



**CIVMEC LIMITED**

(Company Registration No: 201011837H)

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**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE  
FOURTH QUARTER ENDED 30 JUNE 2016**

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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	+ / (-)
	FY2016	FY2015	%	FY2016	FY2015	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Sales revenue	88,429	114,704	(22.9)	396,752	499,153	(20.5)
Cost of sales	(81,221)	(100,638)	(19.3)	(353,257)	(437,046)	(19.2)
<b>Gross profit</b>	<b>7,208</b>	<b>14,066</b>	<b>(48.8)</b>	<b>43,495</b>	<b>62,107</b>	<b>(30.0)</b>
Other income	42	179	(76.5)	1,181	933	26.6
Share in profit of a joint venture	758	-		3,890	-	
Administrative expenses	(5,339)	(9,085)	(41.2)	(23,572)	(25,247)	(6.6)
Finance costs	(547)	(454)	20.5	(1,945)	(2,122)	(8.3)
<b>Profit before tax</b>	<b>2,122</b>	<b>4,706</b>	<b>(54.9)</b>	<b>23,049</b>	<b>35,671</b>	<b>(35.4)</b>
Income tax expense	(815)	1,842	(144.2)	(5,757)	(5,363)	7.3
<b>Profit for the period</b>	<b>1,307</b>	<b>6,548</b>	<b>(80.0)</b>	<b>17,292</b>	<b>30,308</b>	<b>(42.9)</b>
<u>Profit attributable to:</u>						
Owners of the Company	1,482	6,548	(77.4)	17,441	30,308	(42.5)
Non-controlling interest	(175)	-		(149)	-	
	<b>1,307</b>	<b>6,548</b>	<b>(80.0)</b>	<b>17,292</b>	<b>30,308</b>	<b>(42.9)</b>
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	0.26	1.31		3.45	6.05	
• Diluted	0.26	1.31		3.45	6.05	



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	+ / (-)
	FY2016	FY2015	%	FY2016	FY2015	%
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Profit for the period</b>	1,307	6,548	(80.0)	17,292	30,308	(42.9)
<u>Other comprehensive income:</u>						
Exchange differences on re-translation from functional currency to presentation currency	(5,408)	(3,392)	59.4	(4,854)	(19,368)	(74.9)
<b>Total comprehensive income for the period</b>	<b>(4,101)</b>	<b>3,156</b>	<b>(229.9)</b>	<b>12,438</b>	<b>10,940</b>	<b>13.7</b>
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	(3,926)	3,156	(224.4)	12,587	10,940	15.1
Non-controlling interest	(175)	-		(149)	-	
	<b>(4,101)</b>	<b>3,156</b>	<b>(229.9)</b>	<b>12,438</b>	<b>10,940</b>	<b>13.7</b>

Note

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

	<u>June 2016</u>	<u>June 2015</u>
A\$	1.0095	1.1010



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:

	Q4 FY2016 S\$'000	Group Q4 FY2015 S\$'000	+ / (-) %	12M FY2016 S\$'000	Group 12M FY2015 S\$'000	+ / (-) %
Loss on disposal of property, plant and equipment	(162)	(162)	-	(128)	(162)	(21.0)
Interest income	82	58	41.3	516	400	29.0
Sundry revenue	114	253	(54.9)	665	508	30.9
Bad debt written off	3	2,971	(99.9)	3	2,971	(99.9)
Share in profit of a joint venture	758	-		3,890	-	

B. Finance costs

	Q4 FY2016 S\$'000	Group Q4 FY2015 S\$'000	+ / (-) %	12M FY2016 S\$'000	Group 12M FY2015 S\$'000	+ / (-) %
Bank bills and bank guarantees	289	199	45.2	947	706	34.1
Finance leases	188	283	(33.6)	855	1,361	(37.2)
Others	70	(28)	(350.0)	143	55	160.0
<b>Total Finance Costs</b>	<b>547</b>	<b>454</b>	<b>20.4</b>	<b>1,945</b>	<b>2,122</b>	<b>(8.3)</b>

