



**CIVMEC LIMITED**

(Company Registration No: 201011837H)

---

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SECOND  
QUARTER ENDED 31 DECEMBER 2014**

---



**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 FY2015 S\$'000	Q2 FY2014 S\$'000	+ / (-) %	6M FY2015 S\$'000	6M FY2014 S\$'000	+ / (-) %
Sales revenue	126,404	79,076	53.9	296,589	149,945	97.8
Cost of sales	(110,128)	(67,484)	63.2	(260,284)	(121,829)	113.6
Gross profit	<b>16,276</b>	<b>11,592</b>	<b>40.4</b>	<b>36,305</b>	<b>28,116</b>	<b>29.1</b>
Other income	235	639	(63.3)	502	823	(39.1)
Administrative expenses	(6,253)	(3,990)	56.7	(11,252)	(9,007)	24.9
Finance costs	(515)	(430)	19.8	(1,257)	(813)	54.6
<b>Profit before tax</b>	<b>9,743</b>	<b>7,811</b>	<b>24.7</b>	<b>24,298</b>	<b>19,119</b>	<b>27.1</b>
Income tax expense	(2,367)	(1,585)	49.4	(5,858)	(4,861)	20.5
<b>Profit for the period</b>	<b>7,376</b>	<b>6,226</b>	<b>18.5</b>	<b>18,440</b>	<b>14,258</b>	<b>29.3</b>
<u>Profit attributable to:</u>						
Owners of the Company	7,376	6,226	18.5	18,440	14,258	29.3
Non-controlling interest	-	-		-	-	
	<b>7,376</b>	<b>6,226</b>	<b>18.5</b>	<b>18,440</b>	<b>14,258</b>	<b>29.3</b>
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	1.47	1.24		3.68	2.85	
• Diluted	1.45	1.23		3.64	2.83	



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 FY2015 S\$'000	Q2 FY2014 S\$'000	+ / (-) %	6M FY2015 S\$'000	6M FY2014 S\$'000	+ / (-) %
<b>Profit for the period</b>	<b>7,376</b>	<b>6,226</b>		<b>18,440</b>	<b>14,258</b>	
<u>Other comprehensive income:</u>						
Exchange differences on re-translation from functional currency to presentation currency	(4,577)	(4,636)		(12,873)	(3,400)	
<b>Total comprehensive income for the period</b>	<b>2,799</b>	<b>1,590</b>		<b>5,567</b>	<b>10,858</b>	
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	2,799	1,590		5,567	10,858	
Non-controlling interest	-	-		-	-	
	<b>2,799</b>	<b>1,590</b>		<b>5,567</b>	<b>10,858</b>	

Note

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

	December 2014	December 2013
A\$	1.1386	1.1594



**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	+ / (-)
	FY2015	FY2014		FY2015	FY2014	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gain/(Loss) on disposal of property, plant and equipment	(85)	150	(156.7)	(83)	(187)	(55.5)
Interest income on bank balances	83	201	(58.6)	289	335	(13.7)
Share in profit of joint venture	-	426	(100.0)	-	467	(100.0)
Sundry revenue	151	19	696.3	151	30	404.3

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

**B. Finance costs**

	Group			Group		
	Q2	Q2	+ / (-)	6M	6M	+ / (-)
	FY2015	FY2014		FY2015	FY2014	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Bank bills	139	79	76.3	423	144	193.7
Finance leases	356	339	4.9	764	645	18.4
Others	20	12	69.6	70	24	194.5
<b>Total Finance Costs</b>	<b>515</b>	<b>430</b>	<b>19.8</b>	<b>1,257</b>	<b>813</b>	<b>54.6</b>

**C. Depreciation expenses**

	Group			Group		
	Q2	Q2	+ / (-)	6M	6M	+ / (-)
	FY2015	FY2014		FY2015	FY2014	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Included in Cost of sales	1,854	1,467	26.4	3,698	2,862	29.2
Included in Administrative expenses	178	94	89.3	349	195	79.2
<b>Total Depreciation</b>	<b>2,032</b>	<b>1,561</b>	<b>30.2</b>	<b>4,047</b>	<b>3,057</b>	<b>32.4</b>



**D. Tax adjustments**

	Group			Group		
	Q2	Q2	+ / (-) %	6M	6M	+ / (-) %
	FY2015 S\$'000	FY2014 S\$'000		FY2015 S\$'000	FY2014 S\$'000	
Under provision of prior year income tax <sup>1</sup>	-	203		-	203	
Tax incentive adjustment <sup>2</sup>	-	(1,058)		-	(1,058)	

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

<sup>2</sup>. An adjustment to tax expense in relation to Australian tax incentive schemes.

