



**CIVMEC LIMITED**

(Company Registration No: 201011837H)

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**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH  
QUARTER AND FULL YEAR ENDED 30 JUNE 2014**

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**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		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2014	FY2013	%	FY2014	FY2013	%
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales revenue	166,686	79,449	109.8	433,677	405,924	6.8
Cost of sales	(147,314)	(64,598)	128.0	(370,124)	(335,977)	10.2
Gross profit	<b>19,372</b>	<b>14,851</b>	<b>30.4</b>	<b>63,553</b>	<b>69,947</b>	<b>(9.1)</b>
Other income	425	490	(13.3)	2,480	1,310	89.4
Administrative expenses	(5,400)	(4,716)	14.5	(18,902)	(21,512)	(12.1)
Finance costs	(403)	(464)	(13.1)	(1,652)	(1,605)	3.0
<b>Profit before tax</b>	<b>13,994</b>	<b>10,161</b>	<b>37.7</b>	<b>45,479</b>	<b>48,140</b>	<b>(5.5)</b>
Income tax expense	(2,408)	(924)	160.5	(10,400)	(12,091)	(14.0)
<b>Profit for the period</b>	<b>11,586</b>	<b>9,237</b>	<b>25.4</b>	<b>35,079</b>	<b>36,049</b>	<b>(2.7)</b>
<u>Profit attributable to:</u>						
Owners of the Company	11,586	9,237	25.4	35,079	36,049	(2.7)
Non-controlling interest	-	-		-	-	
	<b>11,586</b>	<b>9,237</b>	<b>25.4</b>	<b>35,079</b>	<b>36,049</b>	<b>(2.7)</b>
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	2.32	1.84		7.01	7.20	
• Diluted	2.29	1.84		6.94	7.20	



- 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		
	Q4	Q4	+ / (-) %	12M	12M	+ / (-) %
	FY2014	FY2013		FY2014	FY2013	
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Profit for the period</b>	<b>11,586</b>	<b>9,237</b>	25.4	<b>35,079</b>	<b>36,049</b>	(2.7)
<u>Other comprehensive income:</u>						
Exchange differences on re-translation from functional currency to presentation currency	1,645	(13,120)	(112.5)	2,305	(12,277)	(118.8)
<b>Total comprehensive income for the period</b>	<b>13,231</b>	<b>(3,883)</b>	<b>(440.7)</b>	<b>37,384</b>	<b>23,772</b>	<b>57.3</b>
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	13,231	(3,883)	(440.7)	37,384	23,772	57.3
Non-controlling interest	-	-		-	-	
	<b>13,231</b>	<b>(3,883)</b>	<b>(440.7)</b>	<b>37,384</b>	<b>23,772</b>	<b>57.3</b>

- 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		
	Q4	Q4	+ / (-) %	12M	12M	+ / (-) %
	FY2014	FY2013		FY2014	FY2013	
	S\$'000	S\$'000		S\$'000	S\$'000	
(Loss)/Gain on disposal of property, plant and equipment	(10)	2	(607.6)	(188)	34	(652.2)
Interest income on bank balances	115	89	28.9	652	629	3.7
Share in profit of joint venture	-	546	(100.0)	462	568	(18.6)
Gain on acquisition of additional equity interest in a former joint venture	-	-		1,058	-	
Sundry revenue	351	-		362	79	458.2
Net foreign exchange gain/(loss)	(43)	(155)	(72.0)	(65)	(155)	(58.0)



1(a)(ii) Notes to Consolidated Statement of Comprehensive Income (cont'd).

B. Finance costs

	Group			Group		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2014	FY2013		FY2014	FY2013	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Bank bills	(14)	117	(111.9)	193	372	(48.1)
Finance leases	403	283	42.6	1,411	1,121	25.9
Others	14	64	(78.7)	48	112	(57.0)
<b>Total Finance Costs</b>	<b>403</b>	<b>464</b>	<b>(13.1)</b>	<b>1,652</b>	<b>1,605</b>	<b>3.0</b>

C. Depreciation expenses

	Group			Group		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2014	FY2013		FY2014	FY2013	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Included in cost of sales	1,962	1,292	33.4	6,153	4,710	25.6
Included in administrative expenses	178	121	46.9	495	459	7.8
<b>Total Depreciation</b>	<b>2,140</b>	<b>1,413</b>	<b>34.6</b>	<b>6,648</b>	<b>5,169</b>	<b>24.0</b>

D. Tax adjustments

	Group			Group		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2014	FY2013		FY2014	FY2013	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Under provision of prior year income tax <sup>1</sup>	-	-		203	-	

<sup>1</sup> The underprovision of prior year income tax is a consequence of an adjustment to the Provision for Workers Compensation liability.



