



**CIVMEC LIMITED**

(Company Registration No: 201011837H)

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

	Q2	Q2	+ / (-) %	6M	6M	+ / (-) %
	FY2019	FY2018 Restated <sup>1</sup>		FY2019	FY2018 Restated <sup>1</sup>	
	A\$'000	A\$'000		A\$'000	A\$'000	
Sales revenue	134,906	170,722	(21.0)	335,030	299,589	11.8
Cost of sales	(130,880)	(164,410)	(20.4)	(320,213)	(285,635)	12.1
<b>Gross profit</b>	<b>4,026</b>	<b>6,312</b>	<b>(36.2)</b>	<b>14,817</b>	<b>13,954</b>	<b>6.2</b>
Other income	1,659	6,178	(73.1)	3,981	6,386	(37.7)
Administrative expenses	(4,040)	(4,999)	(19.2)	(8,649)	(8,675)	(0.3)
Finance costs	(1,190)	(868)	37.1	(2,533)	(1,801)	40.6
<b>Profit before tax</b>	<b>455</b>	<b>6,623</b>	<b>(93.1)</b>	<b>7,616</b>	<b>9,864</b>	<b>(22.8)</b>
Income tax expense	810	(1,493)	-	(854)	(2,482)	(65.6)
<b>Profit for the period</b>	<b>1,265</b>	<b>5,130</b>	<b>(75.3)</b>	<b>6,762</b>	<b>7,382</b>	<b>(8.4)</b>
<u>Profit attributable to:</u>						
Owners of the Company	1,261	5,313	(76.3)	5,814	7,654	(24.0)
Non-controlling interest	4	(183)	-	948	(272)	-
	<b>1,265</b>	<b>5,130</b>	<b>(75.3)</b>	<b>6,762</b>	<b>7,382</b>	<b>(8.4)</b>
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	0.25	1.06		1.16	1.53	
• Diluted	0.25	1.06		1.16	1.53	

<sup>1</sup> The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") that are mandatory for application for the annual periods beginning on or after 1 January 2018 and has applied them retrospectively. Accordingly, comparatives have been restated to take into account adjustments relating to SFRS(I) 1 First-time Adoption of SFRS(I) and SFRS(I) 15 Revenue from Contracts with Customers.



- 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 FY2019 A\$'000	Group Q2 FY2018 Restated A\$'000	+ / (-) %	6M FY2019 A\$'000	Group 6M FY2018 Restated A\$'000	+ / (-) %
<b>Profit for the period</b>	<b>1,265</b>	<b>5,130</b>	<b>(75.3)</b>	<b>6,762</b>	<b>7,382</b>	<b>(8.4)</b>
<u>Other comprehensive (loss)/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	(30)	3	-	(185)	(3)	6,066.7
Reclassification of translation reserve to the profit or loss account on deconsolidation	-	-	-	92	-	-
<b>Total comprehensive income for the period</b>	<b>1,235</b>	<b>5,133</b>	<b>(75.9)</b>	<b>6,669</b>	<b>7,379</b>	<b>(9.6)</b>
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	1,231	5,316	(76.8)	5,721	7,651	(25.2)
Non-controlling interest	4	(183)	-	948	(272)	-
	<b>1,235</b>	<b>5,133</b>	<b>(75.9)</b>	<b>6,669</b>	<b>7,379</b>	<b>(9.6)</b>

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 FY2019	Group Q2 FY2018 Restated	+ / (-)	6M FY2019	Group 6M FY2018 Restated	+ / (-)
	A\$'000	A\$'000	%	A\$'000	A\$'000	%
Gain on disposal of property, plant and equipment	-	19	-	70	19	268.4
Gain on deconsolidation of a subsidiary	-	-	-	2,091	-	-
Insurance recovery	1,218	5,690	(78.6)	1,218	5,690	(78.6)
Interest income	311	101	207.9	393	175	124.6
Fuel tax rebate	128	151	(15.2)	128	258	(50.4)
Share in loss of a joint venture	-	214	-	(2)	214	-
Sundry revenue	2	3	(33.3)	83	30	176.7
<b>Total Other Income</b>	<b>1,659</b>	<b>6,178</b>	<b>(73.1)</b>	<b>3,981</b>	<b>6,386</b>	<b>(37.7)</b>