**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 2014 S\$'000	As at 30 June 2014 S\$'000	As at 31 Dec 2014 S\$'000	As at 30 June 2014 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Trade and other receivables	95,930	143,324	3,519	8,571
Other current assets	971	65	8	-
Cash and cash equivalents	39,193	32,557	563	186
	<u>136,094</u>	<u>175,946</u>	<u>4,090</u>	<u>8,757</u>
<b>Non-Current Assets</b>				
Investment in subsidiaries	-	-	8,180	8,916
Loans receivable	-	-	34,191	35,648
Property, plant and equipment	102,130	108,312	-	-
Intangible assets	11	13	-	-
Deferred tax assets	5,499	5,303	16	18
	<u>107,640</u>	<u>113,628</u>	<u>42,387</u>	<u>44,582</u>
<b>TOTAL ASSETS</b>	<b><u>243,734</u></b>	<b><u>289,574</u></b>	<b><u>46,477</u></b>	<b><u>53,339</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	56,780	82,446	148	156
Borrowings	13,251	30,584	-	-
Payable to related parties	-	-	1,416	2,492
Current income tax liability	1,882	2,485	29	106
Employee benefit provisions	6,293	6,713	-	-
	<u>78,206</u>	<u>122,228</u>	<u>1,593</u>	<u>2754</u>
<b>Non-Current Liabilities</b>				
Borrowings	16,047	20,459	-	-
Deferred income tax liability	664	620	493	537
Employee benefit provisions	2,424	1,996	-	-
	<u>19,135</u>	<u>23,075</u>	<u>493</u>	<u>537</u>
<b>TOTAL LIABILITIES</b>	<b><u>97,341</u></b>	<b><u>145,303</u></b>	<b><u>2,086</u></b>	<b><u>3,291</u></b>
<b>Capital and Reserves</b>				
Share capital	37,864	37,864	37,864	37,864
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(12,082)	734	1,659	5,879
Retained earnings	120,623	105,685	4,879	6,316
<b>Total Equity Attributable to Owners</b>	<b><u>146,394</u></b>	<b><u>144,272</u></b>	<b><u>44,391</u></b>	<b><u>50,048</u></b>
Non-controlling interest	(1)	(1)	-	-
<b>TOTAL EQUITY</b>	<b><u>146,393</u></b>	<b><u>144,271</u></b>	<b><u>44,391</u></b>	<b><u>50,048</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>243,734</u></b>	<b><u>289,574</u></b>	<b><u>46,477</u></b>	<b><u>53,339</u></b>

Note

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

	<u>December 2014</u>	<u>June 2014</u>
A\$	1.0794	1.1765

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

	<b>Group</b>		<b>Group</b>	
	<b>As at 31 December 2014</b>		<b>As at 30 June 2014</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	13,251	-	30,584	-
Amount repayable after one year	16,047	-	20,459	-
	<hr/>	<hr/>	<hr/>	<hr/>

**Details of collaterals**

Finance leases:

The Group has S\$23.9 million (FY2014: S\$29.2 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 2014, the Group has drawn S\$5.4 million (FY2014: S\$21.8 million) of its commercial bill facility. This amount has since been paid on the 8<sup>th</sup> January 2015.

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 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\$89.7 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 H1 FY2015 S\$'000</b>	<b>Group H1 FY2014 S\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	24,298	19,119
Adjustments for:		
Depreciation of property, plant and equipment	4,047	3,057
Loss/(Gain) on disposal of property, plant and equipment	83	187
Share of profit in joint venture	-	(467)
Equity-settled share based payment	57	-
Finance cost	1,257	813
Interest income	(289)	(335)
Exchange translation differences	(3,589)	(563)
Operating cash flow before working capital changes	25,864	21,811
Changes in working capital:		
Decrease in trade receivables	47,394	12,490
Increase in other current assets	(906)	(1,358)
(Decrease)/Increase in trade and other payables	(25,666)	8,220
Increase in provisions	9	12
Cash generated from operations	46,695	41,175
Interest received	289	335
Finance cost paid	(1,257)	(813)
Income tax refund	3,117	
Income taxes paid	(9,958)	(7,725)
Net cash generated from operating activities	38,886	32,972
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	269	70
Purchase of property, plant and equipment	(7,325)	(15,896)
Net cash used in investing activities	(7,056)	(15,826)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	1,347	8,337
Repayment of borrowings	(19,841)	(10,832)
Dividend paid	(3,502)	(3,507)
Shares purchased	-	(948)
Net cash (used in) from financing activities	(21,996)	(6,950)
Net increase in cash and cash equivalents	9,834	10,196
Effects of currency translation on cash and cash equivalents	(3,198)	(935)
Cash and cash equivalents at the beginning of the period	32,557	23,108
Cash and cash equivalents at the end of the period	39,193	32,369



