



CIVMEC LIMITED

(Company Registration No: 201011837H)

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE
SECOND QUARTER ENDED 31 DECEMBER 2017**

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

	Q2 FY2018 S\$'000	Group Q2 FY2017 S\$'000	+ / (-) %	6M FY2018 S\$'000	Group 6M FY2017 S\$'000	+ / (-) %
Sales revenue	179,653	69,448	158.7	319,995	174,094	83.8
Cost of sales	(171,078)	(63,010)	171.5	(301,384)	(152,292)	97.9
Gross profit	8,575	6,438	33.2	18,611	21,802	(14.6)
Other income	6,167	1,403	339.6	6,391	1,692	277.7
Share in profit/(loss) of a joint venture	220	398	(44.7)	220	(276)	(179.7)
Administrative expenses	(5,203)	(7,344)	(29.2)	(9,152)	(13,772)	(33.5)
Finance costs	(905)	(627)	44.3	(1,908)	(1,128)	69.1
Profit before tax	8,854	268	3204.0	14,162	8,318	70.2
Income tax (expense)/benefit	(2,153)	117	(1940.2)	(3,764)	(1,764)	113.4
Profit for the period	6,701	385	1640.5	10,398	6,554	58.6
<u>Profit attributable to:</u>						
Owners of the Company	6,895	443	1456.4	10,687	6,623	61.3
Non-controlling interest	(194)	(58)	234.4	(289)	(69)	312.3
	6,701	385	1640.5	10,398	6,554	58.6
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	1.38	0.08		2.13	1.31	
• Diluted	1.38	0.08		2.13	1.31	



- 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

	Q2 FY2018 S\$'000	Group Q2 FY2017 S\$'000	+ / (-) %	6M FY2018 S\$'000	Group 6M FY2017 S\$'000	+ / (-) %
Profit for the period	6,701	385	1640.5	10,398	6,554	58.6
<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	(3,469)	306	(1233.3)	(2,627)	6,846	(138.3)
Total comprehensive income for the period	3,233	691	367.9	7,771	13,400	(42.0)
<u>Total comprehensive income attributable to:</u> Owners of the Company	3,427	749	357.5	8,060	13,469	(40.1)
Non-controlling interest	(194)	(58)	234.5	(289)	(69)	312.3
	3,233	691	367.9	7,771	13,400	(42.0)

*N.M: Not meaningful

Note

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

	<u>December 2017</u>	<u>December 2016</u>
A\$	1.0476	1.0302

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:

	Q2 FY2018 S\$'000	Group Q2 FY2017 S\$'000	+ / (-) %	6M FY2018 S\$'000	Group 6M FY2017 S\$'000	+ / (-) %
Gain/(loss) on disposal of property, plant and equipment	20	(21)	(194.4)	20	2	891.3
Interest income	105	54	94.4	185	113	63.6
Sundry revenue	6,043	1,371	340.7	6,187	1,577	292.3
Share in profit of a joint venture	220	398	(44.7)	220	(276)	(179.4)

B. Finance costs

	Q2 FY2018 S\$'000	Group Q2 FY2017 S\$'000	+ / (-) %	6M FY2018 S\$'000	Group 6M FY2017 S\$'000	+ / (-) %
Bank bills and bank guarantees	590	448	31.7	1,437	760	89.0
Trade finance	188	-		188	-	
Finance leases	111	160	(30.6)	233	328	(29.0)
Others	16	19	(15.8)	50	40	22.3
Total Finance Costs	905	627	44.4	1,908	1,128	69.0

C. Depreciation expenses

	Q2 FY2018 S\$'000	Group Q2 FY2017 S\$'000	+ / (-) %	6M FY2018 S\$'000	Group 6M FY2017 S\$'000	+ / (-) %
Included in Cost of sales	2,566	2,557	0.4	5,188	5,041	2.9
Included in Administrative expenses	107	138	(22.2)	222	281	(21.0)
Total Depreciation	2,673	2,695	(0.8)	5,410	5,322	1.7