**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 30 June 2014 S\$'000	As at 30 June 2013 S\$'000	As at 30 June 2014 S\$'000	As at 30 June 2013 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Trade and other receivables	143,324	89,873	8,571	4,188
Other current assets	65	118	-	31
Cash and cash equivalents	32,557	23,108	186	403
	175,946	113,099	8,757	4,622
<b>Non-Current Assets</b>				
Investment in joint venture	-	725	-	-
Investment in subsidiaries	-	-	8,916	8,769
Loans receivable	-	-	35,648	35,355
Property, plant and equipment	108,312	75,037	-	-
Intangible assets	13	12	-	-
Deferred tax assets	5,303	4,383	18	-
	113,628	80,157	44,582	44,124
<b>TOTAL ASSETS</b>	<b>289,574</b>	<b>193,256</b>	<b>53,339</b>	<b>48,746</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	82,446	48,016	2,648	180
Borrowings	30,584	9,521	-	-
Payable to related parties	-	-	-	1,001
Current tax liabilities	2,485	681	106	-
Employee entitlements	6,713	3,233	-	-
	122,228	61,451	2,754	1,181
<b>Non-Current Liabilities</b>				
Borrowings	20,459	19,955	-	-
Deferred tax liabilities	620	342	537	-
Employee entitlements	1,996	1,330	-	-
	23,075	21,627	537	-
<b>TOTAL LIABILITIES</b>	<b>145,303</b>	<b>83,078</b>	<b>3,291</b>	<b>1,181</b>
<b>Capital and Reserves</b>				
Share capital	37,864	37,864	37,864	37,864
Treasury shares	(11)	-	(11)	-
Other reserves	734	(1,798)	5,879	4,940
Retained earnings	105,685	74,113	6,316	4,761
<b>Total Equity Attributable to Owners</b>	<b>144,272</b>	<b>110,179</b>	<b>50,048</b>	<b>47,565</b>
Non-controlling interest	(1)	(1)	-	-
<b>TOTAL EQUITY</b>	<b>144,271</b>	<b>110,178</b>	<b>50,048</b>	<b>47,565</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>289,574</b>	<b>193,256</b>	<b>53,339</b>	<b>48,746</b>



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

	Group		Group	
	As at 30 June 2014		As at 30 June 2013	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	30,584	-	9,521	-
Amount repayable after one year	20,459	-	19,955	-

**Details of collaterals**

Finance leases:

The Group has S\$29.24 million (FY2013: S\$17.6 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 30 June 2014, the Group has drawn S\$21.80 million (FY2013: S\$11.9 million) of its commercial bill facility.

Finance leases and Bank bills are secured by:

- First registered real property mortgage by Civmec Holdings Pty Ltd over the leasehold interest in the Commercial property located at 16 Nautical Drive, Henderson WA 6166.
- First registered real property mortgage by Civmec Holdings Pty Ltd over the leasehold interest in the Commercial property located at 2 & 8 Stuart Drive, Henderson WA 6166.
- First registered fixed and floating charge over the assets and undertaking of Civmec Construction & Engineering Pty Ltd and Civmec Holdings Pty Ltd.
- Unlimited guarantee and indemnity given by Civmec Holdings Pty Ltd and Civmec Ltd.
- Consent to Mortgage of Lease over Commercial property located at Lot 804 (16) Nautical Drive, Henderson WA 6166 given by Western Australian Land Authority.
- Unlimited guarantee and indemnity given by the Company.

Total unutilised facilities amount to approximately S\$42.6 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.**