B. Finance costs

	Q2 FY2019	Group Q2 FY2018 Restated	+ / (-)	6M FY2019	Group 6M FY2018 Restated	+ / (-)
	A\$'000	A\$'000	%	A\$'000	A\$'000	%
Bank bills and bank guarantees	729	564	29.3	1,590	1,352	17.6
Interest expense	305	182	67.6	614	182	237.4
Finance leases	143	106	34.9	286	220	30.0
Others	12	16	(25.0)	42	47	(10.6)
<b>Total Finance Costs</b>	<b>1,190</b>	<b>868</b>	<b>37.1</b>	<b>2,533</b>	<b>1,801</b>	<b>40.6</b>

C. Depreciation expenses

	Q2 FY2019	Group Q2 FY2018 Restated	+ / (-)	6M FY2019	Group 6M FY2018 Restated	+ / (-)
	A\$'000	A\$'000	%	A\$'000	A\$'000	%
Included in Cost of sales	2,529	2,465	2.6	5,064	4,912	3.1
Included in Administrative expenses	76	103	(26.2)	160	211	(24.2)
<b>Total Depreciation</b>	<b>2,605</b>	<b>2,568</b>	<b>1.4</b>	<b>5,224</b>	<b>5,123</b>	<b>2.0</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.**

	As at 31 Dec 2018 A\$'000	Group As at 30 June 2018 Restated A\$'000	As at 1 July 2017 Restated A\$'000	As at 31 Dec 2018 A\$'000	Company As at 30 June 2018 A\$'000	As at 1 July 2017 A\$'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	69,085	23,369	22,712	53	5	24
Trade and other receivables	82,860	132,366	58,335	24,215	34,285	27,615
Contract asset	143,245	135,244	79,596	-	-	-
Income tax recoverable	5,964	5,313	7,769	5,964	-	4,249
	<b>301,154</b>	<b>296,292</b>	<b>168,412</b>	<b>30,232</b>	<b>34,290</b>	<b>31,888</b>
<b>Non-current assets</b>						
Investments in subsidiaries	-	-	-	7,579	7,579	7,579
Investments in joint venture	-	-	122	-	-	-
Trade and other receivables	-	-	153	-	-	-
Property, plant and equipment	171,312	143,711	128,524	-	-	-
Intangible assets	10	10	10	-	-	-
Deferred tax assets	1,460	2,520	2,052	25	16	11
	<b>172,782</b>	<b>146,241</b>	<b>130,861</b>	<b>7,604</b>	<b>7,595</b>	<b>7,590</b>
<b>TOTAL ASSETS</b>	<b>473,936</b>	<b>442,533</b>	<b>299,273</b>	<b>37,836</b>	<b>41,885</b>	<b>39,478</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities</b>						
Trade and other payables	104,614	127,692	71,169	363	136	145
Contract liabilities	11,162	23,178	4,064	-	-	-
Borrowings	53,737	43,275	4,983	-	-	-
Provisions	6,566	9,197	4,831	-	-	-
Income tax payable	-	-	-	-	1,356	-
	<b>176,079</b>	<b>203,342</b>	<b>85,047</b>	<b>363</b>	<b>1,492</b>	<b>145</b>
<b>Non-current liabilities</b>						
Borrowings	119,607	64,434	53,555	-	-	-
Provisions	4,391	3,935	2,955	-	-	-
Deferred tax liabilities	-	-	955	-	-	-
	<b>123,998</b>	<b>68,369</b>	<b>57,465</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>300,077</b>	<b>271,711</b>	<b>142,512</b>	<b>363</b>	<b>1,492</b>	<b>145</b>
<b>Capital and Reserves</b>						
Share capital	29,807	29,807	29,807	29,807	29,807	29,807
Treasury shares	(10)	(10)	(10)	(10)	(10)	(10)
Other reserves	7,818	7,911	7,818	4,528	4,513	4,483
Retained earnings	136,329	134,147	119,485	3,148	6,083	5,053
<b>Total Equity Attributable to Owners</b>	<b>173,944</b>	<b>171,855</b>	<b>157,100</b>	<b>37,473</b>	<b>40,393</b>	<b>39,333</b>
Non-controlling interest	(85)	(1,033)	(339)	-	-	-
<b>TOTAL EQUITY</b>	<b>173,859</b>	<b>170,822</b>	<b>156,761</b>	<b>37,473</b>	<b>40,393</b>	<b>39,333</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>473,936</b>	<b>442,533</b>	<b>299,273</b>	<b>37,836</b>	<b>41,885</b>	<b>39,478</b>

