



**CIVMEC LIMITED**

(Company Registration No: 201011837H)

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**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE  
THIRD QUARTER ENDED 31 MARCH 2018**

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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		
	Q3	Q3	+ / (-)	9M	9M	+ / (-)
	FY2018	FY2017	%	FY2018	FY2017	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Sales revenue	193,281	74,136	160.7	513,276	248,230	106.8
Cost of sales	(180,276)	(67,143)	168.5	(481,660)	(219,435)	119.5
<b>Gross profit</b>	<b>13,005</b>	<b>6,993</b>	<b>86.0</b>	<b>31,616</b>	<b>28,795</b>	<b>9.8</b>
Other income	297	300	0	6,690	1,992	235.89
Share in profit/(loss) of a joint venture	3	21	(85.7)	223	(255)	N/M
Administrative expenses	(4,108)	(5,625)	(27.0)	(13,260)	(19,397)	(31.6)
Finance costs	(1,276)	(683)	86.8	(3,184)	(1,811)	75.8
<b>Profit before tax</b>	<b>7,923</b>	<b>1,006</b>	<b>687.2</b>	<b>22,086</b>	<b>9,324</b>	<b>136.8</b>
Income tax (expense)/benefit	(735)	(201)	264.8	(4,499)	(1,965)	128.9
<b>Profit for the period</b>	<b>7,188</b>	<b>805</b>	<b>792.9</b>	<b>17,587</b>	<b>7,359</b>	<b>138.9</b>
<u>Profit attributable to:</u>						
Owners of the Company	7,195	848	748.9	17,884	7,471	139.3
Non-controlling interest	(7)	(43)	(83.1)	(297)	(112)	162.8
	<b>7,188</b>	<b>805</b>	<b>792.9</b>	<b>17,587</b>	<b>7,359</b>	<b>139.0</b>
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	1.44	0.16		3.57	1.47	
• Diluted	1.44	0.16		3.57	1.47	

- 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 FY2018 S\$'000	Group Q3 FY2017 S\$'000	+ / (-) %	9M FY2018 S\$'000	Group 9M FY2017 S\$'000	+ / (-) %
<b>Profit for the period</b>	<b>7,188</b>	<b>805</b>	<b>792.9</b>	<b>17,587</b>	<b>7,359</b>	<b>139.0</b>
<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	(6,065)	4,025	N/M	(8,692)	10,871	N/M
<b>Total comprehensive income for the period</b>	<b>1,123</b>	<b>4,830</b>	<b>(76.7)</b>	<b>8,895</b>	<b>18,230</b>	<b>(51.2)</b>
<u>Total comprehensive income attributable to:</u> Owners of the Company	1,130	4,873	(76.8)	9,192	18,342	(49.9)
Non-controlling interest	(7)	(43)	(83.1)	(297)	(112)	165.2
	<b>1,123</b>	<b>4,830</b>	<b>(76.7)</b>	<b>8,895</b>	<b>18,230</b>	<b>(51.2)</b>

\*N.M: Not meaningful

Note

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

A\$	March 2018	March 2017
	1.0418	1.0356

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 FY2018 S\$'000	Group Q3 FY2017 S\$'000	+ / (-) %	9M FY2018 S\$'000	Group 9M FY2017 S\$'000	+ / (-) %
Gain/(loss) on disposal of property, plant and equipment	-	-	-	20	2	877.8
Interest income	54	117	(53.4)	239	230	4.1
Sundry revenue	244	183	33.2	6,431	1,761	265.3
Share in profit of a joint venture	3	21	(84.9)	223	(255)	(187.4)

B. Finance costs

	Q3 FY2018 S\$'000	Group Q3 FY2017 S\$'000	+ / (-) %	9M FY2018 S\$'000	Group 9M FY2017 S\$'000	+ / (-) %
Bank bills and bank guarantees	918	512	79.3	2,354	1,271	85.2
Trade finance	322	-		510	-	
Finance leases	96	151	(36.6)	329	480	(31.4)
Others	(60)	20	(404.1)	(10)	60	(116.6)
<b>Total Finance Costs</b>	<b>1,276</b>	<b>683</b>	<b>86.8</b>	<b>3,184</b>	<b>1,811</b>	<b>75.8</b>