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 December 2017 S\$'000	As at 30 June 2017 S\$'000	As at 31 December 2017 S\$'000	As at 30 June 2017 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	52,613	24,044	9	25
Trade and other receivables	250,190	157,273	32,091	29,233
Other current assets	3,035	1,262	7	4
Current tax recoverable	1,062	4,470	1,093	4,498
	<u>306,900</u>	<u>187,049</u>	<u>33,200</u>	<u>33,760</u>
Non-current assets				
Investments in subsidiaries	-	-	7,908	8,023
Investments in joint venture	611	129	-	-
Trade and other receivables	519	162	-	-
Property, plant and equipment	143,784	136,063	-	-
Intangible assets	10	11	-	-
Deferred tax assets	1,274	1,162	11	12
	<u>146,198</u>	<u>137,527</u>	<u>7,919</u>	<u>8,035</u>
TOTAL ASSETS	<u>453,098</u>	<u>324,576</u>	<u>41,119</u>	<u>41,795</u>
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	154,617	79,643	156	155
Borrowings	46,069	5,275	-	-
Provisions	6,460	5,115	-	-
	<u>207,146</u>	<u>90,033</u>	<u>156</u>	<u>155</u>
Non-current liabilities				
Borrowings	63,513	56,696	-	-
Provisions	3,457	3,129	-	-
	<u>66,970</u>	<u>59,825</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>274,116</u>	<u>149,858</u>	<u>156</u>	<u>155</u>
Capital and Reserves				
Share capital	37,864	37,864	37,864	37,864
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(16,750)	(14,123)	(3,078)	(2,464)
Retained earnings	158,525	151,345	6,188	6,251
Total Equity Attributable to Owners	<u>179,628</u>	<u>175,075</u>	<u>40,963</u>	<u>41,640</u>
Non-controlling interest	(646)	(357)	-	-
TOTAL EQUITY	<u>178,982</u>	<u>174,718</u>	<u>40,963</u>	<u>40,640</u>
TOTAL LIABILITIES AND EQUITY	<u>453,098</u>	<u>324,576</u>	<u>41,119</u>	<u>41,795</u>

Note

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

	<u>December</u> <u>2017</u>	<u>June 2016</u>
A\$	1.0434	1.0587



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

	Group		Group	
	As at 31 December 2017		As at 30 June 2017	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	46,069	-	5,275	-
Amount repayable after one year	63,513	-	56,696	-

Details of collaterals

Finance leases:

The Group has S\$9.9 million (June 2017: S\$11.4 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 December 2017, the Group has drawn S\$58.1 million (June 2017: S\$50.1 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\$142.6 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 6M FY2018 S\$'000	Group 6M FY2017 S\$'000
Cash Flows from Operating Activities		
Profit before income tax	14,162	8,318
Adjustment for:		
Depreciation of property, plant and equipment	5,410	5,322
Gain on disposal of property, plant and equipment	(20)	(2)
Share in profit/(loss) of a joint venture	(220)	276
Finance cost	1,908	1,128
Interest income	(185)	(113)
Foreign exchange differences	(183)	51
Operating cash flow before working capital changes	<u>20,872</u>	<u>14,980</u>
Changes in working capital:		
Increase in trade and other receivables	(95,960)	(14,274)
Increase in other current assets	(1,799)	(1,656)
Increase/(Decrease) in trade and other payables	76,384	(14,976)
Increase/(Decrease) in provisions	1,800	(1,701)
Cash generated from operations	<u>1,297</u>	<u>(17,627)</u>
Interest received	185	113
Finance cost paid	(1,797)	(1,073)
Income tax refund	2,895	4
Income taxes paid	(3,408)	(3,228)
Net cash used in from operating activities	<u>(828)</u>	<u>(21,811)</u>
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	67	321
Purchase of property, plant and equipment	(15,136)	(10,710)
Investment in joint venture	(262)	(1,288)
Cash distribution from joint venture	-	7,523
Net cash used in investing activities	<u>(15,331)</u>	<u>(4,154)</u>
Cash Flows from Financing Activities		
Proceeds from borrowings	188,366	32,024
Repayment of borrowings	(139,669)	(24,299)
Capital contribution from non-controlling interest	-	2
Dividends paid	(3,507)	(3,499)
Net cash generated from/(used in) financing activities	<u>45,190</u>	<u>4,228</u>
Net (decrease)/increase in cash and cash equivalents	29,031	(21,737)
Effects of currency translation on cash and cash equivalents	(462)	1,384
Cash and cash equivalents at the beginning of the financial period	<u>24,044</u>	<u>39,788</u>
Cash and cash equivalents at the end of the financial period	<u><u>52,613</u></u>	<u><u>19,435</u></u>