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

	Group As at 31 Dec 2018		Group As at 30 June 2018	
	A\$'000	A\$'000	A\$'000	A\$'000
	Secured	Unsecured	Restated Secured	Restated Unsecured
Amount repayable in one year or less, or on demand	53,737	-	43,275	-
Amount repayable after one year	119,607	-	64,434	-
<b>Total</b>	<b>173,344</b>	<b>-</b>	<b>107,709</b>	<b>-</b>

**Details of collaterals**

Finance leases:

The Group has A\$13.9 million (June 2018: A\$13.4 million) of finance leases for 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.

Banking facilities:

As at 31 December 2018, the Group has drawn A\$161.3 million (June 2018: A\$98.1 million) of its banking facilities.

The Senior Secured Note and other banking facilities for the Civmec Group are secured by:

- General Security Deed – Civmec Holdings Pty Ltd with unsecured guarantee from Civmec Limited in relation to the Senior Secured Note
- Interlocking Guarantee & Indemnity supported by:
  - General Security Deed – Civmec Construction & Engineering Pty Ltd
  - General Security Deed – Civmec Limited
  - General Security Deed – Civmec Construction & Engineering Singapore Pte Ltd
  - Second-ranking General Security Deed – Civmec Holdings (subordinated to the security provided for the notes facility)
- 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 A\$102.6 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.**

	<b>Group 6M FY2019 A\$'000</b>	<b>Group 6M FY2018 Restated A\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	7,616	9,864
Adjustment for:		
Depreciation of property, plant and equipment	5,224	5,123
Gain on disposal of property, plant and equipment	(70)	(19)
Share in loss/(profit) of a joint venture	2	(214)
Gain on deconsolidation	(2,091)	-
Finance cost	2,532	1,801
Interest income	(393)	(175)
Foreign exchange differences	(178)	(24)
Operating cash flow before working capital changes	<u>12,642</u>	<u>16,356</u>
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	42,288	(89,687)
(Decrease)/Increase in trade and other payables	(34,128)	72,933
(Decrease)/Increase in provisions	(2,175)	1,719
Cash generated from operations	<u>18,627</u>	<u>1,321</u>
Interest received	375	175
Finance cost paid	(1,833)	(1,693)
Income tax refund	3,001	-
Income taxes paid	(3,440)	(490)
Net cash generated from/(used in) operating activities	<u>16,730</u>	<u>(687)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	92	64
Purchase of property, plant and equipment	(32,875)	(14,448)
Proceeds from related party loan	55	-
Investment in joint venture	-	(250)
Net cash used in investing activities	<u>(32,728)</u>	<u>(14,634)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	288,246	179,808
Repayment of borrowings	(222,900)	(133,323)
Dividends paid	(3,632)	(3,451)
Net cash generated from financing activities	<u>61,714</u>	<u>43,034</u>
Net increase in cash and cash equivalents	45,716	27,713
Cash and cash equivalents at the beginning of the financial period	23,369	22,712
Cash and cash equivalents at the end of the financial period	<u>69,085</u>	<u>50,425</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.