**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 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 income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	2,305	-	-	2,305	-	2,305
Total comprehensive income for the year	-	-	-	2,305	-	35,079	37,384	-	37,384
Share repurchased during the year	-	(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>144,271</b>
Balance as at 01 July 2014	37,864	(11)	9,010	(8,503)	227	105,685	144,272		144,271
Profit for the period	-	-	-	-	-	18,440	18,440	-	18,440
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	-	-	-	(12,873)	-	-	(12,873)	-	(12,873)
Total comprehensive income for the period	-	-	-	(12,873)	-	18,440	5,567	-	5,567
Share based payment	-	-	-	-	57	-	57	-	57
Dividends paid during the period	-	-	-	-	-	(3,502)	(3,502)	-	(3,502)
<b>Balance as at 31 December 2014</b>	<b>37,864</b>	<b>(11)</b>	<b>9,010</b>	<b>(21,376)</b>	<b>284</b>	<b>120,623</b>	<b>146,394</b>	<b>(1)</b>	<b>146,393</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	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	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 01 July 2013	37,864	-	9,010	(4,070)	-	4,761	47,565	-	47,565
Profit for the year	-	-	-	-	-	5,062	5,062	-	5,062
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	-	-	-	712	-	-	712	-	712
Total comprehensive income for the year	-	-	-	712	-	5,062	5,774	-	5,774
Share repurchased during the year	-	(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>(3,358)</b>	<b>227</b>	<b>6,316</b>	<b>50,048</b>	<b>-</b>	<b>50,048</b>
Balance as at 01 July 2014	37,864	(11)	9,010	(3,358)	227	6,316	50,048	-	50,048
Profit for the period	-	-	-	-	-	2,065	2,065	-	2,065
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	-	-	-	(4,277)	-	-	(4,277)	-	(4,277)
Total comprehensive income for the period	-	-	-	(4,277)	-	2,065	(2,212)	-	(2,212)
Share based payment	-	-	-	-	57	-	57	-	57
Dividends paid during the period	-	-	-	-	-	(3,502)	(3,502)	-	(3,502)
<b>Balance as at 31 December 2014</b>	<b>37,864</b>	<b>(11)</b>	<b>9,010</b>	<b>(7,635)</b>	<b>284</b>	<b>4,879</b>	<b>44,391</b>	<b>-</b>	<b>44,391</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.**

There was no change in the issued and paid up capital of the Company since the previous quarter ended 30 September 2014.

As at 31 December 2014, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2014: 15,000).

The Company has no outstanding convertibles as at 31 December 2014 and 30 June 2014.

As at 31 December 2014 there were outstanding options for 6,000,000 (30 June 2014: 6,000,000) unissued ordinary shares under the employee share option scheme. No options had vested or were exercisable during the Quarter ended 31 December 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>31 December 2014</b>	<b>30 June 2014</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>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 2014, 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 2014.

**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 FY2015 S\$'000	Q2 FY2014 S\$'000	6 Mths 2015 S\$'000	6 Mths 2014 S\$'000
Profit after taxation	7,376	6,226	18,440	14,258
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	500,805,152	500,985,000	500,902,576
• Diluted	506,985,000	508,239,130	506,985,000	504,619,565
Earnings per ordinary share (S\$ cents)				
• Basic	1.47	1.24	3.68	2.85
• Diluted	1.45	1.23	3.64	2.83

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 31 Dec 2014 S\$'000	As at 30 June 2014 S\$'000	As at 31 Dec 2014 S\$'000	As at 30 June 2014 S\$'000
Net assets	146,393	144,271	44,391	50,048
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	29.22	28.79	8.86	9.99

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 2014 of 500,985,000 (30 June 2014: 500,985,000) and excludes treasury shares of 15,000 (30 June 2014: 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**

The Group's total revenue for the second quarter FY2015 increased 53.9% to S\$126.4 million (Q2 FY2014: S\$79.1 million), compared to S\$170.2 million in Q1 FY2015. Total revenue for the 1H FY2015 rose 98.0% to S\$296.6 million from S\$149.9 million in 1H FY2014, attributable to revenue recognition of contracts as they neared completion.

