10 years LISTED

Delivering consistent growth, development and stakeholder returns

ANNUAL REPORT 2022

FOR THE YEAR ENDED 30 JUNE 2022

COMPANY REGISTRATION NO: 201011837H

Our Values

Our vision is to grow sustainably, delivering mutually beneficial outcomes for all stakeholders. Our culture, the way we think and operate, is underpinned by our values.

COMMITMENT

Our individual commitment facilitates our success

INNOVATION

Our innovative approach drives continuous improvement

VALUE DRIVEN

Our performance driven culture delivers value

MAKE A DIFFERENCE

Our ability to influence and challenge drives sustainability

EXCELLENCE

Our pursuit of excellence makes us a world-class service provider

COLLABORATION

Our focus on working together drives sustainable partnerships

Contents


CIVMEC
Eilbeck CRANES
CIVMEC

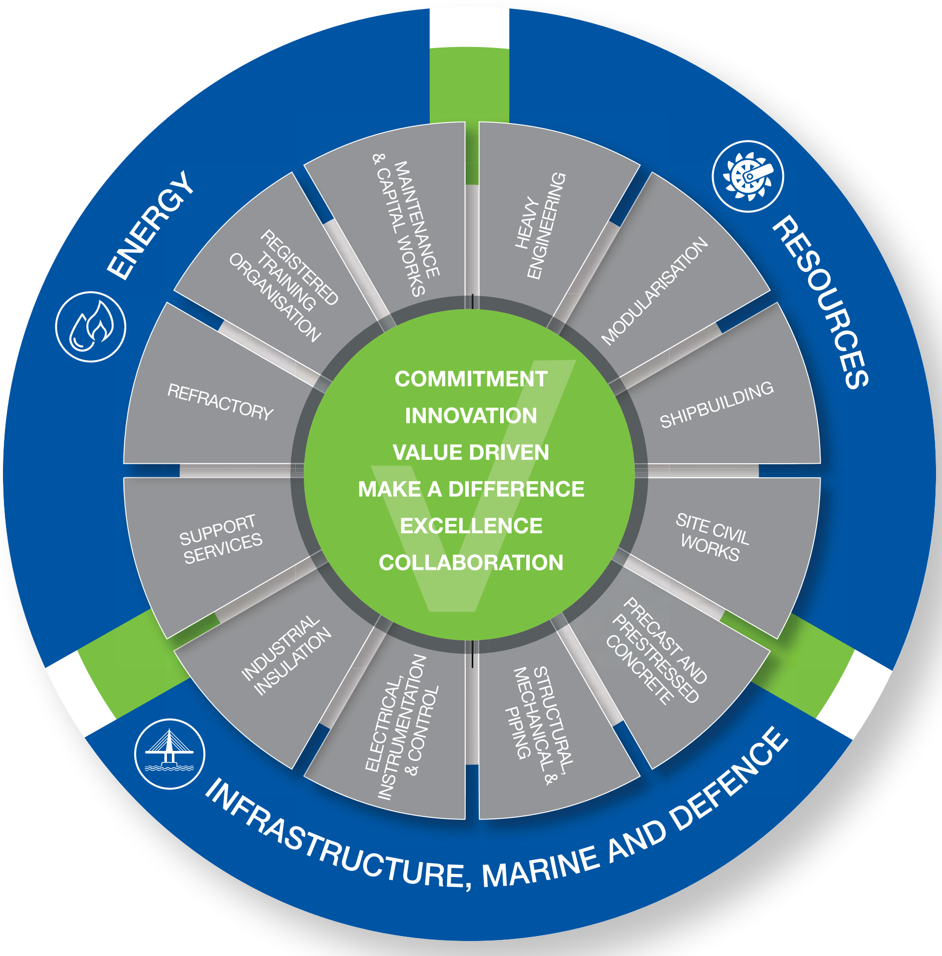
1.0 Our Business

About Civmec

Civmec is a multidisciplinary heavy engineering and construction company, providing a broad suite of high-quality, integrated services to the Energy, Resources, Infrastructure, Marine and Defence sectors.