C. Depreciation expenses

	Q4 FY2016 S\$'000	Group Q4 FY2015 S\$'000	+ / (-) %	12M FY2016 S\$'000	Group 12M FY2015 S\$'000	+ / (-) %
Included in Cost of sales	2,346	1,804	30.0	8,342	7,331	13.8
Included in Administrative expenses	146	168	(13.1)	610	689	(11.5)
<b>Total Depreciation</b>	<b>2,492</b>	<b>1,972</b>	<b>26.4</b>	<b>8,952</b>	<b>8,020</b>	<b>11.6</b>



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 2016 S\$'000	As at 30 June 2015 S\$'000	As at 30 June 2016 S\$'000	As at 30 June 2015 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	39,788	37,643	42	104
Trade and other receivables	80,007	108,466	27,707	4,446
Other current assets	882	162	12	13
Current tax recoverable	5,475	11,610	5,475	2,591
	<u>126,152</u>	<u>157,881</u>	<u>33,236</u>	<u>7,154</u>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	7,590	7,836
Investments in joint venture	5,641	-	-	-
Trade and other receivables	6,648	-	-	-
Loans receivable	-	-	-	33,510
Property, plant and equipment	119,513	98,017	-	-
Intangible assets	10	10	-	-
Deferred tax assets	511	191	36	-
	<u>132,323</u>	<u>98,218</u>	<u>7,626</u>	<u>41,346</u>
<b>TOTAL ASSETS</b>	<b><u>258,475</u></b>	<b><u>256,099</u></b>	<b><u>40,862</u></b>	<b><u>48,500</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	57,230	70,967	128	186
Borrowings	6,616	12,683	-	-
Payable to related parties	-	-	-	3,619
Provisions	5,940	5,972	-	-
	<u>69,786</u>	<u>89,622</u>	<u>128</u>	<u>3,805</u>
<b>Non-current liabilities</b>				
Borrowings	25,498	12,718	-	-
Provisions	2,494	1,993	-	-
Deferred tax liabilities	-	-	-	1,128
	<u>27,992</u>	<u>14,711</u>	<u>-</u>	<u>1,128</u>
<b>TOTAL LIABILITIES</b>	<b><u>97,778</u></b>	<b><u>104,333</u></b>	<b><u>128</u></b>	<b><u>4,933</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	(23,431)	(18,577)	(4,789)	(184)
Retained earnings	146,425	132,491	7,670	5,898
<b>Total Equity Attributable to Owners</b>	<b><u>160,847</u></b>	<b><u>151,767</u></b>	<b><u>40,734</u></b>	<b><u>43,567</u></b>
Non-controlling interest	(150)	(1)	-	-
<b>TOTAL EQUITY</b>	<b><u>160,697</u></b>	<b><u>151,766</u></b>	<b><u>40,734</u></b>	<b><u>43,567</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>258,475</u></b>	<b><u>256,099</u></b>	<b><u>40,862</u></b>	<b><u>48,500</u></b>

Note

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

	<u>June 2016</u>	<u>June 2015</u>
A\$	1.0015	1.0340



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

	Group As at 30 June 2016		Group As at 30 June 2015	
	S\$'000 Secured	S\$'000 Unsecured	S\$'000 Secured	S\$'000 Unsecured
Amount repayable in one year or less, or on demand	6,616	-	12,683	-
Amount repayable after one year	25,498	-	12,718	-

**Details of collaterals**

Finance leases:

The Group has S\$14.6 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 bills:

As at 30 June 2016, the Group has drawn S\$16.3 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 Dealer Association ("ISDA") Agreement – Australian Entities
- International Swap Dealers Association ("ISDA") Agreement – Singapore Entities

Total unutilised facilities amount to approximately S\$106.3 million, including bond facilities.