C. Depreciation expenses

	Q3 FY2018 S\$'000	Group Q3 FY2017 S\$'000	+ / (-) %	9M FY2018 S\$'000	Group 9M FY2017 S\$'000	+ / (-) %
Included in Cost of sales	2,613	2,624	(0.4)	7,801	7,665	1.8
Included in Administrative expenses	84	125	(32.5)	306	406	(24.5)
<b>Total Depreciation</b>	<b>2,697</b>	<b>2,749</b>	<b>(1.9)</b>	<b>8,107</b>	<b>8,071</b>	<b>0.5</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 31 March 2018 S\$'000	As at 30 June 2017 S\$'000	As at 31 March 2018 S\$'000	As at 30 June 2017 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	52,506	24,044	104	25
Trade and other receivables	250,584	157,273	28,101	29,233
Other current assets	2,730	1,262	14	4
Current tax recoverable	2,762	4,470	3,808	4,498
	<u>308,582</u>	<u>187,049</u>	<u>32,027</u>	<u>33,760</u>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	7,647	8,023
Investments in joint venture	(25)	129	-	-
Trade and other receivables	-	162	-	-
Property, plant and equipment	140,072	136,063	-	-
Intangible assets	10	11	-	-
Deferred tax assets	2,378	1,162	11	12
	<u>142,435</u>	<u>137,527</u>	<u>7,658</u>	<u>8,035</u>
<b>TOTAL ASSETS</b>	<b><u>451,018</u></b>	<b><u>324,576</u></b>	<b><u>39,685</u></b>	<b><u>41,795</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	153,569	79,643	176	155
Borrowings	43,856	5,275	-	-
Provisions	7,839	5,115	-	-
	<u>205,264</u>	<u>90,033</u>	<u>176</u>	<u>155</u>
<b>Non-current liabilities</b>				
Borrowings	60,742	56,696	-	-
Provisions	3,766	3,129	-	-
Deferred tax liabilities	1,139	-	-	-
	<u>65,647</u>	<u>59,825</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>270,911</u></b>	<b><u>149,858</u></b>	<b><u>176</u></b>	<b><u>155</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	(22,808)	(14,123)	(4,490)	(2,464)
Retained earnings	165,715	151,345	6,145	6,251
<b>Total Equity Attributable to Owners</b>	<b><u>180,760</u></b>	<b><u>175,075</u></b>	<b><u>39,509</u></b>	<b><u>41,640</u></b>
Non-controlling interest	(654)	(357)	-	-
<b>TOTAL EQUITY</b>	<b><u>180,106</u></b>	<b><u>174,718</u></b>	<b><u>39,509</u></b>	<b><u>40,640</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>451,018</u></b>	<b><u>324,576</u></b>	<b><u>39,685</u></b>	<b><u>41,795</u></b>

**Note**

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

	March 2018	June 2017
A\$	1.0090	1.0587



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

	Group As at 31 March 2018		Group 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	43,856	-	5,275	-
Amount repayable after one year	60,742	-	56,696	-

**Details of collaterals**

Finance leases:

The Group has S\$9.6 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 March 2018, the Group has drawn S\$56.2 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\$142.9 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 9M FY2018 S\$'000</b>	<b>Group 9M FY2017 S\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	22,086	9,324
Adjustment for:		
Depreciation of property, plant and equipment	8,107	8,071
Gain on disposal of property, plant and equipment	(20)	(2)
Share in profit/(loss) of a joint venture	223	255
Finance cost	3,107	1,811
Interest income	(239)	(230)
Foreign exchange differences	(225)	(58)
Operating cash flow before working capital changes	<u>33,118</u>	<u>19,171</u>
Changes in working capital:		
Increase in trade and other receivables	(93,815)	(33,476)
Increase in other current assets	(1,577)	(2,854)
Increase/(Decrease) in trade and other payables	80,218	(8,194)
Increase/(Decrease) in provisions	3,871	(1,692)
Cash generated from operations	<u>21,815</u>	<u>(27,045)</u>
Interest received	239	230
Finance cost paid	(3,184)	(1,745)
Income tax refund	-	4,550
Income taxes paid	(3,026)	(4,143)
Net cash used from/(used in) operating activities	<u>15,845</u>	<u>(28,153)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	66	321
Purchase of property, plant and equipment	(18,827)	(15,789)
Investment in joint venture	(260)	(3,469)
Cash distribution from joint venture	-	9,053
Net cash from/(used in) investing activities	<u>(19,022)</u>	<u>(9,884)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	307,488	40,550
Repayment of borrowings	(271,035)	(29,195)
Capital contribution from non-controlling interest	-	2
Dividends paid	(3,507)	(3,507)
Net cash generated from/(used in) financing activities	<u>32,946</u>	<u>7,850</u>
Net (decrease)/increase in cash and cash equivalents	29,771	(30,187)
Effects of currency translation on cash and cash equivalents	(1,309)	1,699
Cash and cash equivalents at the beginning of the financial period	24,044	39,788
Cash and cash equivalents at the end of the financial period	<u>52,506</u>	<u>11,300</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	-	-	-	-	-	17,883	17,883	(296)	17,587
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	-	-	-	(8,692)	-	-	(8,692)	-	(8,692)
Total comprehensive income for the period	-	-	-	(8,692)	-	17,883	9,190	(296)	8,895
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 31 March 2018	37,864	(11)	9,010	(32,109)	284	165,721	180,758	(653)	180,106





**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	-	-	-	2,341	-	-	-	2,325	-	2,325
Total comprehensive income for the year	-	-	-	2,341	-	-	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	(8,401)	284	(3,341)	6,251	41,656	-	41,656
Balance as at 01 July 2017	37,864	(11)	9,010	(8,401)	284	(3,341)	6,251	41,656	-	41,656
Profit for the period	-	-	-	-	-	-	3,405	3,405	-	3,405
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	-	-	-	(2,045)	-	-	-	(2,045)	-	(2,045)
Total comprehensive income for the period	-	-	-	(2,045)	-	-	3,405	1,360	-	1,360
Dividends paid	-	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 31 March 2018	37,864	(11)	9,010	(10,446)	284	(3,341)	6,149	39,509	-	39,509

- 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 2018.

As at 31 March 2018, 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 March 2018 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.**

	<b>31 March 2018</b>	<b>30 June 2017</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	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 2018, 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 our 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 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.**

	<b>Q3 FY2018</b> <b>S\$'000</b>	<b>Q3 FY2017</b> <b>S\$'000</b>	<b>9M 2018</b> <b>S\$'000</b>	<b>9M 2017</b> <b>S\$'000</b>
Profit after taxation	7,188	805	17,587	7,359
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	1.44	0.16	3.57	1.47
• Diluted	1.44	0.16	3.57	1.47

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

As at 31 March 2018, 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.**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>As at</b> <b>31 March</b> <b>2018</b> <b>S\$'000</b>	<b>As at</b> <b>30 June</b> <b>2017</b> <b>S\$'000</b>	<b>As at</b> <b>31 March</b> <b>2018</b> <b>S\$'000</b>	<b>As at</b> <b>30 June</b> <b>2017</b> <b>S\$'000</b>
Net assets	180,760	175,075	39,509	41,640
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	36.08	34.95	7.89	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 March 2018 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**

**Q3 FY2018 vs Q2 FY2018**

Revenue for the three months ended 31 March 2018 ("Q3 FY2018") increased 7.6% to S\$193.3 million from S\$179.7 million for the three months ended 31 December 2017 ("Q2 FY2018") as the level of activity on projects was maintained.

Gross profit for Q3 FY2018 increased to S\$13.0 million from S\$8.6 million in Q2 FY2018.

Tax expense is lower in Q3 FY2018 as a result of recognition of R&D tax incentive in the period.

Net profit attributable to shareholders increased 7.5% to S\$7.2 million in Q3 FY2018 from S\$6.7 million in Q2 FY2018.

**Q3 FY2018 vs Q3 FY2017**

Revenue for Q3 FY2018 increased 160.7% to S\$193.3 million from S\$74.1 million for the three months ended 31 March 2017 ("Q3 FY2017") lifted by higher contributions from existing contracts as projects ramped up during the period.