	<b>Group 2014 S\$'000</b>	<b>Group 2013 S\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	45,479	48,140
Adjustment for:		
Depreciation of property, plant and equipment	6,648	5,169
Loss/(Gain) on disposal of property, plant and equipment	390	(34)
Share of profit in joint venture	(462)	(568)
Gain on acquisition of additional equity interest in a former joint venture	(1,058)	-
Share-based expense	227	-
Finance cost	1,652	1,605
Interest income	(652)	(629)
Foreign exchange differences	65	-
Exchange translation differences	804	(4,023)
Operating cash flow before working capital changes	<u>53,093</u>	<u>49,660</u>
Changes in working capital:		
Increase in trade and other receivables	(53,451)	(3,253)
Decrease in other current assets	54	219
Increase / (Decrease) in trade and other payables	34,364	(10,199)
Increase in provisions	4,147	521
Net increase in working capital on acquisition of subsidiary	2,255	-
Cash generated from operations	<u>40,462</u>	<u>36,948</u>
Interest received	652	629
Finance cost paid	(1,652)	(1,605)
Income taxes refund	3,014	-
Income taxes paid	(12,221)	(27,329)
Net cash generated by operating activities	<u>30,255</u>	<u>8,643</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	482	102
Purchase of property, plant and equipment	(39,017)	(32,716)
Investment in subsidiary	-*	-
Net cash used in investing activities	<u>(38,535)</u>	<u>(32,614)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	35,514	31,759
Repayment of borrowings	(14,815)	(12,517)
Repayment to related parties	-	(123)
Dividends paid	(3,507)	(3,006)
Purchase of treasury shares	(948)	-
Treasury shares reissued	936	-
Decrease in deposits pledged	-	993
Net cash generated by financing activities	<u>17,180</u>	<u>17,106</u>
Net increase (decrease) in cash and cash equivalents	8,900	(6,865)
Effects of currency translation on cash and cash equivalents	549	(2,819)
Cash and cash equivalents at the beginning of the financial year	<u>23,108</u>	<u>32,792</u>
Cash and cash equivalents at the end of the financial year	<u>32,557</u>	<u>23,108</u>
Analysis of cash and cash equivalents:		
Cash on hand and in banks	32,557	23,108
Less: Deposits pledged	-	-
	<u>32,557</u>	<u>23,108</u>

\*less than \$500



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	Share capital S\$'000	Treasury shares S\$'000	Merger reserve S\$'000	Translation reserve S\$'000	Option reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Non-Controlling interest S\$'000	Total equity S\$'000
Balance as at 01 July 2012	37,864	-	9,010	1,469	-	41,070	89,413	(1)	89,412
Profit for the year	-	-	-	-	-	36,049	36,049	-	36,049
Other comprehensive loss for the year	-	-	-	(12,277)	-	-	(12,277)	-	(12,277)
Total comprehensive income for the year	-	-	-	(12,277)	-	36,049	23,772	-	23,772
Dividends paid	-	-	-	-	-	(3,006)	(3,006)	-	(3,006)
<b>Balance as at 30 June 2013</b>	<b>37,864</b>	<b>-</b>	<b>9,010</b>	<b>(10,808)</b>	<b>-</b>	<b>74,113</b>	<b>110,179</b>	<b>(1)</b>	<b>110,178</b>
Balance as at 01 July 2013	37,864	-	9,010	(10,808)	-	74,113	110,179	(1)	110,178
Profit for the year	-	-	-	-	-	35,079	35,079	-	35,079
Other comprehensive gain for the period	-	-	-	2,305	-	-	2,305	-	2,305
Total comprehensive income for the period	-	-	-	2,305	-	35,079	37,384	-	37,384
Share repurchase during the period	-	(948)	-	-	-	-	(948)	-	(948)
Share granted via employee share scheme	-	937	-	-	-	-	937	-	937
Share based payment	-	-	-	-	227	-	227	-	227
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
<b>Balance as at 30 June 2014</b>	<b>37,864</b>	<b>(11)</b>	<b>9,010</b>	<b>(8,503)</b>	<b>227</b>	<b>105,685</b>	<b>144,272</b>	<b>(1)</b>	<b>144,271</b>





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	Share capital S\$'000	Treasury shares S\$'000	Merger reserve S\$'000	Other reserves			Retained earnings S\$'000	Total equity S\$'000
				Translation reserve S\$'000	Option reserve S\$'000			
Balance as at 01 July 2012	37,864	-	9,010	1,422	-	3,993	52,289	
Profit for the year	-	-	-	-	-	3,774	3,774	
Other comprehensive loss for the year	-	-	-	(5,492)	-	-	(5,492)	
Total comprehensive income for the year	-	-	-	(5,492)	-	3,774	(1,718)	
Dividends paid	-	-	-	-	-	(3,006)	(3,006)	
<b>Balance as at 30 June 2013</b>	<b>37,864</b>	<b>0</b>	<b>9,010</b>	<b>(4,070)</b>	<b>0</b>	<b>4,761</b>	<b>47,565</b>	
Balance as at 01 July 2013	37,864	-	9,010	(4,070)	-	4,761	47,565	
Profit for the year	-	-	-	-	-	5,062	5,062	
Other comprehensive income for the period	-	-	-	712	-	-	712	
Total comprehensive income for the period	-	-	-	712	-	5,062	5,774	
Share repurchase during the period	-	(948)	-	-	-	-	(948)	
Share granted via employee share scheme	-	937	-	-	-	-	937	
Share based payment	-	-	-	-	227	-	227	
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	
<b>Balance as at 30 June 2014</b>	<b>37,864</b>	<b>(11)</b>	<b>9,010</b>	<b>(3,358)</b>	<b>227</b>	<b>6,316</b>	<b>50,048</b>	



