	6,346	9,743	(34.9)	17,948	24,298	(26.1)
Income tax expense	(1,557)	(2,367)	(34.2)	(4,480)	(5,858)	(23.5)
Profit for the period	4,789	7,376	(35.1)	13,468	18,440	(27.0)
<u>Profit attributable to:</u>						
Owners of the Company	4,825	7,376	(34.6)	13,504	18,440	(26.8)
Non-controlling interest	(36)	-		(36)	-	
	4,789	7,376	(34.6)	13,468	18,440	(27.0)
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	0.96	1.47		2.70	3.68	
• Diluted	0.96	1.47		2.70	3.68	



1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd):

STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	Q2 FY2016 S\$'000	Q2 FY2015 S\$'000	+ / (-) %	6M FY2016 S\$'000	6M FY2015 S\$'000	+ / (-) %
Profit for the period	4,789	7,376	(34.6)	13,468	18,440	(27.0)
<u>Other comprehensive income:</u>						
Exchange differences on re-translation from functional currency to presentation currency	5,444	(4,577)	(218.9)	-5	(12,873)	(100.0)
Total comprehensive income for the period	10,233	2,799	265.6	13,463	5,567	141.9
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	10,269	2,799	266.8	13,499	5,567	142.5
Non-controlling interest	(36)	-		(36)	-	
	10,233	2,799	265.6	13,463	5,567	141.9

Note

For the income statement the Australian dollar is translated at average rates as prescribed below:

	December 2015	December 2014
A\$	1.0096	1.1386



1(a)(ii) Notes to the Income Statement and Consolidated Statement of Comprehensive Income.

A. Profit before income tax

The following items have been included in determining the profit before income tax:

	Group			Group		
	Q2	Q2	+ / (-)	6M	6M	+ / (-)
	FY2016	FY2015		FY2016	FY2015	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gain/(Loss) on disposal of property, plant and equipment	51	(85)	(159.5)	67	(83)	(181.1)
Interest income on bank balances	205	83	147.1	319	289	10.5
Sundry revenue	203	151	34.0	458	151	202.9
Share of Profit in Joint Venture	1,109	-		1,109	-	100.0

B. Finance costs

	Group			Group		
	Q2	Q2	+ / (-)	6M	6M	+ / (-)
	FY2016	FY2015		FY2016	FY2015	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Bank bills	239	139	72.2	393	423	(7.2)
Finance leases	205	356	(42.3)	458	764	(40.0)
Others	22	20	11.4	38	70	(45.8)
Total Finance Costs	466	515	(9.5)	889	1,257	(29.3)

C. Depreciation expenses

	Group			Group		
	Q2	Q2	+ / (-)	6M	6M	+ / (-)
	FY2016	FY2015		FY2016	FY2015	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Included in Cost of sales	1,936	1,854	4.4	3,688	3,698	(0.3)
Included in Administrative expenses	149	178	(16.3)	300	349	(14.1)
Total Depreciation	2,085	2,032		3,988	4,047	(1.5)