Gross profit rose to S\$13.0 million for Q3 FY2018, up 86.0% from S\$7.0 million a year ago largely due to the higher revenue. However gross margin decreased to 6.7% from 9.4% over the comparative period. This margin was predominantly impacted by the reallocation of tendering and human resource costs to operational divisions. Excluding the effects of the reallocation, gross profit for Q3 FY2018 would have risen to S\$14.6 million.

Administrative expenses for Q3 FY2018 decreased 27.0% to S\$4.1 million from S\$5.6 million in Q3 FY2017 predominantly as a result of the reallocation of relevant expenses to costs of goods sold.

Net profit attributable to shareholders increased by 792.9% to S\$7.2 million in Q3 FY2018 from S\$0.8 million in Q3 FY2017.

**9M FY2018 Vs 9M FY2017**

For the nine months ended 31 March 2018 ("9M FY2018"), revenue increased 106.8% to S\$513.3 million from S\$248.2 million in 9M FY2017 as projects ramped up in the period.

Gross profit for 9M FY2018 was S\$31.6 million, up 9.8% from S\$28.8 million in 9M FY2017 as a result of the increased revenue. Gross margin decreased to 6.2% in 9M FY2018 from 11.6% in 9M FY2017 due to proceeds from an insurance claim being recorded in other income and the reallocation of tendering and human resource costs to operational divisions. Excluding the proceeds of the insurance claim and effects of the reallocation, gross profit for 9M FY2018 would have risen to S\$42.9 million.

Net profit attributable to shareholders increased to S\$17.6 million in 9M FY2018 from S\$7.4 million in 9M FY2017.

**B. Statement of Financial Position**

Total shareholders' equity increased to S\$180.1 million as at 31 March 2018 from S\$174.7 million as at 30 June 2017.

Trade and other receivables rose to S\$250.6 million as at 31 March 2018 from S\$157.3 million as at June 2017, attributable to an increase in revenue and milestone payment terms on some projects.

Trade and other payables increased to S\$153.6 million from S\$79.6 million in June 2017 reflecting the increase in project activity.

Cash and cash equivalents increased to S\$52.5 million as at 31 March 2018 compared to S\$24.0 million as at 30 June 2017.

Non-current assets increased to S\$142.4 million as at 31 March 2018 from S\$137.5 million as at 30 June 2017, as a result of the Group's continued investment in its Henderson and Newcastle facilities.

Overall long-term borrowings increased to S\$60.7 million as at 31 March 2018 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 nine months ended 31 March 2018 ("9M2018") was S\$33.1 million compared to S\$19.2 million a year ago ("9M2017"). Net cashflow from operations was positive with S\$15.8 million at the end of the period.

The Group used S\$18.8 million in capital expenditure which is predominantly related to the development of the facilities in Henderson and Newcastle.

The Group generated S\$36.4 million net cash from financing activities to assist in working capital fluctuations.

Net cash proceeds from borrowings of S\$35.7 million were used to assist in working capital fluctuations.

As at 31 March 2018 the Group's cash and cash equivalents increased to S\$52.5 million from S\$11.3 million as at 31 March 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 with a number of strategic opportunities for the Group to potentially secure in the next six months.

The Group's order book as at 31 March 2018 was S\$832.2 million with the Group securing the Offshore Patrol Vessels contract in April 2018.

As announced on 16 April 2018, Civmec was awarded a contract which includes the supply and processing of steel for all twelve offshore patrol vessels. Following the build of the first two vessels in South Australia, Civmec will undertake specific fabrication and construction activities for the following ten vessels. Final consolidation of the ten vessels will be undertaken in the Company's new world class shipbuilding facility, which is currently under construction adjacent to its existing water-front facilities and head office at Henderson, Western Australia. The award of this contract will underpin the Company's growth, the development of employees for current and future generations.

Civmec remains committed to advancing the long-term strategy and expansion 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 outlook and is well positioned to capitalise on the significant pipeline of capital spend in Australia over the next ten years.

The process to dual list by the Company on the Australian Securities Exchange (ASX) is nearing completion with the submission on the information memorandum on 9 May 2018.

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 March 2018 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

14 May 2018