Statement of Changes in Equity - GROUP

GROUP	Other Reserves						Total A\$'000	Non- Controlling interest A\$'000	Total equity A\$'000
	Share capital A\$'000	Treasury shares A\$'000	Merger reserve A\$'000	Translation reserve A\$'000	Option reserve A\$'000	Retained earnings A\$'000			
Balance as at 1 July 2017 – as previously reported	29,807	(10)	7,578	-	240	127,759	165,374	(339)	165,035
Effects of the adoption of SFRS(I) 15	-	-	-	-	-	(8,274)	(8,274)	-	(8,274)
<b>At 1 July 2017, restated</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	-	<b>240</b>	<b>119,485</b>	<b>157,100</b>	<b>(339)</b>	<b>156,761</b>
Profit for the year	-	-	-	-	-	18,113	18,113	(694)	17,419
Other comprehensive income:									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	93	-	-	93	-	93
Total comprehensive income for the year	-	-	-	93	-	18,113	18,206	(694)	17,512
Dividends paid	-	-	-	-	-	(3,451)	(3,451)	-	(3,451)
<b>Balance as at 30 June 2018</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	<b>93</b>	<b>240</b>	<b>134,147</b>	<b>171,855</b>	<b>(1,033)</b>	<b>170,822</b>
<b>At 1 July 2017, restated</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	-	<b>240</b>	<b>119,485</b>	<b>157,100</b>	<b>(339)</b>	<b>156,761</b>
Profit for the period	-	-	-	-	-	7,654	7,654	(272)	7,382
Other comprehensive income:									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(3)	-	-	(3)	-	(3)
Total comprehensive income for the period	-	-	-	(3)	-	7,654	7,651	(272)	7,379
Dividends paid	-	-	-	-	-	(3,451)	(3,451)	-	(3,451)
<b>Balance as at 31 December 2017</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	<b>(3)</b>	<b>240</b>	<b>123,688</b>	<b>161,300</b>	<b>(611)</b>	<b>160,689</b>





1(d) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity – GROUP (Continued)

GROUP	Other Reserves						Total	Non-Controlling interest	Total equity
	Share capital	Treasury shares	Merger reserve	Translation reserve	Option reserve	Retained earnings			
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Balance as at 1 July 2018 – as previously reported	29,807	(10)	7,578	93	240	149,726	187,434	(1,033)	186,401
Effects of the adoption of SFRS(I) 15	-	-	-	-	-	(15,579)	(15,579)	-	(15,579)
<b>At 1 July 2018, restated</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	<b>93</b>	<b>240</b>	<b>134,147</b>	<b>171,855</b>	<b>(1,033)</b>	<b>170,822</b>
Profit for the period	-	-	-	-	-	5,814	5,814	948	6,762
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	-	-	-	(185)	-	-	(185)	-	(185)
Elimination of non-controlling interest on deconsolidation	-	-	-	92	-	-	92	-	92
Total comprehensive income for the period	-	-	-	(93)	-	5,814	5,721	948	6,669
Dividends paid	-	-	-	-	-	(3,632)	(3,632)	-	(3,632)
<b>Balance as at 31 December 2018</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	<b>-</b>	<b>240</b>	<b>136,329</b>	<b>173,944</b>	<b>(85)</b>	<b>173,859</b>