1(b)(i) Statement of Financial Position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31 Dec 2015 S\$'000	As at 30 June 2015 S\$'000	As at 31 Dec 2015 S\$'000	As at 30 June 2015 S\$'000
ASSETS				
Current Assets				
Trade and other receivables	79,629	108,466	4,997	4,446
Other current assets	1,305	162	9	13
Cash and cash equivalents	52,042	37,643	1	104
Current Tax Recoverable	13,559	11,610	2,507	2,591
	<u>146,535</u>	<u>157,881</u>	<u>7,514</u>	<u>7,154</u>
Non-Current Assets				
Investment in subsidiaries	-	-	7,827	7,836
Investment in joint venture	4,225	-	-	-
Loans receivable	-	-	33,491	33,510
Property, plant and equipment	100,075	98,017	-	-
Intangible assets	10	10	-	-
Deferred tax assets	191	191	-	-
	<u>104,501</u>	<u>98,218</u>	<u>41,318</u>	<u>41,346</u>
TOTAL ASSETS	<u>251,036</u>	<u>256,099</u>	<u>48,832</u>	<u>48,500</u>
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	57,037	70,967	129	186
Borrowings	13,811	12,683	-	-
Payable to related parties	-	-	3,539	3,619
Employee benefit provisions	4,098	5,972	-	-
	<u>74,946</u>	<u>89,622</u>	<u>3,668</u>	<u>3,805</u>
Non-Current Liabilities				
Borrowings	11,754	12,718	-	-
Deferred income tax liability	-	-	1,127	1,128
Employee benefit provisions	2,614	1,993	-	-
	<u>14,368</u>	<u>14,711</u>	<u>1,127</u>	<u>1,128</u>
TOTAL LIABILITIES	<u>89,314</u>	<u>104,333</u>	<u>4,795</u>	<u>4,933</u>
Capital and Reserves				
Share capital	37,864	37,864	37,864	37,864
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(18,582)	(18,577)	(299)	(184)
Retained earnings	142,488	132,491	6,483	5,898
Total Equity Attributable to Owners	<u>161,759</u>	<u>151,767</u>	<u>44,037</u>	<u>43,567</u>
Non-controlling interest	(37)	(1)	-	-
TOTAL EQUITY	<u>161,722</u>	<u>151,766</u>	<u>44,037</u>	<u>43,567</u>
TOTAL LIABILITIES AND EQUITY	<u>251,036</u>	<u>256,099</u>	<u>48,832</u>	<u>48,500</u>

Note

In the balance sheets, the following closing rate was used to translate the Australian dollar:

	December 2015	June 2015
A\$	1.0327	1.034

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

	Group		Group	
	As at 31 December 2015		As at 30 June 2015	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	13,811	-	12,683	-
Amount repayable after one year	11,754	-	12,718	-

Details of collaterals

Finance leases:

The Group has S\$17.7 million (FY2015: S\$20.2 million) of finance leases for motor vehicles, workshop equipment and office fit out from non-related parties. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term.

Bank bill:

As at 31 December 2015, the Group has drawn S\$6.2 million (FY2015: S\$5.2 million) of its commercial bill facility.

The banking facilities for the Civmec Group are secured by:

- Interlocking Guarantee & Indemnity supported by:
 - General Security Deed – Civmec Construction & Engineering Pty Ltd and Civmec Holdings Pty Ltd
 - General Security Deed – Civmec Limited
 - General Security Deed – Civmec Construction & Engineering, Singapore Pte Ltd
- Interlocking Group Master Asset Finance Agreement
- International Swap Dealers Association (“ISDA”) Agreement – Australian Entities
- International Swap Dealers Association (“ISDA”) Agreement – Singapore Entities

Total unutilised facilities amount to approximately S\$98.9 million.

1(c) Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group H1 FY2016 S\$'000	Group H1 FY2015 S\$'000
Cash Flows from Operating Activities		
Profit before income tax	17,948	24,298
Adjustments for:		
Depreciation of property, plant and equipment	3,988	4,047
(Gain)/Loss on disposal of property, plant and equipment	(67)	83
Share of profit in joint venture	(1,109)	-
Equity-settled share based payment	-	57
Finance cost	889	1,257
Interest income	(319)	(289)
Exchange translation differences	30	(3,589)
Operating cash flow before working capital changes	21,360	25,864
Changes in working capital:		
Decrease in trade receivables	28,059	47,394
Increase in other current assets	(1,117)	(906)
Decrease in trade and other payables	(13,536)	(25,666)
(Decrease)/Increase in provisions	(1,214)	9
Cash generated from operations	33,552	46,695
Interest received	319	289
Finance cost paid	(889)	(1,257)
Income tax refund	1,190	3,117
Income taxes paid	(7,590)	(9,958)
Net cash generated by operating activities	26,582	38,886
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	134	269
Purchase of property, plant and equipment	(6,179)	(7,325)
Investment in joint venture	(3,098)	-
Net cash used in investing activities	(9,143)	(7,056)
Cash flows from financing activities		
Proceeds from borrowings	24,837	1,347
Repayment of borrowings	(24,645)	(19,841)
Dividend paid	(3,507)	(3,502)
Net cash used in from financing activities	(3,315)	(21,996)
Net increase in cash and cash equivalents	14,124	9,834
Effects of currency translation on cash and cash equivalents	275	(3,198)
Cash and cash equivalents at the beginning of the period	37,643	32,557
Cash and cash equivalents at the end of the period	52,042	39,193

