



CIVMEC LIMITED

(Company Registration No: 201011837H)

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE
THIRD QUARTER ENDED 31 MARCH 2017**

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q3, 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

	Q3 FY2017 S\$'000	Group Q3 FY2016 S\$'000	+ / (-) %	9M FY2017 S\$'000	Group 9M FY2016 S\$'000	+ / (-) %
Sales revenue	74,136	72,956	1.6	248,230	308,323	(19.5)
Cost of sales	(67,143)	(65,966)	1.8	(219,435)	(272,036)	(19.3)
Gross profit	6,993	6,990	0.0	28,795	36,287	(20.6)
Other income	300	295	1.8	1,992	1,139	74.9
Share in profit/(loss) of joint venture	21	2,023	(98.9)	(255)	3,132	(108.1)
Administrative expenses	(5,625)	(5,820)	(3.3)	(19,397)	(18,233)	6.4
Finance costs	(683)	(509)	34.2	(1,811)	(1,398)	29.6
Profit before tax	1,006	2,979	(66.2)	9,324	20,927	(55.4)
Income tax expense	(201)	(462)	(56.4)	(1,965)	(4,942)	(60.2)
Profit for the period	805	2,517	(68.0)	7,359	15,985	(54.0)
<u>Profit attributable to:</u>						
Owners of the Company	848	2,455	(65.5)	7,471	15,959	(53.2)
Non-controlling interest	(43)	62	(168.7)	(112)	26	(532.5)
	805	2,517	(68.0)	7,359	15,985	(54.0)
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	0.16	0.50		1.47	3.19	
• Diluted	0.16	0.50		1.47	3.19	

- 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

	Q3 FY2017 S\$'000	Group Q3 FY2016 S\$'000	+ / (-) %	9M FY2017 S\$'000	Group 9M FY2016 S\$'000	+ / (-) %
Profit for the period	805	2,517	(68.0)	7,359	15,985	(54.0)
<u>Other comprehensive income:</u> <i>Item that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on re- translation from functional currency to presentation currency	4,025	559	620.1	10,871	554	1862.3
Total comprehensive income for the period	<u>4,830</u>	<u>3,076</u>	57.0	<u>18,230</u>	<u>16,539</u>	10.2
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	4,873	3,014	61.7	18,342	16,513	11.1
Non-controlling interest	(43)	62	(168.7)	(112)	26	(532.5)
	<u>4,830</u>	<u>3,076</u>	57.0	<u>18,230</u>	<u>16,539</u>	10.2

*N.M: Not meaningful

Note

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

	<u>March 2017</u>	<u>March 2016</u>
A\$	1.0356	1.0067

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:

	Q3 FY2017 S\$'000	Group Q3 FY2016 S\$'000	+ / (-) %	9M FY2017 S\$'000	Group 9M FY2016 S\$'000	+ / (-) %
Gain/(loss) on disposal of property, plant and equipment	-	(33)	(100.0)	2	34	(95.1)
Interest income	117	115	1.6	230	434	(47.1)
Sundry revenue	183	93	97.1	1,761	551	219.5
Share in profit/(loss) of joint venture	21	2,023	(98.9)	(255)	3,312	(108.1)

B. Finance costs

	Q3 FY2017 S\$'000	Group Q3 FY2016 S\$'000	+ / (-) %	9M FY2017 S\$'000	Group 9M FY2016 S\$'000	+ / (-) %
Bank bills and bank guarantees	512	265	93.2	1,271	658	93.2
Finance leases	151	209	(27.6)	480	667	(28.1)
Others	20	35	(43.8)	60	73	(18.3)
Total Finance Costs	683	509	34.2	1,811	1,398	29.6

C. Depreciation expenses

	Q3 FY2017 S\$'000	Group Q3 FY2016 S\$'000	+ / (-) %	9M FY2017 S\$'000	Group 9M FY2016 S\$'000	+ / (-) %
Included in Cost of sales	2,624	2,308	13.7	7,665	5,996	27.8
Included in Administrative expenses	125	164	(23.9)	406	464	(12.5)
Total Depreciation	2,749	2,472	11.2	8,071	6,460	24.9