1(d) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity – Company

COMPANY	Other Reserves							Total equity A\$'000
	Share capital	Treasury shares	Merger reserve	Translation reserve	Option reserve	Other reserve	Retained earnings	
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	
<b>Balance as at 1 July 2017</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	<b>-</b>	<b>240</b>	<b>(3,335)</b>	<b>5,053</b>	<b>39,333</b>
Profit for the year	-	-	-	-	-	-	4,480	4,480
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	-	-	-	30	-	-	-	30
Total comprehensive income for the year	-	-	-	30	-	-	4,480	4,510
Dividends paid	-	-	-	-	-	-	(3,450)	(3,450)
<b>Balance as at 30 June 2018</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	<b>30</b>	<b>240</b>	<b>(3,335)</b>	<b>6,083</b>	<b>40,393</b>
<b>Balance as at 1 July 2017</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	<b>-</b>	<b>240</b>	<b>(3,335)</b>	<b>5,053</b>	<b>39,333</b>
Profit for the period	-	-	-	-	-	-	3,377	3,377
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	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	3,377	3,377
Dividends paid	-	-	-	-	-	-	(3,451)	(3,451)
<b>Balance as at 31 December 2017</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	<b>-</b>	<b>240</b>	<b>(3,335)</b>	<b>4,979</b>	<b>39,259</b>
<b>Balance as at 1 July 2018</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	<b>30</b>	<b>240</b>	<b>(3,335)</b>	<b>6,083</b>	<b>40,393</b>
Profit for the period	-	-	-	-	-	-	696	696
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	-	-	-	15	-	-	-	15
Total comprehensive income for the period	-	-	-	15	-	-	696	711
Dividends paid	-	-	-	-	-	-	(3,631)	(3,631)
<b>Balance as at 31 December 2018</b>	<b>29,807</b>	<b>(10)</b>	<b>7,578</b>	<b>45</b>	<b>240</b>	<b>(3,335)</b>	<b>3,148</b>	<b>37,473</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the issued and paid up capital of the Company since the previous financial year ended 30 June 2018.

As at 31 December 2018, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2018: 15,000).

The Company has no outstanding convertibles as at 31 December 2018 and 30 June 2018.

As at 31 December 2018 there were outstanding options for 4,000,000 (30 June 2018: 4,000,000) 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.**

	<b>31 December 2018</b>	<b>30 June 2018</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 December 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 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.**

As required by the listing rules of the Singapore Exchange, the Group has applied Singapore Financial Reporting Standards (International) ("SFRS(I)") with effect from 1 July 2018. The Group's financial statements for the year ending 30 June 2019 will be prepared in accordance with SFRS(I), issued by the Accounting Standards Council.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 30 June 2018, except for the change in presentation currency, now in Australian dollars and the mandatory adoption of new and revised SFRS(I) and Interpretations of SFRS(I) ("SFRS(I)" International) which becomes effective for the financial period beginning 1 July 2018 as follows:

- SFRS(I) 1 First-time adoption of SFRS(I)
- SFRS(I) 15 Revenue from Contracts with Customers

**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.**

The application of the new and revised standards and interpretations has no material effect on the presented financial statements, except as described as below:

a) Application of SFRS(I) 1

SFRS(I) 1 requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective 1 July 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies.

b) Change in presentation currency to Australian dollars

The Civmec group largely operates within Australia where virtually all its income is derived. This change will help to provide a clearer understanding of the Group's financial results and improve comparability of the Group's performance. Comparative periods have restated in Australian dollars.

c) SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specific criteria is met.

The Group adopted SFRS(I) 15 using the retrospective approach in accordance with the mandatory requirements of SFRS(I) 1. Accordingly, comparatives have been restated to take into account adjustments relating to SFRS(I) 1 and SFRS(I) 15.

The new standard requires a higher threshold of probability for recognition of contract claims and variations whereby revenue is recognised when it is highly probable that a significant reversal of revenue will not occur in the future. Civmec Limited has operations across different industry sectors and geographical locations which are subject to different legal and contractual frameworks. Significant judgements and estimates are used in determining the impact of SFRS(I) 15, such as the probability of approval of variations and acceptance of claims, estimation of project completion date and assumed levels of project productivity. In making this assessment we have considered, for applicable contracts, the individual status of each contract variation.