1(d) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Other Reserves						Total	Non-Controlling interest	Total equity
	Share capital	Treasury shares	Merger reserve	Translation reserve	Option reserve	Retained earnings			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
Balance as at 01 July 2014	37,864	(11)	9,010	(8,503)	227	105,685	144,272	(1)	144,271
Profit for the year	-	-	-	-	-	30,308	30,308	-	30,308
Other comprehensive income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(19,368)	-	-	(19,368)	-	(19,368)
Total comprehensive income for the year	-	-	-	(19,368)	-	30,308	10,940	-	10,940
Share based payment	-	-	-	-	57	-	57	-	57
Dividends paid	-	-	-	-	-	(3,502)	(3,502)	-	(3,502)
Balance as at 30 June 2015	37,864	(11)	9,010	(27,871)	284	132,491	151,767	(1)	151,766
Balance as at 01 July 2015	37,864	(11)	9,010	(27,871)	284	132,491	151,767	(1)	151,766
Profit for the period	-	-	-	-	-	13,504	13,504	(36)	13,468
Other comprehensive income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(5)	-	-	(5)	-	(5)
Total comprehensive income for the period	-	-	-	(5)	-	13,504	13,499	(36)	13,463
Dividends paid during the period	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 31 December 2015	37,864	(11)	9,010	(27,876)	284	142,488	161,759	(37)	161,722

1(d) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd).

COMPANY	Other Reserves					Retained earnings	Total	Non-Controlling interest	Total equity
	Share capital	Treasury shares	Merger reserve	Translation reserve	Option reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000				
Balance as at 01 July 2014	37,864	(11)	9,010	(3,358)	227	6,316	50,048	-	50,048
Profit for the year	-	-	-	-	-	3,084	3,084	-	3,084
Other comprehensive income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(6,120)	-	-	(6,120)	-	(6,120)
Total comprehensive income for the year	-	-	-	(6,120)	-	3,084	(3,036)	-	(3,036)
Share repurchased during the year	-	-	-	-	-	-	-	-	-
Share granted via employee share scheme	-	-	-	-	57	-	57	-	57
Share based payment	-	-	-	-	-	(3,502)	(3,502)	-	(3,502)
Dividends paid	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2015	37,864	(11)	9,010	(9,478)	284	5,898	43,567	-	43,567
Balance as at 01 July 2015	37,864	(11)	9,010	(9,478)	284	5,898	43,567	-	43,567
Profit for the period	-	-	-	-	-	4,092	4,092	-	4,092
Other comprehensive income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(115)	-	-	(115)	-	(115)
Total comprehensive income for the period	-	-	-	(115)	-	4,092	3,977	-	3,977
Dividends paid during the period	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 31 December 2015	37,864	(11)	9,010	(9,593)	284	6,483	44,037	-	44,037

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the issued and paid up capital of the Company since the previous quarter ended 30 September 2015.

As at 31 December 2015, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2015: 15,000).

The Company has no outstanding convertibles as at 31 December 2015 and 30 June 2015.

As at 31 December 2015 there were outstanding options for 5,200,000 (30 June 2015: 6,000,000) unissued ordinary shares under the employee share option scheme. During the quarter ended 31 December 2015, 500,000 options were cancelled.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31 December 2015	30 June 2015
	<u>No. of shares</u>	<u>No. of shares</u>
Balance of shares at beginning of period	501,000,000	501,000,000
Total number of shares as at end of the period	501,000,000	501,000,000
Total shares held as treasury shares	<u>15,000</u>	<u>15,000</u>
Total number of shares as at end of period, net of Treasury shares	<u>500,985,000</u>	<u>500,985,000</u>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on. As at 31 December 2015, the Company held 15,000 of its issued shares as treasury shares.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have been reviewed by our auditors in accordance with the Singapore Standards on Review Engagements (SSREs).