With a diverse and all-encompassing range of capabilities, we offer clients innovative and efficient solutions, including a complete turnkey service. Established and commencing operations in 2009, Civmec listed on the Singapore Exchange (SGX) in 2012 and, in 2018, achieved dual listing status, listing on the Australian Securities Exchange (ASX).

In the ten years since our initial listing, we have built world-class facilities in strategic locations on both the west and east coasts of Australia, invested in quality equipment and technology, and developed leading-edge systems and methodologies that always incorporate the safety and wellbeing of our people. We have put together a skilled team who, through the delivery of some of Australia's largest and most iconic projects, has helped us to cement our reputation as one of the nation's leading top tier contractors in construction, manufacturing and maintenance.



Our Facilities

Civmec has four major facilities, strategically located in prime activity hubs in Western Australia (Perth and Port Hedland), New South Wales (Newcastle) and Queensland (Gladstone).

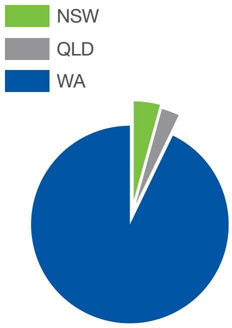
Our main headquarters is located in Henderson, 30 kilometres south of Perth, on 200,000 square metres (m^2) of oceanfront land with direct access to port and road. It contains our 53,000m^2 (usable floor area) assembly hall, 29,300m^2 manufacturing hall, blast and paint workshops, exotic metals and site support workshops, and four-storey head office with over 12,000m^2 of office space. Located within the Australian Marine Complex (AMC), our Henderson facility has access to the AMC's ports, heavy lift facilities and transportation equipment, as well as use of 440,000m^2 of Common User Facility land, on an 'as required' basis.

In Newcastle, our major east coast base, we have developed a cutting-edge facility featuring 30,000m^2 of undercover space, including a 22,500m^2 manufacturing hall. With the capacity to cater for steel and concrete production requirements, it effectively services our east coast clients, in addition to supporting our west coast operations. By working collaboratively, the two facilities have the capacity and capability to deliver to clients' schedules, often fulfilling acceleration requirements.

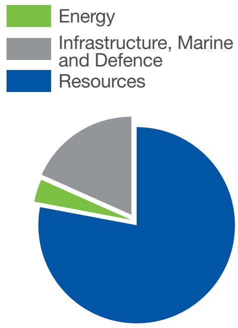
Our two regional facilities at Gladstone and Port Hedland are located in Queensland and Western Australia's Pilbara region, respectively. The close proximity of these facilities to the assets and ports of our Energy and Resources clients ensures we are poised for fast and efficient mobilisation to maintenance requests, and we also have a solid workforce and equipment base for construction and capital works requirements. Development of our new five-hectare Port Hedland site, acquired in 2021, will shortly commence, with completion of the 4,000m^2 operational workshop and supporting office projected for Q3 CY2023.

20%
INCREASE
FY22 SALES REVENUE COMPARED TO FY21

REVENUE BY LOCATION



REVENUE BY SECTOR



Projects and Locations

LOCATIONS	
A	Perth
B	Newcastle
C	Gladstone
D	Port Hedland
E	Singapore

Our key projects in delivery or completed in FY22 include:

ENERGY RESOURCES INFRASTRUCTURE, MARINE AND DEFENCE

	PROJECT	CLIENT/OWNER	LOCATION
1	Scarborough Project – subsea structures	Subsea7 executed by Subsea Integration Alliance	Henderson, WA
2	Gorgon Stage Two (GS2) Subsea Installation Project – tie-in, jumper spools and spreader beams	TechnipFMC (for Chevron Australia)	Henderson, WA
3	Five-year term agreement, with two one-year extension options	Woodside Energy	Henderson, WA
4	Kemerton Lithium Project – hydromet and utilities SMP	Albemarle Lithium	Kemerton, WA
5	Kemerton Lithium Project – refractory installation	Albemarle Lithium	Kemerton, WA
6	Nelson Point Car Dumper 3 (CD3) Replacement Project	BHP	Henderson, WA
7	Port Debottlenecking Project Stage One (PDP1) – civils and bulk earthworks	BHP	Pilbara, WA
8	Shiploader and Berth Replacement (SABR) Project – shiploader replacement	BHP Mitsubishi Alliance (BMA)	Henderson, WA and Newcastle, NSW
9	Lithium Refinery Project	Covalent Lithium Pty Ltd	Kwinana, WA
10	Iron Bridge Magnetite Project – dry plant detailed earthworks and concrete package	Iron Bridge JV (IBJV)	Marble Bar, WA
11	Iron Bridge Magnetite Project – SMPEI	Iron Bridge JV (IBJV)	Marble Bar, WA
12	Iron Bridge Magnetite Project – module fabrication – CV truss and trestles	Iron Bridge JV (IBJV)	Henderson, WA
13	Mesa A – SMPEI	Rio Tinto	Henderson, WA and Robe Valley, WA
14	Mesa A – wet plant and fixed plant workshop	Rio Tinto	Henderson, WA and Newcastle, NSW, and Robe Valley, WA
15	Mesa A – heavy vehicle refuelling facility (HVRF)	Rio Tinto	Robe Valley, WA
16	Gudai-Darri (Koodaideri) Project – trusses, platework and stick steel	Rio Tinto	Henderson, WA and Newcastle, NSW
17	Roy Hill De-Bottlenecking Project – civil package	Roy Hill	Pilbara, WA
18	Roy Hill Ultrafine Project 1.5 – SMPEI	Roy Hill	Pilbara, WA
19	Roy Hill ROM4 Crushing Station 5 – SMPEI	Roy Hill	Pilbara, WA
20	Dumper tray bodies	DT Hiload, Duratray International Pty Ltd, and Austin Engineering	Newcastle, NSW
21	Calciner maintenance, major overhaul and repair services	Alcoa Australia	Pinjarra, Wagerup and Kwinana, WA
22	Mechanical maintenance works to support major shutdowns	Cockburn Cement	Cockburn, WA
23	Maintenance agreement for mechanical maintenance services across the Murrin Murrin mine site	Glencore	North Eastern Goldfields, WA
24	Refractory de-scale and installation works – lime kiln repairs	Graymont (Australia) Pty Ltd	Galong, NSW
25	Maintenance agreement for Karara mine site	Karara Mining Ltd	Mid West, WA
26	Onslow Salt – workshop upgrade	Onslow Salt	Onslow, WA
27	Mechanical maintenance works to support major shutdowns	Queensland Alumina Limited	Gladstone, QLD
28	Maintenance and refractory term contract for Boyne Island Smelters (BIS)	Rio Tinto	Gladstone, QLD
29	Mechanical maintenance works to support major shutdowns	Rio Tinto	Yarwun, QLD
30	Maintenance agreement for shutdown and maintenance support services for fixed plant assets across the Roy Hill Port (Facility) and PSA (Mine)	Roy Hill	Pilbara, WA
31	Shiploader and Berth Replacement (SABR) Project – berth replacement	BHP Mitsubishi Alliance (BMA)	Henderson, WA and Newcastle, NSW
32	SEA 1180 Offshore Patrol Vessel Program	Luerssen Australia	Henderson, WA
33	Perth Kids' Bridge ('Koolangka' Bridge)	Main Roads WA	Perth, WA
34	Causeway Pedestrian and Cyclist Bridges	Main Roads WA	Perth, WA
35	Sydney Gateway Project SB31 Bridge and Viaduct	Transport for NSW	Newcastle, NSW
36	Various Transport for NSW Projects	Transport for NSW	NSW

FY22 Highlights

128
PROJECTS IN DELIVERY
DURING FY22

10 years
LISTED

Celebrated ten years listed

In April, Civmec marked a milestone of ten years since our initial listing on the SGX in 2012. Over this time – through our various expansion phases, and despite the challenges of the pandemic – we are pleased to have consistently grown, continuously improved, and always delivered profitable outcomes to our shareholders.