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 March 2017 S\$'000	As at 30 June 2016 S\$'000	As at 31 March 2017 S\$'000	As at 30 June 2016 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	11,300	39,788	11	42
Trade and other receivables	121,605	80,007	29,966	27,707
Other current assets	3,885	882	15	12
Current tax recoverable	4,470	5,475	4,532	5,475
	<u>141,260</u>	<u>126,152</u>	<u>34,524</u>	<u>33,236</u>
Non-current assets				
Investments in subsidiaries	-	-	8,096	7,590
Investments in joint venture	-	5,641	-	-
Trade and other receivables	321	6,648	-	-
Property, plant and equipment	135,235	119,513	-	-
Intangible assets	11	10	-	-
Deferred tax assets	-	511	16	36
	<u>135,567</u>	<u>132,323</u>	<u>8,112</u>	<u>7,626</u>
TOTAL ASSETS	<u>276,827</u>	<u>258,475</u>	<u>42,636</u>	<u>40,862</u>
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	47,627	57,230	126	128
Advances from joint venture	25	-	-	-
Dividend payable	-	-	-	-
Borrowings	5,709	6,616	-	-
Provisions	4,351	5,940	-	-
	<u>57,712</u>	<u>69,786</u>	<u>126</u>	<u>128</u>
Non-current liabilities				
Borrowings	40,253	25,498	-	-
Provisions	2,900	2,494	-	-
Deferred tax liabilities	542	-	-	-
	<u>43,695</u>	<u>27,992</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>101,407</u>	<u>97,778</u>	<u>126</u>	<u>128</u>
Capital and Reserves				
Share capital	37,864	37,864	37,864	37,864
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(12,560)	(23,431)	(2,078)	(4,789)
Retained earnings	150,389	146,425	6,735	7,670
Total Equity Attributable to Owners	<u>175,682</u>	<u>160,847</u>	<u>42,510</u>	<u>40,734</u>
Non-controlling interest	(262)	(150)	-	-
TOTAL EQUITY	<u>175,420</u>	<u>160,697</u>	<u>42,510</u>	<u>40,734</u>
TOTAL LIABILITIES AND EQUITY	<u>276,827</u>	<u>258,475</u>	<u>42,636</u>	<u>40,862</u>

Note

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

	<u>March 2017</u>	<u>June 2016</u>
A\$	1.0682	1.0015

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

	Group		Group	
	As at 31 March 2017		As at 30 June 2016	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	5,709	-	6,616	-
Amount repayable after one year	40,253	-	25,498	-

Details of collaterals

Finance leases:

The Group has S\$13.2 million (June 2016: S\$14.6 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 bills:

As at 31 March 2017, the Group has drawn S\$32.4 million (June 2016: S\$16.3 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\$175.4 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.

	Group 9M FY2017 S\$'000	Group 9M FY2016 S\$'000
Cash Flows from Operating Activities		
Profit before income tax	9,324	20,927
Adjustment for:		
Depreciation of property, plant and equipment	8,071	6,460
Gain on disposal of property, plant and equipment	(2)	(34)
Share in loss/(profit) of joint venture	255	(3,132)
Finance cost	1,811	1,398
Interest income	(230)	(434)
Foreign exchange differences	(58)	4
Operating cash flow before working capital changes	19,171	25,189
Changes in working capital:		
(Increase)/Decrease in trade and other receivables	(33,476)	12,349
Increase in other current assets	(2,854)	(1,569)
Decrease in trade and other payables	(8,194)	(22,249)
Decrease in provisions	(1,692)	(349)
Cash (used in)/generated from operations	(27,045)	13,371
Interest received	230	434
Finance cost paid	(1,745)	(1,358)
Income tax refund	4,550	7,937
Income taxes paid	(4,143)	(9,760)
Net cash (used in)/generated from operating activities	(28,153)	10,624
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	321	295
Purchase of property, plant and equipment	(15,789)	(30,820)
Investment in joint venture	(3,469)	(9,890)
Cash distribution from joint venture	9,053	-
Net cash used in investing activities	(9,884)	(40,415)
Cash Flows from Financing Activities		
Proceeds from borrowings	40,550	43,929
Repayment of borrowings	(29,195)	(30,652)
Capital contribution from non-controlling interest	2	-
Dividends paid	(3,507)	(3,507)
Net cash generated from financing activities	7,850	9,770
Net decrease in cash and cash equivalents	(30,187)	(20,021)
Effects of currency translation on cash and cash equivalents	1,699	(472)
Cash and cash equivalents at the beginning of the financial period	39,788	37,643
Cash and cash equivalents at the end of the financial period	11,300	17,150

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	S\$'000	S\$'000	S\$'000
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
Balance as at 01 July 2016	37,864	(11)	9,010	(32,725)	284	146,425	160,847	(150)	160,697
Profit for the period	-	-	-	-	-	7,471	7,471	(112)	7,359
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	-	-	-	10,871	-	-	10,871	-	10,871
Total comprehensive income for the period	-	-	-	10,871	-	7,471	18,342	(112)	18,230
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 31 March 2017	37,864	(11)	9,010	(21,854)	284	150,389	175,682	(262)	175,420