Q2 FY2015 gross profit of S\$16.3 million was higher than S\$11.6 million in Q2 FY2014 resulting in a gross margin of 12.9%, slightly higher than the margin in Q1 FY2015 of 11.8%. Overall gross margin for the 1H FY2015 is 12.2% which is in line with expectations given the composition of contracts undertaken during the period.

There has been an increase in administration costs during the period, mostly attributable to new roles being created for expansion activities, which will benefit the Group in the long run.

Net profit after tax ("NPAT") in Q2 FY2015 increased 18.5% to S\$7.4 million (Q2 FY2014: S\$6.2 million) with a slightly lower margin as compared to the last reporting period. NPAT for 1H FY2015 grew 29.3% to S\$18.4 million from S\$14.3 million in 1H FY2014.

The Group's results have been impacted by the currency translation effects from the weakening Australian dollar (the Group's functional currency) compared to the Singapore dollar (the Group's reporting currency) which is unlikely to change in the near future.

**B Statement of Financial Position**

Total shareholders' equity, factoring in lower translation reserves of S\$12.9 million due to the weaker Australian dollar, increased to S\$146.4 million as at 31 December 2014 compared to S\$144.3 million as at 30 June 2014.

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 1.74 (FY2014: 1.44). Cash and cash equivalents increased to S\$39.2 million from S\$32.6 million over comparative periods, which includes positive cash flow from operations of S\$38.9 million.

Non-current assets stood at S\$107.6 million as at 31 December 2014 representing a 5.8% decrease compared to S\$113.6 million as at 31 June 2014. This was predominantly a result of a decrease in the value of property plant & equipment of S\$6.0 million – attributable to currency translation loss.

Overall borrowings decreased S\$7.5 million to S\$29.2 million from S\$36.7 million as at September 2014 with the payment of a \$5.0 million outstanding commercial bill in early January 2015 (reflected in Q2 FY2015).

**C Statement of Cash Flows**

Cash generated from operating activities was positive with S\$38.9 million generated in the 1H FY2015 – with Q2 FY2015 contributing S\$33.0 million – however on a normalised basis, the cash inflow into the business was in line with past periods.

Cash proceeds of S\$19.8 million were utilised during in 1H FY2015 to repay debt, resulting in a 42.7% reduction in borrowings.

The FY2014 dividend of S\$0.07 cent per share, or a total of S\$3.5 million, was paid during the quarter.

As at 31 December 2014 the Group has S\$39.2 million in cash and cash equivalents (S\$32.6 million as at 30 June 2014).

**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 construction and engineering services provider to the resources and infrastructure sectors.

We provide a diverse range of complex service offerings delivering integrated, unique, innovative and cost effective solutions to our clients delivering large scale projects. Civmec continues to expand its service offering and is now fully capable of providing turn-key solutions to our client base.

Within the sectors that we operate, being oil and gas and mining, predominantly in Western Australia, we are witnessing more challenging market conditions. This is caused by some major projects being completed, new projects being delayed as well as increasing competition in the sector.

Our focus on expansion into infrastructure projects, mainly in the public sector, has begun to reap rewards with some projects being awarded to us. We have secured contracts on landmark projects such as the Perth waterfront development known as Elizabeth Quay and city roads infrastructure works known as the Gateway project.

We have advanced our strategy to expand into the South East Asia market with business development initiatives well underway and we are engaging in discussions with potential strategic alliance partners and are also actively tendering in the region.

Our focus for the remainder of FY2015 is on growing the Group's construction and engineering capabilities through organic and inorganic opportunities both within Australia and overseas. The balance sheet is strong and will provide a solid foundation for the business to pursue and capitalise on any opportunities that may be present in the future.

We enter the 2H of FY2015 with an order book at January 2015 of circa S\$285 million however we anticipate the 2H revenues to be lower than that of the 1H2015.

Within a more cost focused market, strategies to improve productivity are more critical than ever and all procurement and project delivery methodologies are evaluated in every tendering opportunity. We continue to focus on managing execution risk and are committed to developing best in class systems and processes.

Looking ahead we are confident that the Group's financial performance will be positive and we are preparing for and looking forward to the challenges we will face to sustain growth over the coming months and remain excited about our expansion plans.

**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 2014 to be false or misleading in any material aspect.

**ON BEHALF OF THE BOARD**



James Finbarr Fitzgerald  
Executive Chairman  
12 February 2015