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 2016	37,864	(11)	9,010	(32,725)	284	146,425	160,847	(150)	160,697
Profit for the year	-	-	-	-	-	8,427	8,427	(207)	8,220
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	-	-	-	9,308	-	-	9,308	-	9,308
Total comprehensive income for the year	-	-	-	9,308	-	8,427	17,735	(207)	17,528
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2017	37,864	(11)	9,010	(23,417)	284	151,345	175,075	(357)	174,718
Balance as at 01 July 2017	37,864	(11)	9,010	(23,417)	284	151,345	175,075	(357)	174,718
Profit for the period	-	-	-	-	-	10,687	10,687	(289)	10,398
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	-	-	-	(2,627)	-	-	(2,627)	-	(2,627)
Total comprehensive income for the period	-	-	-	(2,627)	-	10,687	8,060	(289)	7,771
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 31 December 2017	37,864	(11)	9,010	(26,044)	284	158,525	179,628	(646)	178,982



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	S\$'000	S\$'000	S\$'000	S\$'000
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 year	-	-	-	-	-	-	2,088	2,088	-	2,088
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	-	-	-	2,325	-	-	-	2,325	-	2,325
Total comprehensive income for the year	-	-	-	2,325	-	-	2,088	4,413	-	4,413
Dividends paid	-	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2017	37,864	(11)	9,010	(8,417)	284	(3,341)	6,251	41,640	-	41,640
Balance as at 01 July 2017	37,864	(11)	9,010	(8,417)	284	(3,341)	6,251	41,640	-	41,640
Profit for the period	-	-	-	-	-	-	3,444	3,444	-	3,444
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	-	-	-	(614)	-	-	-	(614)	-	(614)
Total comprehensive income for the period	-	-	-	(614)	-	-	3,444	2,830	-	2,830
Dividends paid	-	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 31 December 2017	37,864	(11)	9,010	(9,031)	284	(3,341)	6,188	40,963	-	40,963

- 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 2017.

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

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

As at 31 December 2017 there were outstanding options for 4,500,000 (30 June 2017: 4,500,000) 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 December 2017	30 June 2017
	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 December 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 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 2017.

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 FY2018 S\$'000	Q2 FY2017 S\$'000	6M FY2018 S\$'000	6M FY2017 S\$'000
Profit after taxation	6,701	385	10,398	6,554
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	1.38	0.08	2.13	1.31
• Diluted	1.38	0.08	2.13	1.31

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

As at 31 December 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 Dec 2017 S\$'000	As at 30 June 2017 S\$'000	As at 31 Dec 2017 S\$'000	As at 30 June 2017 S\$'000
Net assets	179,628	175,075	40,963	41,640
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	35.85	34.95	8.18	8.31

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

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

A. Statement of Comprehensive Income

Q2 FY2018 vs Q1 FY2018

Revenue for the three months ended 31 December 2017 ("Q2 FY2018") increased 28.0% to S\$179.6 million from S\$140.3 million for the three months ended 30 September 2017 ("Q1 FY2018") as the level of activity on projects increased.

Gross profit for Q2 FY2018 decreased to S\$8.6 million from S\$10.0 million in Q2 FY2017. The lower gross profit was impacted by the reallocation of tendering and human resource costs to operational divisions as well as an insurance claim relating to a fire in September 2017 recorded as Other Income. On a like-for-like basis gross profit for Q2 FY2018 would have been S\$16.5 million. On a like-for-like basis gross margin for Q2 FY2018 would have been 9.2%, an increase from 7.1% in Q1 FY2018.

Net profit increased 81.1% to S\$6.7 million in Q2 FY2018 from S\$3.7 million in Q1 FY2018.

Q2 FY2018 vs Q2 FY2017

Revenue for Q2 FY2018 increased 158.7% to S\$179.6 million from S\$69.4 million for the three months ended 31 December 2016 ("Q2 FY2017") lifted by higher contributions from existing contracts as projects ramped up during the period.