- 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.**

As at 30 June 2014, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2013: Nil). Of the total of 1,214,000 treasury shares at the beginning of the reporting period, 1,199,000 were reissued during the reporting period, pursuant to the Civmec Performance Share Plan.

The Company has no outstanding convertibles as at 30 June 2014 and 30 June 2013.

As at 30 June 2014 there were outstanding options for 6,000,000 (30 June 2013: Nil) unissued ordinary shares under the employee share option scheme. No options had vested or were exercisable during the Quarter ended 30 June 2014.

- 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.**

	<b>30 June 2014</b>	<b>30 June 2013</b>
	<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>-</u>
Total number of shares as at end of period, net of Treasury shares	<u>500,985,000</u>	<u>501,000,000</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.**

	<b>30 June 2014</b>	<b>30 June 2013</b>
	<u>No. of shares</u>	<u>No. of shares</u>
As at 1 April	1,214,000	-
Reissued pursuant to Civmec Performance Share Plan	<u>(1,199,000)</u>	<u>-</u>
Total shares held in treasury as at end of reporting period	<u>15,000</u>	<u>-</u>



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

These figures have not been audited, nor reviewed by the auditors.

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

Not applicable.

**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 2013.

**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.**

	Q4 FY2014 S\$'000	Q4 FY2013 S\$'000	12 Mths 2014 S\$'000	12 Mths 2013 S\$'000
Profit after taxation	11,586	9,237	35,079	36,049
Pre-invitation Share Capital	501,000,000	501,000,000	501,000,000	501,000,000
Weighted average number of shares				
• Basic	499,799,176	501,000,000	500,352,162	501,000,000
• Diluted	507,000,000	501,000,000	505,800,000	501,000,000
Earnings per ordinary share (S\$ cents)				
• Basic	2.32	1.84	7.01	7.20
• Diluted	2.29	1.84	6.94	7.20

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.

Diluted 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 shares and options.



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 30 June 2014 S\$'000	As at 30 June 2013 S\$'000	As at 30 June 2014 S\$'000	As at 30 June 2013 S\$'000
Net assets	144,271	110,179	50,048	47,565
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	28.79	21.99	9.99	9.49

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 30 June 2014 of 500,985,000 (30 June 2013: 501,000,000) and excludes treasury shares of 15,000 (30 June 2013: Nil).

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**

The Group's total revenue for the fourth quarter FY2014 increased by 109.8% to S\$166.7 million from S\$79.4 million in Q4 FY2013, while the Group's full-year revenue increased by 6.8% in FY2014 to S\$433.7 million compared to S\$405.9 million in FY2013. On a sequential basis, Q4 FY2014 revenue rose 42.4% from S\$117.0 million in Q3 FY2014 largely due to increasing momentum in existing contracts.

Q4 FY2014 gross profit increased by 30.4% to S\$19.4 million (from S\$14.9 million in Q4 FY2013), resulting in a gross profit margin of 11.6% (from 18.8% in Q4 FY2013, which reflected the decrease in costs as projects neared completion). Gross profit on a full-year basis decreased 9.1% to S\$63.6 million in FY2014 from S\$69.9 million in FY2013. As a result, gross profit margin declined to 14.6% from 17.2% in FY2013 due mainly to -

- (i) the re-allocation of occupancy costs to cost of sales in FY2014 from indirect expenses in FY2013 (which contributed to a decrease in administration costs to 4.35% of revenue in FY2014 from 5.23% of revenue in FY2013) and
- (ii) an increase in the proportion of larger, higher-value projects (which are more stable but often have lower margins compared to smaller and lower-value projects having shorter durations).