- 3. Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The figures have been reviewed by the auditors without qualification or emphasis of any matter.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the most recent audited financial statements for the year ended 30 June 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not Applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Q2 FY2016 S\$'000	Q2 FY2015 S\$'000	6 Mths 2016 S\$'000	6 Mths 2015 S\$'000
Profit after taxation	4,789	7,376	13,468	18,440
Pre-invitation Share Capital	501,000,000	501,000,000	501,000,000	501,000,000
Weighted average number of shares				
• Basic	500,985,000	501,000,000	500,985,000	500,985,000
• Diluted	500,985,000	501,525,827	500,985,000	501,535,882
Earnings per ordinary share (S\$ cents)				
• Basic	0.96	1.47	2.70	3.68
• Diluted	0.96	1.47	2.70	3.68

Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the company, by the weighted average number of outstanding shares.

As at 31 December 2015, the diluted earnings per share is the same as per the basic earnings per share as it does not include the effect of 5,200,000 unissued ordinary shares granted under the CESOS. The effect of the inclusion is anti-dilutive.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 31 Dec 2015 S\$'000	As at 30 June 2015 S\$'000	As at 31 Dec 2015 S\$'000	As at 30 June 2015 S\$'000
Net assets	161,725	151,766	44,037	43,567
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	32.28	30.29	8.79	8.69

Net asset value per share is calculated by dividing the net assets attributable to the equity holders of the Company by the number of issued shares as at 31 December 2015 of 500,985,000 (30 June 2015: 500,985,000) and excludes treasury shares of 15,000 (30 June 2015: 15,000).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:
- a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

A. Statement of Comprehensive Income

Q2 FY2016 vs Q1 FY2016

Revenue for the quarter ended 31 December 2015 ("Q2 FY2016") was S\$91.5 million down from S\$143.8 million for the three months ended 30 September 2015 ("Q1 FY2016") due to projects completing in the period.

Gross profit for Q2 FY2016 was S\$11.8 million down from S\$17.5 million in Q1 FY2016 on the back of the decline in revenue for the quarter however gross margin increased 5.7% to 12.9% in Q2 FY2016 from 12.2% in Q1 FY2016 as projects completed.

As a result of the lower revenue in the period net profit for Q2 FY2016 attributable to shareholders was S\$4.8 million down 44.8% from S\$8.7 million in Q1 FY2016. Net profit margin was 5.2% down from 6.0% in Q1 FY2016.

Q2 FY2016 vs Q2 FY2015

Compared to the three months ended 31 December 2014 ("Q2 FY2015") revenue for Q2 FY2016 fell 27.6% to S\$91.5 million from S\$126.4 million in Q1 FY2015. This led to a lower gross profit of S\$11.8 million from S\$16.3 million from a year earlier.

Administrative expenses for Q2 FY2016 increased marginally to S\$6.5 million for the quarter up from S\$6.3 million in Q2 FY2015 as the Group continues with its strategy to position the business for expansion activities.

Q2 FY2016 net profit attributable to shareholders declined 34.6% to S\$4.8 million from S\$7.4 million in Q2 FY2015, impacted by the lower revenue and around an 11% exchange rate decline between the Australian dollar and Singapore dollar in the comparative periods. Net profit margin for the period was 5.2% compared to 5.8% in Q2 FY2015.

1H FY2016 vs 1H FY2015

For the 6 months ended 31 December 2015 ("1H FY2016"), revenue declined 20.6% to S\$235.4 million from S\$296.6 million in 1H FY2015, partly as a result of an 11% decline in currency translation.

Gross profit for 1H FY2016 was S\$29.3 million, down from S\$36.3 million in 1H FY2015 however gross profit margin increased to 12.4% from 12.2% in 1H FY2015.

Joint venture income of S\$1.1 million is from the Sedgman Civmec joint venture.

The net profit attributable to shareholders for 1H FY2016 was S\$13.5 million on the back of the lower revenue, down from S\$18.4 million in 1H FY2015.