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						Retained earnings	Total	Non-Controlling interest	Total equity
	Share capital	Treasury shares	Merger reserve	Translation reserve	Option reserve	Other reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000				
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>										
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(1,264)	-	-	-	(1,264)	-	(1,264)
Total comprehensive income for the year	-	-	-	(1,264)	-	-	5,279	4,015	-	4,015
Dividends paid	-	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Waiver of interest receivable from a subsidiary	-	-	-	-	-	(3,341)	-	(3,341)	-	(3,341)
Balance as at 30 June 2016	37,864	(11)	9,010	(10,742)	284	(3,341)	7,670	40,734	-	40,734
Balance as at 01 July 2016	37,864	(11)	9,010	(10,742)	284	(3,341)	7,670	40,734	-	40,734
Profit for the period	-	-	-	-	-	-	2,572	2,572	-	2,572
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	-	-	-	2,711	-	-	-	2,711	-	2,711
Total comprehensive income for the period	-	-	-	2,711	-	-	2,572	5,283	-	5,283
Dividends paid	-	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 31 March 2017	37,864	(11)	9,010	(8,031)	284	(3,341)	6,735	42,510	-	42,510

- 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 31 December 2016.

As at 31 March 2017, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2016: 15,000).

The Company has no outstanding convertibles as at 31 March 2017 and 30 June 2016.

As at 31 March 2017 there were outstanding options for 4,500,000 (30 June 2016: 5,000,000) unissued ordinary shares under the employee share option scheme.

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

	31 March 2017	30 June 2016
	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	500,985,000	500,985,000

- 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 March 2017, 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 or 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 2016.

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.

	Q3 FY2017	Q3 FY2016	9M FY2017	9M FY2016
	S\$'000	S\$'000	S\$'000	S\$'000
Profit after taxation	805	2,517	7,359	15,985
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	0.16	0.50	1.47	3.19
• Diluted	0.16	0.50	1.47	3.19

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

As at 31 March 2017, the diluted earnings per share is the same as basic earnings per share as it does not include the effect of 4,500,000 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 31 March 2017	As at 30 June 2016	As at 31 March 2017	As at 30 June 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Net assets	175,682	160,847	42,510	40,734
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	35.07	32.11	8.48	8.13

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 March 2017 of 500,985,000 (30 June 2016: 500,985,000) and excludes treasury shares of 15,000 (30 June 2016: 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

Q3 FY2017 vs Q2 FY2017

Revenue for the three months ended 31 March 2017 ("Q3 FY2017") increased 6.7% to S\$74.1 million from S\$69.4 million for the three months ended 31 December 2016("Q2 FY2017").

Gross profit increased 8.6% to S\$7.0 million from S\$6.4 million in Q2 FY2017.

Administrative expenses for Q3 FY2017 decreased 23.4% to S\$5.6 million from S\$7.3 million in Q2 FY2017 as a result of the Group continually reviewing overhead costs.

Net profit attributable to shareholders in Q3 FY2017 increased 91.4% to S\$848,000 from S\$443,000 in Q2 FY2017.

Q3 FY2017 vs Q3 FY2016

Revenue for Q3 FY2017 increased marginally to S\$74.1 million from S\$72.9 million for the three months ended 31 March 2016 ("Q3FY2016") with gross profit of S\$7.0 million which is in line with the S\$7.0 million in the comparative period.

Administrative expenses for Q3 FY2017 decreased to S\$5.6 million from S\$5.8 million in Q3 FY2016.

Q3 FY2017 net profit attributable to shareholders declined 65.5% to S\$848,000 from S\$2.5 million in Q3 FY2016, reflecting the completion of a joint venture project.

9M FY2017 Vs 9M FY2016

For the nine months ended 31 March 2017 ("9M FY2017"), revenue declined 19.5% to S\$248.2 million from S\$308.3 million a year ago ("9M FY2016") as a result of delays in the commencement of new projects.

In line with the lower revenue, gross profit for 9M FY2017 decreased to S\$28.8 million, from S\$36.3 million for the 9M FY2016. Gross profit margin remained in line with the comparative period at 11.7%.

Net profit attributable to shareholders was S\$7.5 million for 9M FY2017, down from S\$15.9 million for the 9M FY2016 due to the reduced revenue and completion of the joint venture project.