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 12M FY2016 S\$'000</b>	<b>Group 12M FY2015 S\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	23,049	35,671
Adjustment for:		
Depreciation of property, plant and equipment	8,952	8,020
Loss on disposal of property, plant and equipment	128	162
Share in profit of a joint venture	(3,890)	-
Expense recognised in respect of equity-settled share-based payments	-	57
Finance cost	1,945	2,122
Interest income	(516)	(400)
Foreign exchange differences	10	57
Bad debts written-off	3	2,971
Operating cash flow before working capital changes	<u>29,681</u>	<u>48,660</u>
Changes in working capital:		
Decrease in trade and other receivables	18,549	15,180
Increase in other current assets	(730)	(69)
Decrease in trade and other payables	(11,613)	(1,589)
Increase in provisions	725	331
Cash generated from operations	<u>36,612</u>	<u>62,513</u>
Interest received	516	400
Finance cost paid	(1,937)	(2,122)
Income tax refund	10,574	3,014
Income taxes paid	(10,841)	(18,848)
Net cash generated from operating activities	<u>34,924</u>	<u>44,957</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	499	1,239
Purchase of property, plant and equipment	(34,316)	(12,302)
Investment in joint venture	(9,893)	-
Cash distribution from joint venture	8,076	-
Net cash used in investing activities	<u>(35,634)</u>	<u>(11,063)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	58,731	13,112
Repayment of borrowings	(51,161)	(33,833)
Capital contribution from non-controlling interest	2	-
Dividends paid	(3,507)	(3,502)
Net cash generated from/(used in) financing activities	<u>4,065</u>	<u>(24,223)</u>
Net increase in cash and cash equivalents	3,355	9,671
Effects of currency translation on cash and cash equivalents	(1,210)	(4,585)
Cash and cash equivalents at the beginning of the financial year	<u>37,643</u>	<u>32,557</u>
Cash and cash equivalents at the end of the financial year	<u>39,788</u>	<u>37,643</u>



1(d) A statement for the issuer and the Group) showing either (i) all 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 equity S\$'000	
	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
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 year	-	-	-	-	-	17,441	17,441	(149)	17,292
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	-	-	-	(4,854)	-	-	(4,854)	-	(4,854)
Total comprehensive income for the year	-	-	-	(4,854)	-	17,441	12,587	(149)	12,438
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2016	37,864	(11)	9,010	(32,725)	284	146,425	160,847	(150)	160,697





**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.**

COMPANY	Other Reserves							Total equity S\$'000		
	Share capital S\$'000	Treasury shares S\$'000	Merger reserve S\$'000	Translation reserve S\$'000	Option reserve S\$'000	Other reserve S\$'000	Retained earnings S\$'000		Total S\$'000	Non- Controlling interest 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>	-	-	-	(6,120)	-	-	-	(6,120)	-	(6,120)
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(6,120)	-	-	3,084	(3,036)	-	(3,036)
Total comprehensive income for the year	-	-	-	-	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 year	-	-	-	-	-	-	5,279	5,279	-	5,279
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	(1,264)	-	-	-	(1,264)	-	(1,264)
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(1,264)	-	-	5,279	4,015	-	4,015
Total comprehensive income for the year	-	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Dividends paid	-	-	-	-	-	(3,341)	-	(3,341)	-	(3,341)
Waiver of interest receivable from a subsidiary	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	37,864	(11)	9,010	(10,742)	284	(3,341)	7,670	40,734	-	40,734



- 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 June 2016.

As at 30 June 2016, 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 30 June 2016 and 30 June 2015.

As at 30 June 2016 there were outstanding options for 5,000,000 (30 June 2015: 6,000,000) unissued ordinary shares under the employee share option scheme. During the quarter ended 30 June 2016, 200,000 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.**

	<b>30 June 2016</b>	<b>30 June 2015</b>
	No. of shares	No. of shares
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	15,000	15,000
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 30 June 2016, 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 not been audited and 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 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.**

	Q4 FY2016 S\$'000	Q4 FY2015 S\$'000	12 Mths 2016 S\$'000	12 Mths 2015 S\$'000
Profit after taxation	1,307	6,548	17,292	30,308
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	500,985,000	500,985,000	500,985,000
• Diluted	500,985,000	500,985,000	500,985,000	500,985,000
Earnings per ordinary share (S\$ cents)				
• Basic	0.26	1.31	3.45	6.05
• Diluted	0.26	1.31	3.45	6.05

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 30 June 2016, the diluted earnings per share is the same as basic earnings per share as it does not include the effect of 5,000,000 unissued ordinary shares granted under CESOS. The effect 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 30 June 2016 S\$'000	As at 30 June 2015 S\$'000	As at 30 June 2016 S\$'000	As at 30 June 2015 S\$'000
Net assets	160,847	151,767	40,734	43,567
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	32.11	30.29	8.13	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 30 June 2016 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**

**Q4 FY2016 vs Q3 FY2016**

Revenue for the three months ended 30 June 2016 ("Q4 FY2016") increased 21.2% to S\$88.4 million from S\$73.0 million for the three months ended 31 March 2016 ("Q3 FY2016") as the Group recognised revenue from new projects that commenced during the quarter.