The impact on the comparatives for the financial statements of this reporting quarter on adoption of SFRS(I) 1 and SFRS(I) 15 are as follows:



GROUP	Quarter Ended 31 December 2017		
	As previously reported A\$'000	SFRS(I) 15 Adjustments A\$'000	As Restated A\$'000
<b>INCOME STATEMENT</b>			
Revenue	303,219	(3,630)	299,589
Tax expense	(3,571)	1,089	(2,482)
<b>COMPREHENSIVE INCOME STATEMENT</b>			
Profit for the period	9,923	(2,541)	7,382
<b>CASH FLOW STATEMENT</b>			
Profit before taxation	13,494	(3,630)	9,864
Changes in working capital	18,665	(3,630)	15,035

GROUP	As at 30 June 2018		
	As previously reported A\$'000	SFRS(I) 15 Adjustments A\$'000	As Restated A\$'000
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>Current assets</b>			
Income tax recoverable	-	5,313	5,313
Trade and other receivables	138,513	(6,147)	132,366
Contract assets	151,352	(16,108)	135,244
<b>Current liabilities</b>			
Trade and other payables	127,692	-	127,692
Income tax payable	1,363	(1,363)	-
Contract liabilities	23,178	-	23,178
<b>Capital and reserves</b>			
Retained earnings	149,726	(15,579)	134,147

GROUP	As at 1 July 2017		
	As previously reported A\$'000	SFRS(I) 15 Adjustments A\$'000	As Restated A\$'000
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>Current assets</b>			
Income tax recoverable	4,223	3,546	7,769
Trade and other receivables	63,496	(5,161)	58,335
Contract assets	86,225	(6,659)	79,596
<b>Current liabilities</b>			
Trade and other payables	71,169	-	71,169
Contract liabilities	4,064	-	4,064
<b>Capital and reserves</b>			
Retained earnings	127,759	(8,274)	119,485

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 FY2019 A\$'000	Q2 FY2018 A\$'000 Restated	6M FY2019 A\$'000	6M FY2018 A\$'000 Restated
Profit after taxation attributable to owners*	1,261	5,313	5,814	7,654
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 (A\$ cents)				
• Basic	0.25	1.06	1.16	1.53
• Diluted	0.25	1.06	1.16	1.53

\*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 December 2018, the diluted earnings per share is the same as basic earnings per share as it does not include the effect of 4,000,000 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 31 Dec 2018 A\$'000	As at 30 June 2018 A\$'000 Restated	As at 31 Dec 2018 A\$'000	As at 30 June 2018 A\$'000
Net assets attributable to owners	173,944	171,855	37,473	40,393
Net asset value per ordinary share based on issued share capital at the end of the respective periods (A\$ cents)	34.72	34.30	7.48	8.06

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 2018 of 500,985,000 (30 June 2018: 500,985,000) and excludes treasury shares of 15,000 (30 June 2018: 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 FY2019 vs Q1 FY2019**

Revenue for the three months ended 31 December 2018 ("Q2 FY2019") decreased 32.6% to A\$134.9 million from A\$200.1 million for the three months ended 30 September 2018 ("Q1 FY2019") due to projects completing in the period.

Gross profit for Q2 FY2019 decreased by 62.7% to A\$4.0 million from A\$10.8 million in Q1 FY2019.

Other income for the three months ended 31 December 2018 ("Q2 FY2019") decreased by 28.6% to A\$1.7 million from A\$2.3 million ("Q1 FY2019") primarily due to proceeds received from an insurance claim in the prior quarter.

Net profit attributable to shareholders decreased 72.3% to A\$1.3 million in Q2 FY2019 from A\$4.6 million in Q1 FY2019.

**Q2 FY2019 vs Q2 FY2018**

Revenue for the three months ended 31 December 2018 ("Q2 FY2019") decreased 21.0% to A\$134.9 million from A\$170.7 million for the three months ended 31 December 2017 ("Q2 FY2018") due to projects completing in the period.

Gross profit for Q2 FY2019 decreased by 36.2% to A\$4.0 million from A\$6.3 million in Q2 FY2018.

Administration expenses for Q2FY2019 decreased 19.2% to A\$4.0 million from A\$5.0 million in Q2FY2018 as overheads were reduced in line with lower revenue in the period.