Total comprehensive income for the period was S\$18.2 million compared to S\$16.5 million for the 9M FY2016 due to increases in the translation of currency.

B. Statement of Financial Position

Total shareholders' equity increased 9.1% to S\$175.4 million as at 31 March 2017 from S\$160.7 million as at 30 June 2016.

Trade and other receivables increased to S\$121.6 million as at 31 March 2017 from S\$80.0 million from June 2016. The increase can be mainly attributed to the delay in finalisation of variations.

Trade and other payables decreased to S\$47.6 million as at 31 March 2017 from S\$57.2 million as at 30 June 2016 as projects completed.

The current assets to current liabilities ratio increased significantly to 2.44 in Q3 FY2017 from 1.80 in June 2016 due to the decrease in trade and other payables.

Cash and cash equivalents decreased to S\$11.3 million as at 31 March 2017 from S\$39.8 million as at 30 June 2016, predominantly impacted by the increase in trade and other receivables.

The current tax asset of S\$4.4 million (FY2016: S\$5.5 million) represents income tax which will be recovered from taxation authorities in relation to the prior year. This amount has decreased from \$7.2 million from December 2016 as the Group received income tax refunds.

Non-current assets were S\$135.6 million as at 31 March 2017, up from S\$132.3 million reported at 30 June 2016. This is a result of the Group's continued investment in its Newcastle facility.

Overall borrowings increased to S\$45.9 million as at 31 March 2017 from S\$32.1 million as at 30 June 2016 due to capital expenditure associated with the development of the facility in Newcastle.

C. Statement of Cash Flows

Operating cashflow before working capital changes was S\$19.2 million in 9M FY2017 compared to S\$25.2 million in 9M FY2016. Net cashflow generated from operations was negative, at S\$28.1 million, impacted by the lower revenue in the quarter and a delay in cash receipts.

The Group has received S\$9.1 million in cash distribution from a joint venture project in 9M FY2017 representing repayment of the investment in the joint venture.

The Group used an additional S\$5.0 million in the quarter under review in relation to capital expenditure, plant and equipment. The total cash investment in capital expenditure in 9M FY2017 was S\$15.8 million, predominantly related to the development of the site and capabilities in Newcastle.

Cash proceeds of S\$29.2 million were utilised in 9M FY2017 to repay debt. Proceeds from bank borrowings in 9M FY2017 amounted to S\$40.5 million.

As at 31 March 2017, the Group's cash and cash equivalents decreased to S\$11.3 million from S\$39.8 million as at 30 June 2016.

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 provider of multi-disciplinary construction and engineering services to the oil and gas, metals and minerals, infrastructure and defence markets. The Group's diversification of service offerings and business sectors in recent years has placed the Group in a strong position to capitalise on growth opportunities.

Tendering activity continues to be strong with tender opportunities being actively pursued with a number of tenders submitted pending award in the coming months.

During the period the Group was successful in securing a number of contracts including a large EPC contract, in joint venture with Amec Foster Wheeler (ACJV) for the Gruyere Project Joint Venture. The Group's order book as at 31 March 2017 stands at S\$570.1 million which is a significant increase on Q2FY2017 (S\$425.0 million). Based on current timing of projects commencing, the majority of this revenue from the order book will fall into FY2018 and leaving a solid foundation for FY2019.

The Group has continued with its development plans of the facility in Newcastle and demand for our services remains high on the east coast of Australia.

Following the announcement in December 2016, the plan to build a state-of-the-art shipbuilding facility the Group has been working on the detailed design elements of the new facility. Construction is anticipated to take approximately 2 years and when completed the facility will be the Australia's largest undercover shipbuilding facility. The development of this facility will strategically position the Group to participate in the upcoming Naval acquisition program.

As announced in March 2017, Civmec under its wholly owned subsidiary, Forgacs Marine and Defence Pty Ltd entered into a memorandum of understanding with ASC Shipbuilding Pty Ltd to jointly bid for two of the three shortlisted designers for the construction of the Offshore Patrol Vessels for the Royal Australian Navy.

Civmec remains committed to advancing the long-term growth strategy and diversification of revenue sources. The Group will continue to strengthen its position in growing its market share in the sectors it operates.

The Group remains positive about the medium to long-term outlook and is strategically positioned to capitalise on the S\$800 billion pipeline of capital spend in Australia.

Barring any unforeseen circumstances, the Group expects to be profitable in the current financial year.

11. Dividend

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

Not applicable.

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

Not applicable.

c) Date payable

Not applicable.

d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, 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 March 2017 to be false or misleading in any material aspect.

- 15. 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

13 May 2017