Gross profit for Q4 FY2016 rose 3.1% to S\$7.2 million from S\$7.0 million in Q3 FY2016 although gross profit margin slipped to 8.2% from 9.6% due to higher cost of sales.

Administrative expenses for Q4 FY2016 declined 8.3% to S\$5.3 million from S\$5.8 million in Q3 FY2016 as the Group further streamlined operations to boost efficiency.

Net profit attributable to shareholders in Q4 FY2016 was S\$1.3 million compared to S\$2.5 million in Q3 FY2016. The decline was mainly due to the lower profit margin, a decline in the share of profit in the Group Sedgman Civmec joint venture and higher income tax expenses.

**Q4 FY2016 vs Q4 FY2015**

Compared to the three months ended 30 June 2015 ("Q4 FY2015") revenue for Q4 FY2016 declined 22.9% to S\$88.4 million from S\$114.7 million partly due to a decline of approximately 10% of the Australian dollar against the Singapore dollar over the respective periods.

With the lower revenue, gross profit for Q4 FY2016 amounted to S\$7.2 million compared to S\$14.1 million for Q4 FY2015. Gross profit margin declined to 8.2% from 12.3%.

Administrative expenses fell to S\$5.3 million in Q4 FY2016 from S\$9.1 million in FY2015. The reduction partly reflected the Group's ongoing efforts to streamline internal efficiencies.

Net profit attributable to shareholders declined 77.4% to S\$1.5 million in Q4 FY2016 from S\$6.5 million in Q4 FY2015. Included in the net profit for the previous quarter was a one off tax gain from forming a tax consolidated Group.



### **FY2016 vs FY2015**

For the 12 months ended 30 June 2016 ("FY2016"), revenue declined 20.5% to S\$396.8 million from S\$499.2 million for the previous year ("FY2015"), partly due to the Australian dollar's decline against the Singapore dollar.

With the lower revenue gross profit for FY2016 came to S\$43.5 million, down 30.0% from S\$62.1 million in FY2015, as gross profit margin slipped to 11.0% from 12.4% as the Group's project mix included more infrastructure projects. Despite the decline gross profit margins were still in line with those in the industry.

Administrative expenses for FY2016 decreased 6.6% to S\$23.6 million from S\$25.2 million in FY2015, partly reflecting the Groups ongoing efforts to improve efficiencies.

The Group recorded a share of profit of S\$3.9 million from its joint venture with Sedgman.

The Group's effective tax rate rose to 25% from 15% the previous year, resulting in higher income tax expense of S\$5.8 million for FY2016 compared to S\$5.4 million for FY2015.

Taking into account the above, net profit attributable to shareholders for FY2016 amounted to S\$17.4 million, down from S\$30.3 million in FY2015.

The Group's FY2016 total comprehensive income included unrealised foreign exchange losses of S\$4.8 million arising from the weakening of the Australian dollar (the Group's functional currency) against the Singapore dollar (the Group's reporting currency).

The Group's non-controlling interest recorded an outflow of S\$149,000 in relation to an investment in its joint venture company Civtec Africa Ltd, which is engaged in providing construction and engineering services in Uganda.

### **B. Statement of Financial Position**

Total shareholders' equity increased 6.0% to S\$160.8 million as at 30 June 2016 despite the weaker Australian dollar which impacted reserves by S\$4.8 million in FY2016 compared to S\$151.8 million as at 30 June 2015.

Both trade and other receivables and trade and other payables continued to decline since 30 June 2015 to S\$86.6 million and S\$57.2 million, respectively, reflecting the various stages of project completion.

The current assets to current liabilities ratio increased slightly to 1.80 in FY2016 from 1.76 in FY2015. Cash and cash equivalents increased to S\$39.8 million as at 30 June 2016 compared to S\$37.6 million as at 30 June 2015.