B Statement of Financial Position

Total shareholders' equity increased to S\$161.7 million as at 31 December 2015 compared to S\$151.8 million as at 30 June 2015 with the impact from currency translation minimal over the 6 month period.

Both trade and other receivables and trade and other payables declined in the quarter under review due to the winding down of projects as they neared completion. The current assets to current liabilities ratio increased to 1.96 (FY2015: 1.76). Cash and cash equivalents increased to S\$52.0 million as at 31 December 2015 compared to S\$37.6 million as at 30 June 2015 as a result of some Q1 FY2016 debtor receipts being received in Q2 FY2016.

Non-current assets were S\$104.5 million as at 31 December 2015 compared to S\$98.2 million as at 30 June 2015 with the increase predominantly attributable to an S\$4.2 million investment in the Sedgman Civmec joint venture which is currently completing the BHP Jumblebar contract.

The current tax asset of S\$13.6 million (FY2015: S\$11.6 million) represents the amount of income tax to be recovered from taxation authorities for the current and prior periods.

The Group is due to receive income tax refunds following (i) processing of current and prior year income tax returns and (ii) processing of current and prior year research and development tax incentive claims. It is anticipated that the majority of this balance being approximately S\$9.4 million, will be recovered by the end of Q3 FY2016.

Overall borrowings increased slightly in the period to S\$25.6 million from S\$25.4 million at 30 June 2015 with the Group remaining in a net cash position of \$26.5 million at the end of Q2 FY2016.

C Statement of Cash Flows

Cash generated from operating activities was positive with S\$26.6 million generated in the 1H FY2016 with S\$34.9 million generated in Q2 FY2016. Higher receipts in Q2 FY2016 were a result of changes in payment terms with some clients however on a normalised basis the cash inflow into the business was in line with past periods.

Cash proceeds of S\$24.6 million were utilised during 1H FY2016 to repay debt.

The FY2015 dividend of S\$0.07 cents per share, or a total of S\$3.5 million, was paid during the quarter.

As at 31 December 2015 the Group has S\$52.0 million in cash and cash equivalents (S\$37.6 million as at 30 June 2015).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting and the next 12 months.

Civmec is a multi-disciplinary construction and engineering services provider to the oil and gas, metals and minerals, infrastructure and defence markets. The diversification of service offerings and the sectors in which we operate has placed the Group in an excellent position to capitalise on growth opportunities.

The Group has continued to move ahead with its diversification strategy with the recent acquisition of the Forgacs shipyard facilities and assets located at Tomago near Newcastle, New South Wales providing the Group with a more substantial East Coast base and the ability to provide national and regional clients with a range of services in line with those we currently provide on the West Coast of Australia.

The Group is well placed to immediately capitalise of the significant ongoing infrastructure expenditure on the East Coast of Australia. The initial focus of the facility will be on steel fabrication and pre-cast concrete manufacture and in future using the facilities to further strengthen our defence service offering.

Tendering activity continues to be strong with tender opportunities being actively pursued across all sectors in which the Group operates.

We enter the 2H FY2016 with an order book at January 2016 of approximately S\$232 million (including share of joint venture revenue) however based on timing of current contracts we anticipate the 2H revenues to be lower than that of the 1H FY2016.

We continue to focus on managing project execution risk and are committed to improving productivity and driving efficiencies throughout our business and offer our clients value for money.

The Group's balance sheet has strengthened further during the period and in line with our strategic direction we will continue to pursue opportunities as they arise to grow the business.

Barring any unforeseen circumstances the Group expects to remain profitable for the 2016 financial year.

11. Dividend

- a) Any dividend declared for the current financial period reported on?**
Not applicable.
- b) Any dividend declared for the corresponding period of the immediately preceding financial year?**
Not applicable.
- c) Date payable**
Not applicable.
- d) Books closure date**
Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

A dividend has not been declared nor recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

No general mandate has been obtained for interested persons transactions.

There were no IPT transactions for the period.

14. Negative confirmation pursuant to Rule 705(5).

To the best of our knowledge, nothing has come to the attention of the Board which may render the financial results for the period ended 31 December 2015 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

James Finbarr Fitzgerald
Executive Chairman
11 February 2016