Other income for the three months ended 31 December 2018 ("Q2 FY2019") decreased by 73.1% to A\$1.7 million from A\$6.2 million ("Q2 FY2018") primarily due to proceeds from an insurance claim received in the comparative period.

Net profit attributable to shareholders decreased 76.3% to A\$1.3 million in Q2 FY2019 from A\$5.3 million in Q1 FY2018, due to predominantly lower revenue and higher finance costs in 1H FY19.

**1H FY2019 vs 1H FY2018**

Revenue for the six months ended 31 December 2018 ("1H FY2019") increased 11.8% to A\$335.0 million from A\$299.6 million for the six months ended 31 December 2018 ("1H FY2018").

Gross profit for 1H FY2019 increased by 6.2% to A\$14.8 million from A\$14.0 million in 1H FY2018.

Administration expenses for 1H2019 were in line with 1HFY2018 despite this increase in revenue.

Other income for the six months ended 31 December 2018 ("H1 FY2019") decreased by 37.7% to A\$4.0 million from A\$6.4 million ("H1 FY2018") due to proceeds from an insurance claim received in the comparative period.

Net profit attributable to shareholders decreased 24.0% to A\$5.8 million in H1 FY2019 from A\$7.7 million in 1H FY2018 due to the insurance recovery in H1 FY2018 and higher finance costs in H1 FY19.

**B. Statement of Financial Position**

Total shareholders' equity increased to A\$173.9 million as at 31 December 2018 from A\$171.8 million as at 30 June 2018.

Trade and other receivables & Contract assets decreased to A\$226.1 million as at 31 December 2018 from A\$267.6 million as at 30 June 2018 as projects completed.

Trade and other payables & Contract liabilities decreased to A\$115.8 million as at 31 December 2018 from A\$150.9 million as at 30 June 2018 due to the decline in project activity.

Cash and cash equivalents as at 31 December 2018 was A\$69.1 million up from A\$23.4 million as at 30 June 2018 as a result of the proceeds received in relation to the Senior Secured Note raised for the construction of the shipbuilding facility.

Non-current assets increased to A\$172.8 million as at 31 December 2018 from A\$146.2 million as at 30 June 2018, as a result of the Group's continued investment in its Henderson and Newcastle facilities.

Overall long-term borrowings increased to A\$119.6 million as at 31 December 2018 from A\$64.4 million as at 30 June 2018 as funds were deployed for capital investment.

### **C. Statement of Cash Flows**

Operating cashflow before working capital changes was A\$12.6 million in H1 FY2019 compared to A\$16.4 million in 1HFY2018. Net cashflow generated from operations in 1HFY2019 was positive at A\$18.7 million.

The Group used A\$32.9 million in capital expenditure, predominantly related to the development of the facilities in Henderson and Newcastle.

The Group generated A\$61.7 million net cash from financing activities to assist in funding capital infrastructure and working capital fluctuations.

As at 31 December 2018 the Group's cash and cash equivalents were A\$69.1 million up from A\$23.4 million as at 30 June 2018.

### **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 an integrated multi-disciplinary heavy engineering and construction provider to the Oil & Gas, Metals & Minerals, Infrastructure and Marine & Defence sectors.

Following the quantum growth achieved in FY2018, with revenue more than doubling the previous year, the focus for FY2019 is on consolidating the Group's position, successfully closing out current contracts, converting new opportunities and continuing the successful delivery of our ongoing maintenance contracts.

There is a notable increase in investment in the primary sectors in which we operate. This includes investment in LNG plant expansions and opportunities in the iron ore segment, including a number of sustaining capital projects. Activity in minerals such as lithium is growing, amid increasing global demand. Infrastructure spending across Australia remains strong. The Federal Government's Naval Shipbuilding Plan is supporting a sustainable Australian naval shipbuilding industry that will continue to provide opportunities over the long term. As a result, the tendering outlook remains positive, with the Group continuing to leverage its established client relationships to capitalise on opportunities in the sectors in which we operate.

Barring 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 December 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 February 2019