The Group's investment in the Sedgman Civmec joint venture was S\$5.6 million as at the end of FY2016. Some S\$8.1 million in working capital provided to the joint venture has been returned to the Group, which will receive the rest on the investment upon completion of the joint venture's project in approximately six months.

Non-current assets increased to S\$132.3 million as at 30 June 2016 compared to S\$98.2 million as at 30 June 2015 due to the A\$21.5 million Forgacs acquisition which included property, plant and equipment which completed in February 2016 and S\$6.6 million of retention monies held by clients which is classified as a non-current trade receivable.

The current tax asset declined to S\$5.5 million in FY2016 as income tax refunds were recovered and S\$10.6 million and received in FY2016.

Overall borrowings increased to S\$32.1 million as at 30 June 2016 from S\$25.4 million as at 30 June 2015 as funds were utilised for capital expenditure associated with the Forgacs acquisition.



**C Statement of Cash Flows**

The Group generated net cash of S\$34.9 million from operations in FY2016 (FY2015: S\$45.0 million).

The Group received S\$8.1 million of the cash invested in the Sedgman Civmec joint venture with the Group still having cash invested of S\$1.8 million in the joint venture for working capital requirements.

The Group used S\$35.6 million cash for investing activities in FY2016 due primarily to the investment of S\$34.2 million for purchase of property, plant and equipment relating to the Forgacs acquisition.

Cash proceeds of S\$51.2 million were utilised during FY2016 to repay debt. Proceeds from borrowings increased S\$7.5 million and these were used to fund further improvements at the Forgacs facility.

As at 30 June 2016 the Group's cash and cash equivalents increased to S\$39.8 million compared to 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 a strong position to capitalise on growth opportunities.

The completion of the acquisition of Forgacs in February 2016 – Australia's largest privately owned engineering and shipbuilding company, with facilities in Tomago, Newcastle – paved the way for Civmec to launch its operations in Australia's East Coast to capitalise on the significant infrastructure spending in the area. The Group is developing its Forgacs shipyard facilities to replicate Civmec's flagship operations at its Henderson facility in Western Australia.

As announced on 29 June 2016, Civmec has made inroads into the East Coast, having secured substantial contracts in the local infrastructure market. The Forgacs facility located in Newcastle will play an important role in the delivery of these projects.

On 9 June 2016, the Group established a new wholly owned subsidiary Forgacs Marine and Defence Pty Ltd, a wholly-owned subsidiary that will provide construction and engineering services to the marine and defence sector. This will be our vehicle to participate in the record levels of Naval shipbuilding planned by the Australian Government in the future.

At the end of the financial year the Group's order book is approximately S\$155.2M with tendering activity positive, particularly in mining projects across Australia and the infrastructure area in New South Wales.

Australian market conditions are expected to remain challenging in resources and oil & gas sector. Clients will continue to focus on reducing costs, improving productivity and restraining capital expenditure. Opportunities for new major construction contracts in the oil & gas sector are likely to remain at reduced levels, however prospects for maintenance and industrial services are positive.



Margins will remain tight as competition is high for a smaller pipeline of work with capital expenditure decisions delayed and operating expenditure tightened. The Group will focus on initiatives aimed at reducing costs to protect margins and improve sustainability where possible.

Civmec remains committed to advancing its long term growth strategy and diversification of revenue sources. The Group will continue to strengthen its position in growing infrastructure and defence markets in Australia. Geographical diversification initiatives will remain a focus.

The significant investment made over the past few years in our facilities, people and technology together with the Group's balance sheet provides the capacity to pursue opportunities that support our diversification and growth strategy and deliver sustainable earnings to shareholders.

The Group remains committed to client relations and continuous improvement and barring unforeseen circumstances, the Group expects to be profitable in the coming year.

**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 (Foreign Sourced)
Dividend Type	Cash
Dividend Amount per share	0.7 Singapore cent
Tax Rate	Tax Exempt
Number of Shares	500,985,000

Note: For Australian tax resident shareholders the dividend payable is fully franked.