Net profit after tax ("NPAT") in Q4 FY2014 increased by 25.4% to S\$11.6 million from S\$9.2 million in Q4 FY2013. The fourth quarter FY2014 NPAT margin decreased to 7.0% compared to 11.6% in Q4 FY2013 largely due to a change in the recognition of tax incentives. In FY2013, the Group recognised the full-year tax incentives in Q4 FY2013. As a consequence of an increase in tax incentives, the effective tax rate reduced from 25.1% for FY2013, to 22.8% for FY2014.

FY2014 NPAT decreased 2.7% to S\$35.1 million from S\$36.0 million, mainly due to currency translation effects from a weakening Australian dollar against Singapore dollar. Accordingly, NPAT margin in FY2014 declined to 8.1% from 8.9% in FY2013.

In A\$ terms, the functional currency, the Group recorded a 17.5% growth in revenue and an NPAT growth of 6.9% in FY2014.

The Australian dollar also impacted exchange differences on translation and resulted in a gain of S\$2.3 million for FY2014, compared to a loss of S\$12.3 million the prior year.

## **B Statement of Financial Position**

The increase in Total Shareholders' equity of S\$14.4 million is due to a combination of profit after tax, the effect of gain on translation currency as well as the impact of a re-issuance of treasury shares. Total shareholders' equity at 30 June 2014 was S\$144.3 million, an increase of 30.9% compared to S\$110.2 million at the end of FY2013.

The increases in Trade and Other Receivables and Trade and Other Payables were aligned with the increase in revenues during the quarter and remain within expectations. The current assets to current liabilities ratio is a solid 1.44 (FY2013: 1.84).

The year-to-date net increase in property, plant and equipment of S\$33.3 million includes the expansion of support facilities in Henderson and Darwin, as well as acquisition of equipment to increase the SMP capacity.

## **C Statement of Cash Flows**

Operating activities generated cash inflow S\$30.3 million for FY2014 (FY2013: S\$8.6 million).

This was partially because Income taxes paid of S\$27.3 million in FY2013, comprised an income tax liability for FY2012 as well as provisional tax payments for FY2013, whereas income taxes paid of S\$12.2 million in FY2014 relate to the provisional tax for the current year only.

The acquisition of property, plant and equipment of S\$39.0 million (FY2013: S\$32.7 million) was offset by the proceeds of financing of S\$35.5 million (FY2013: S\$31.7 million).

As at 30 June 2014, the Group had S\$32.6 million in cash and cash equivalents (FY2013: S\$23.1 million).

### **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 an Australian-based integrated multi-disciplinary heavy engineering services provider to the oil and gas, mining and other industries, such as the infrastructure, utilities and chemical industries.



The Group provides heavy engineering and other services including structural fabrication, site civil works, SMP construction, pre-cast concrete, maintenance services and offshore logistics.

The Group has continued to grow revenue and produce healthy profits by offering higher-value services which integrate its various core competencies in a compelling manner. We remain optimistic about our growth prospects for the coming year.

As announced in the corporate and business update on 29 July 2014, the Group will continue to build upon its cross-disciplinary capabilities established over the past two years. The Group has outlined to shareholders a roadmap to position itself as an end-to-end solutions provider to scale up the value-chain for resources as well as public sector projects. These revenue and margin enhancement strategies include further integrating synergies among our eight core disciplines, driving internal efficiencies through systems and processes, and expansion within and beyond Australia via mergers and acquisitions. To this end, the Group intends to establish an office in Singapore in the near future to facilitate collaboration and possible mergers or acquisitions in the region.

The Group continues to build up business momentum through increased tendering activities in the oil and gas ("O&G"), mining and infrastructure, and asset management and integrated services sectors. As at 30 June 2014, the Group's order book stood at S\$301 million. It expects its level of business activity for the six months ending 31 December 2014 to be similar to that of the second half of FY2014.

The Group has pending infrastructure contracts in Western Australia and has identified increasing tendering opportunities in the O&G (particularly Liquefied Natural Gas), mining and infrastructure, and asset management and integrated services sector. Although the Australian resources sector is witnessing a shift from capital expenditure ("Capex") to an operating expenditure ("Opex") model, the former remains substantive. Nonetheless, in view of the increasing emphasis on Opex-based contracts, the Group continues to build up its capabilities in the Asset Management and Integrated Services division in anticipation of more maintenance contracts as operators seek to optimise their assets. The sub-sea facility currently under construction at Henderson in Western Australia will increase opportunities for more work in the sub-sea sector.