Major contract awards across more sectors

With growing recognition of our Tier 1 status, we were awarded several major contracts across both the public and private sectors this financial year, largely from repeat clients. Each of our operating sectors had significant wins, to be delivered from our manufacturing facilities, on construction sites and through maintenance activities on client sites.

Maintained order book over A$1 billion

With strong tendering activity and a focus on contract replenishment, we maintained an order book over A$1.0 billion throughout FY22, finishing on A$1.04 billion as we enter FY23.

A$843m
OF CONTRACTS
AWARDED OR EXTENDED IN FY22

Continued to make a difference

One of Civmec's core values is to 'make a difference', so we were proud to continue our support of various community groups and charities throughout FY22. Most notably, Civmec became the highest fundraising team in Western Australia at the Vinnies CEO Sleepout 2022, with the team raising more than $100,000 for charity. Civmec CEO Pat Tallon was also recognised for being the single largest fundraiser in Western Australia and in the top ten Australia wide.

Effective management of COVID-19

The impact of COVID-19 on the business was again controlled, owing largely to effective management and the cooperation of our people. During the year, we successfully implemented an internally developed tracing application, which allowed employees and contractors to monitor and report any close contacts. We also sought to protect the health and wellbeing of our people as much as possible, taking all available HSE precautions and offering convenient, accessible onsite vaccinations.

Improved synergy between manufacturing facilities

Great effort was made during FY22 to improve the synergy between our manufacturing operations in Henderson and Newcastle. We are pleased that this has resulted in significant schedule and cost benefits to our clients.

Strengthened our maintenance service offering

Having identified maintenance as a significant growth area, we implemented a strengthened maintenance service offering throughout FY22, investing in more resources and re-structuring the organisation to include two dedicated Executive General Managers for maintenance and capital works.

80,000
TONNES OF STEEL
THROUGH OUR WORKSHOPS

Skill Hire awards

The growth and development of people is vitally important, and Civmec is proud to play a role in the career progression of many employees across our facilities. We were therefore thrilled when two of our apprentices triumphed at the Skill Hire 2021 awards. The awards received were in recognition of the 'Best Second Year Apprentice 2021' and 'Best Fourth Year Apprentice 2021'.

Completed several major projects

This financial year saw Civmec close out a number of successful projects, including the Perth Kids' Bridge, now known as 'Koolangka' bridge, which means 'children' in Noongar (the official language of the Aboriginal people of the south-west of Western Australia). We also worked on the fabrication and assembly of the world's largest shiploader, weighing 2,300 tonnes, which will be delivered to its final destination in Queensland in H1 FY23.

Provided employment for 2,800 people

Continuing as a significant Australian employer, in FY22 we consistently employed in the region of 2,800 people, including 130 apprentices, trainees, graduates and undergraduates. We also celebrated a number of our long-term employees reaching their ten-year anniversary with the company.

EMPLOYED
2,800
PEOPLE

Christmas spirit

Coming together for the community, Civmec again supported a number of worthy charities at Christmas time, including the St Patrick's Community Support Centre, Foodbank, United and Youth Focus. Once again, our people shone, volunteering to pack Christmas hampers, decorate the homeless shelter and run errands, as well as donate food and other non-perishables.

Financial Summary

The Group's revenue for the financial year ended 30 June 2022 (FY22) was A$809.3 million, an increase of A$135.1 million from the previous financial year. Net profit after tax (NPAT) was A$50.7 million, rising by 47 per cent from FY21.

The results take the net profit margin from 5.1 per cent in FY21 to 6.3 per cent and are reflective of the Group's persistent efforts to deliver positive growth in revenue and profit.