Gross profit rose to S\$8.6 million for Q2 FY2018, up 33.2% from S\$6.4 million in Q2FY 2017 largely due to the higher revenue. However gross margin decreased 4.8% from 9.3% over the comparative period. This margin has been impacted by the proceeds of a significant insurance claim relating to a fire at the end of September 2017 being recorded in Other Income as well as the allocation of tendering and human resource costs to operational divisions. Excluding the effects of the reallocation, gross profit for Q2 FY2018 would have risen to S\$16.5 million or 9.2% compared to 9.3% gross margin achieved in Q2 FY2017.

Administrative expenses for Q2 FY2018 decreased 29.2% to S\$5.2 million from S\$7.3 million in Q2 FY2017 predominantly as a result of the reallocation of expenses to costs of goods sold.

Net profit increased by S\$6.3 million to S\$6.7 million in Q2 FY2018 from S\$0.4 million in Q2 FY2017.

1H FY2018 vs 1H FY2017

For the six months ended 31 December 2017 ("1H FY2018"), revenue increased 83.8% to S\$320.0 million from S\$174.0 million in 1H FY2017 as projects ramped up in the period.

Gross profit for 1H FY2018 was S\$18.6 million, down 14.6% from S\$21.8 million in 1H FY2017. This margin has been impacted by the proceeds of a significant insurance claim relating to a fire at the end of September 2017 being recorded in Other Income as well as the allocation of tendering and human resource costs to operational divisions. Excluding the effects of the reallocation, gross profit for 1H FY2018 would have risen to S\$28.6 million.

Net profit increased to S\$10.4 million in 1H FY2018 from S\$6.5 million in 1H FY2017.

B. Statement of Financial Position

Total shareholders' equity increased to S\$179.0 million as at 31 December 2017 from S\$174.7 million as at 30 June 2017.

Trade and other receivables rose to S\$250.2 million as at 31 December 2017 from S\$157.3 million as at June 2017, attributable mainly to an increase in revenue as project activity increased.

Trade and other payables increased to S\$154.6 million from S\$79.6 million in June 2017 reflecting the increase in project activity.

Cash and cash equivalents increased to S\$52.6 million as at 31 December 2017 compared to S\$24.0 million as at 30 June 2017.

Non-current assets increased to S\$146.2 million as at 31 December 2017 from S\$137.5 million as at 30 June 2017, as a result of the Group's investment in its Henderson and Newcastle facilities.

Current tax assets of S\$1.1 million as at 31 December 2017 has decreased from S\$4.5 million as at 30 June 2017 as proceeds were received from taxation authorities in relation to prior income years.

Overall long-term borrowings increased to S\$63.5 million as at 31 December 2017 up from S\$56.7 million as at 30 June 2017 as funds were deployed for capital investment.

C. Statement of Cash Flows

Operating cashflow before working capital changes for the six months ended 31 December 2017 ("1H2018") was S\$20.9 million compared to S\$15.0 million a year ago ("1H2017"). Net cash used from operating activities by the Group was S\$0.8 million compared to S\$21.8 million in 1H FY2017, mainly due to the timing of receivables.

The Group used S\$15.3 million in capital expenditure which was predominantly related to the development of the facilities in Henderson and Newcastle.

The Group generated S\$45.2 million net cash from financing activities to assist in working capital fluctuations.

The increase in proceeds from borrowings and repayment of borrowings is a result of a change in the Group's funding structure. Net cash proceeds from borrowings of S\$48.7 million were used to assist in working capital fluctuations.

As at 31 December 2017 the Group's cash and cash equivalents increased to S\$52.6 million from S\$23.4 million as at 30 September 2017.

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 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 well-positioned the Group to capitalise on growth opportunities.

Tendering activity is strong across our operating sectors. The Group's order book as at December 2017 amounted to S\$573.5 million.

The Group remains positive about the outlook and is well positioned to capitalise on the significant pipeline of capital spend in Australia over the next ten years.

As announced by the Federal Government on 25 November 2017, Civmec was a participant in the successful tender to build twelve Royal Australian Navy's Offshore Patrol Vessels ("OPVs"). The Government also announced that Civmec will supply all the steel for the twelve OPVs and are in negotiations with Luerssen to finalise the contract for the Group's part in the ten OPVs to be built in Western Australia.

The process to dual list on the Australian Securities Exchange has progressed. The Group has received in principle approval to issue an information memorandum to list on the ASX. The market will be informed on relevant developments.

Barring unforeseen circumstances, the Group expects to be profitable in the current financial year ending 30 June 2018.

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 December 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

12 February 2018