While it continues to operate primarily from Henderson, Civmec continues to grow the Darwin operations in Northern Territory to pursue ongoing O&G contracts and explore emerging opportunities to capture new business opportunities. The Group is also investigating opportunities to establish an operations base in the Pilbara, North West Australia.

Barring any unforeseen circumstances, the Board of Directors expects the business momentum for the six months ending 31 December 2014 (1HFY2015), on a sequential basis, to approximate that of the six months ended 30 June 2014 (2HFY2014).

**11. Dividend**

**a) Any dividend declared for the current financial period reported on?**

Yes, subject to approval by shareholders.

Name of Dividend	First and Final (one tier)
Dividend Type	Cash
Dividend amount per share	0.7 Singapore Cent
Tax Rate	Tax Exempt
Number of Shares	501,000,000

**b) Any dividend declared for the corresponding period of the immediately preceding financial year?**

Name of Dividend	First and Final (one tier)
Dividend Type	Cash
Dividend amount per share	0.7 Singapore Cent
Tax Rate	Tax Exempt
Number of Shares	501,000,000

**c) Date payable**

The proposed first and final dividend is subject to approval by the shareholders in the forthcoming Annual General Meeting. The payment date will be announced in due course.

**d) Books closure date**

To be determined and announced at a later date.

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

Not applicable.

**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).**

Not applicable.



**15. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for immediately preceding year.**

	2014			2013		
	Oil & Gas	Mining and Others	Total	Oil & Gas	Mining and Others	Total
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Revenue – external sales	130,444	303,233	433,677	143,634	262,290	405,924
Cost of sales (excluding depreciation)	(107,603)	(256,319)	(363,922)	(115,378)	(215,889)	(331,267)
Depreciation expense	(1,240)	(4,962)	(6,202)	(2,186)	(2,524)	(4,710)
<b>Segment results</b>	<b>21,601</b>	<b>41,952</b>	<b>63,553</b>	<b>26,070</b>	<b>43,877</b>	<b>69,947</b>
Unallocated costs			(18,902)			(21,512)
Other income			2,018			742
Share in profit of joint venture	462	-	462	568	-	568
Finance costs			(1,652)			(1,605)
Profit before income tax			45,479			48,140
Income tax expenses			(10,400)			(12,091)
<b>Net profit for the year</b>			<b>35,079</b>			<b>36,049</b>
<b>Segment assets:</b>						
Intangible assets	-	12	12	-	12	12
Unallocated assets:						
Assets			284,194			188,743
Other current assets			65			118
Deferred tax assets			5,303			4,383
<b>Total assets</b>			<b>289,574</b>			<b>193,256</b>
<b>Segment liabilities:</b>						
Unallocated liabilities:						
Liabilities			82,445			48,016
Borrowings			51,043			29,476
Current tax liabilities			2,485			681
Deferred tax liabilities			620			342
Provisions			8,710			4,563
<b>Total liabilities</b>			<b>145,303</b>			<b>83,078</b>
Other segment information						
Capital expenditures during the year			39,017			32,716





**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Revenue for the Mining and Other sector rose by 15.6% to S\$303.2 million (FY2013: S\$262.3 million) due to an increase in contract activity in this sector. However, Gross Profit for this sector decreased 4.4% to S\$42.0 million (FY2013: S\$43.9 million) due to an increase in the proportion of larger, higher-value projects (which are more stable but often have lower margins).

Revenue for the Oil and Gas sector declined by 9.2% to S\$130.4 million (FY2013: S\$143.6 million) mainly due to the allocation of resources to contracts secured in Mining and Other sector. Gross profit for the sector decreased by 17.1% to S\$21.6 million (FY2013: S\$26.1 million) due to the lower revenue.

**17. A breakdown of sales as follows:**

	Group		% increase/ (decrease)
	FY2014	FY2013	
	<u>S\$'000</u>	<u>S\$'000</u>	
(a) Sales reported for first half year	149,945	239,395	(37.4)
(b) Operating profit after tax before deducting non-controlling interest reported for first half year	14,258	18,283	(22.0)
(c) Sales reported for second half year	283,732	166,529	70.4
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	20,821	17,766	17.2

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	<b>FY2014</b>	<b>FY2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>
(a) Ordinary	3,507	3,507
(b) Preference	-	-
(c) Total	3,507	3,507

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**



The Company confirms that there is no person occupying a managerial position in the Company and its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10).

**ON BEHALF OF THE BOARD**

James Finbarr Fitzgerald  
Executive Chairman  
27 August 2014