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

Name of Dividend	First and Final (Foreign Sourced)
Dividend Type	Cash
Dividend Amount per share	0.7 Singapore cent
Tax Rate	Tax Exempt
Number of Shares	500,985,000

**c) Date payable**

The proposed first and final dividend is subject to approval by 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. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited financial statements, with comparative information for immediately preceding year.**

	2016				2015			
	Oil and Gas S\$'000	Metals & Minerals S\$'000	Infra-structure S\$'000	Total S\$'000	Oil and Gas S\$'000	Metals & Minerals S\$'000	Infra-structure S\$'000	Total S\$'000
Revenue – external sales	90,670	170,040	136,042	396,752	146,819	352,334	-	499,153
Cost of sales (excluding depreciation)	(81,164)	(140,545)	(123,206)	(344,915)	(134,686)	(295,029)	-	(429,715)
Depreciation expense	(1,908)	(3,597)	(2,837)	(8,342)	(2,292)	(5,039)	-	(7,331)
<b>Segment results</b>	<b>7,598</b>	<b>25,898</b>	<b>9,999</b>	<b>43,495</b>	<b>9,841</b>	<b>52,266</b>	<b>-</b>	<b>62,107</b>
Unallocated costs				(23,439)				(22,114)
Bad debt	(3)	-	-	(3)	(2,971)	-	-	(2,971)
Other income				1,181				933
Share in profit of a joint venture	-	3,890	-	3,890	-	-	-	-
Finance costs				(1,945)				(2,122)
Other expenses				(130)				(162)
Profit before income tax				23,049				35,671
Income tax expense				(5,757)				(5,363)
<b>Net profit for the year</b>				<b>17,292</b>				<b>30,308</b>
<b>Segment assets:</b>								
Intangible assets	-	10	-	10	-	10	-	10
Unallocated assets:								
Assets				257,072				255,736
Other current assets				882				162
Deferred tax assets				511				191
<b>Total assets</b>				<b>258,475</b>				<b>256,099</b>
<b>Segment liabilities:</b>								
Unallocated liabilities								
Liabilities				57,230				70,967
Borrowings				32,114				25,401
Provisions				8,434				7,965
<b>Total liabilities</b>				<b>97,778</b>				<b>104,333</b>
<b>Other segment information</b>								
Capital expenditures during the year				34,316				12,302





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

Reported revenue for the Metals and Minerals sector declined by 51.7% to S\$170.0 million (FY2015: S\$352.3 million) however when revenue from the Sedgman Civmec joint venture of S\$63.0 million is included this increases revenue actually performed by the sector to S\$233.0 million.

Gross profit for the sector in FY2016 was S\$25.9 million down 50.5% from S\$52.3 million in FY2015 as a result of the lower revenue however gross margin increased to 15.2% from 14.8% in FY2015. Profit contributed from the joint venture in FY2016 was S\$3.9 million.

Revenue for the Oil & Gas sector declined 38.2% to S\$90.7 million (FY2015: S\$146.8 million) reflecting the significant downturn in the oil and gas sector as major capital investment projects completed. Gross profit decreased to S\$7.6 million in FY2016 from S\$9.9 million in FY2015. Gross profit margin increased to 8.4% in FY2016 from 6.7% in FY2015. As a result of the downturn in the market it is expected that the oil & gas sector will be challenging in FY2017.

In line with the Group's diversification strategy into infrastructure revenue of S\$136.0 million was achieved in FY2016 with a gross profit contribution to the Group of S\$10.0 million with a gross margin of 7.3%.

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

	Group		
	FY2016	FY2015	% increase/ (decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	
(a) Sales reported for first half year	235,367	296,589	(20.6%)
(b) Operating profit after tax before deducting non-controlling interest reported for first half year	13,468	18,440	(27.0%)
(c) Sales reported for second half year	161,385	202,564	(20.3%)
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	3,824	11,868	(67.8%)

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

	<b>FY2016</b>	<b>FY2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
(a) Ordinary	3,507	3,507
(b) Preference	-	-
(c) Total	3,507	3,507

**18. 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 such person occupying a managerial position in the Company and its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10).



**19. Confirmation pursuant to Rule 720(1) of the Listing Manual**

The company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

**ON BEHALF OF THE BOARD**

James Finbarr Fitzgerald  
Executive Chairman  
18 August 2016