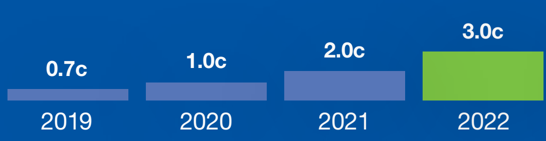
Efforts to establish re-occurring revenue streams across the business, including the maintenance and capital works division, has helped to strengthen revenue, demonstrating the company's growth plans and allowing the company to have a more even percentage split of revenue return between manufacturing, construction and maintenance activities.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was A$94.5 million, an increase of A$20.7 million from FY21. Net cash generated from operating activities was A$1.8 million, with cash in the bank of A$40.8 million.

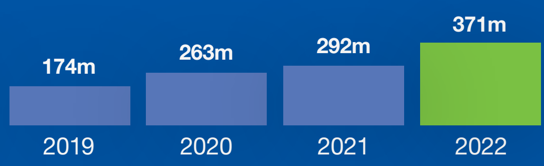
Capital expenditure remained steady, while the value of property, plant and equipment and investment properties increased from A$412.0 million to A$464.9 million.

Financial Performance

A$M	2022	2021	CHANGE %
Sales revenue	A$809.3	A$674.2	20.0%
EBITDA	A$94.5	A$73.8	28.1%
Net profit after tax	A$50.7	A$34.6	46.5%
Operating cash flow	A$36.2	A$72.9	(50.3%)
Earnings per share (cents)	10.11	6.94	45.7%
Dividend per share (cents)	3.0	2.0	50.0%
Return on equity (%)	13.7	11.9	15.1%



Dividend CPS (A$)



Net Asset Value (A$)

Debt remained controlled at A$74.0 million, with the Group redeeming A$60.0 million of secured notes in November 2021 and replacing with a commercial loan through the Group's usual supporting bank facilities.

Prudent cash flow management and an unwavering commitment to contract replenishment saw the order book sustained at more than A$1.0 billion throughout FY22.

The Group continued to effectively navigate the challenges presented by the global pandemic, which included an increased level of cases within the organisation when Western Australian borders opened, in addition to limitations on labour availability while borders were closed. For the third consecutive year, the impact of COVID-19 was well controlled and, although it caused some activities to be extended, it did not have a material impact on the business's operations or returns.

Maintaining a positive trajectory of revenue and profit through FY23, and beyond, is one of the Group's key focus areas, with the company now well positioned to capitalise on opportunities across all sectors – from public spend on Infrastructure, Marine and Defence projects, to high levels of private spend by Resources and Energy clients in both construction and maintenance.

As at 30 June 2022, the Group had total assets of A$725.7 million, net assets of A$371.1 million and net tangible assets backing per share of 73.92 cents.

28% increase

FY22 EBITDA compared to FY21

47% increase

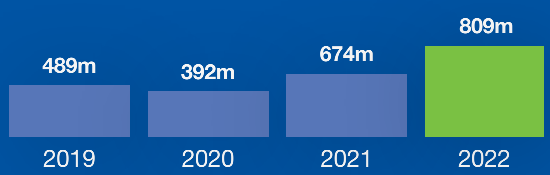
FY22 NPAT compared to FY21

$33m increase

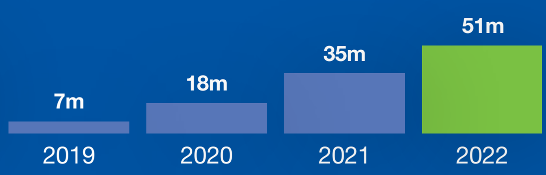
FY22 Order Book compared to FY21

Operating Currency (A$)

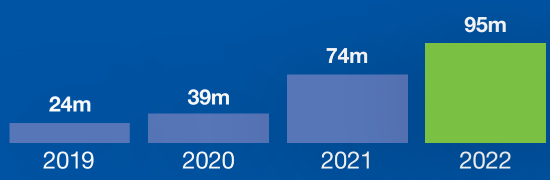
CPS: Cents Per Share
NPAT: Net Profit After Tax
EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation



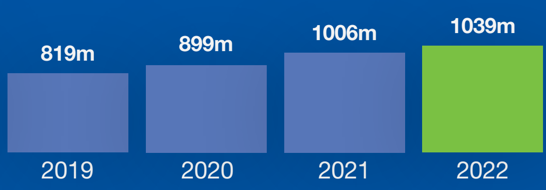
Revenue (A$)



NPAT (A$)



EBITDA (A$)



Order Book (A$)

Executive Chairman's Statement

On behalf of the Civmec Limited Board of Directors, it is my pleasure to present the FY22 Annual Report.

As we mark ten years since our initial listing on the Singapore Exchange (SGX) in April 2012, it gives me immense pride to reflect on our achievements over this time. Through the dedication and commitment of so many that have been with us on this journey, we have consistently delivered solid results. We've certainly come a long way since our humble beginnings, but I can attest that our motivation and commitment towards growth and improvement has never changed.

For the tenth consecutive year on the SGX, I am delighted to reflect on the fact that we have consistently delivered positive results. Indeed, FY22 has been one of our best years yet, with growth in both the top and bottom lines and the highest revenue and profit returns since our inception.

Financial Performance

Revenue for FY22 exceeded A$809 million, which represented an increase of more than A$135 million on the previous year. Our net profit after tax (NPAT) was A$50.7 million.

We closed the year with over A$1.0 billion work in hand, supported by significant contract awards across all of our operating sectors.

The value of all new and extended contracts awarded in FY22 was A$843 million.

In a rewarding testament to our increased focus on maintenance, nearly 20 per cent of the total contracts awarded in FY22 were for maintenance, capital works and refractory.

The change of banking arrangements from secured notes to a commercial loan has unlocked significant cost savings.

Dividends

The Board of Directors has recommended a final cash dividend of A$2.0 cents per share, subject to shareholders' approval at our Annual General Meeting on 28 October 2022. This takes our full year dividend to A$3.0 cents, representing a 30 per cent payout ratio and will be paid on 19 December 2022.

People

By providing ongoing employment and training opportunities, we have continued to support the Australian economy and development of future generations. This financial year, we employed more than 2,800 people and delivered in excess of 2,500 units through our in-house RTO.

In yet another year impacted by COVID-19, we had to consistently review and, on occasion, modify our practices to ensure the safety and wellbeing of each other, and all those we work alongside. It took careful and thoughtful management, and I applaud our entire team for each playing a part in handling the challenges of the pandemic with patience, care and empathy for those worst affected.

As we continue in our growth, I look forward to Civmec providing more training and development programs – not only for our own employees, but for young people, Indigenous Australians, and those who may otherwise be disadvantaged. It is my hope that Civmec can make a genuine difference and leave a lasting legacy for the families and communities of Australia, particularly in the areas we operate.

Future

As we see the upswing in engineering, construction and maintenance activity continue throughout Australia, we anticipate there will also be increasing demand for high-quality, value-for-money local manufacturing.

We will maintain our efforts to pursue long-term growth and sustainability, targeting repeat-order opportunities and constantly striving to strengthen our balance sheet, increase revenue and profits, and reduce net debt.

With strong avenues of potential growth in maintenance and capital works areas, we will continue to dedicate resources to targeting these opportunities, in addition to pursuing the strong pipeline of tendering prospects we have already identified.

Federal and state government spend on Infrastructure, Marine and Defence assets presents a great opportunity, particularly as we build on our experience in the public sector, with significant works already underway across the country for Main Roads WA and Transport for NSW. I also believe we are well placed to secure manufacturing and construction contracts for hydrogen and further lithium opportunities as they emerge in future years.

To conclude, I would like to thank all those who share our vision and values. I look at the Civmec team as a family – all working together, looking out for one another, collaborating and innovating. Our people are truly exceptional. To our suppliers, contractors, clients, investors, Civmec management and my fellow directors, I thank you for your support. Reflecting on our achievements over the past year and prior, to when we first listed, I am truly proud of what we have created together, and I am grateful to you all.

James Fitzgerald
Executive Chairman
Civmec Limited

CEO's Report

The 2022 financial year was a year of continued success, as we maintained the profitable operations we've had since we became a publicly listed company in 2012 and, indeed, since our inception in 2009.

Evolving our reputation as a top tier contractor, we were awarded numerous contracts across all of our operating sectors. Pleasingly, this included a number of significant maintenance and capital works projects – evidence that our intensified focus and commitment to this area has not gone unnoticed.

We have continued to apply discipline in our bid selection, and maintained our early contractor involvement with blue-chip clients who seek high-quality, turnkey solutions. The broad variety of contracts awarded in FY22 highlights our diversity as a business; deemed reliable and accomplished for the integrated, multidisciplinary services we provide.

Business Performance

Throughout FY22, we continued to work on and were awarded a number of exciting projects. Most construction projects will be delivered in the next two years, with some maintenance extending to five years, and Defence with a longevity to 2029.

In the Energy space, we delivered subsea components for the Chevron-operated Gorgon Stage Two (GS2) Subsea Installation Project, and continued to support Woodside Energy onshore and offshore production facilities and capital projects. We entered the second year of our five-year term agreement with Woodside Energy, which includes two further one-year extension options.

Our capabilities in the subsea sector were further realised with the award of a contract by Subsea7 and executed by Subsea Integration Alliance on the Woodside Energy-operated Scarborough Project to provide more than 1,700 tonnes of subsea structures.

Our Resources division demonstrated its strength as we continued site works at Iron Bridge, Mesa A, Gudai-Darri and Roy Hill, while our manufacturing facilities on both the west and east coasts fabricated and assembled many outstanding structures for these and other Resources projects. These include dumper tray bodies and various site modules, along with one of the world's largest shiploaders, which will be shipped to Hay Point in late 2022. Witnessing this 2,300-tonne structure come together in our Henderson assembly hall is undoubtedly one of the year's biggest highlights for me.

Our long-standing relationships with major blue-chip clients facilitated the awarding of several new Resources contracts in FY22, including debottlenecking and car dumper projects for BHP at Nelson Point, and a major construction contract with Covalent Lithium.

Our maintenance and capital works division was awarded more than A$150 million in contracts this year, for clients that include BHP, Roy Hill, Rio Tinto, Onslow Salt, Glencore and Karara Mining Ltd. This welcome boost adds to the already solid order book of maintenance and refractory works we had coming into FY22, and aligns with our strategic vision to increasingly target maintenance and capital upgrades. We will also continue to tender and deliver on the many major construction projects presented to us from our trusted client base.

In the Infrastructure, Marine and Defence sector, we have continued to undertake fabrication and block construction activities for the Royal Australian Navy's Offshore Patrol Vessel (OPV) program, as well as major works on the berth fabrication for the Shiploader and Berth Replacement (SABR) Project from both our west and east coast facilities. In Newcastle, we were awarded a significant contract for Transport for NSW for the supply, fabrication and onsite assembly of several bridge girders for the Sydney Gateway Project SB31 Bridge, as well as the Viaduct.

We were thrilled to be awarded another iconic Western Australian Infrastructure project in the design and construction of the 1,000-metre Causeway Pedestrian and Cyclist Bridges, which will stretch across the Swan River in East Perth. The design acknowledges the rich Aboriginal heritage of the area, and, once complete, will provide both pedestrians and cyclists with a safe passage across the river. The works will be delivered in an integrated alliance, with construction due to commence in FY23.

People

We continued to invest in the training and development of our people, retaining our commitment to making opportunities and career pathways available to all. This year, we are proud to have trained and provided employment to 130 apprentices, trainees, graduates and undergraduates.

At Civmec, we have always sought to retain, nurture and develop the talent we have. Rewarding loyalty with opportunity has proven one of our most successful strategies, and I can proudly say that a good proportion of our team have been with us since our earliest days, including 236 employees who have been recognised for their five-year and ten-year tenure status.

In March, we introduced a new Leadership Development Program, aimed at developing our next generation of leaders, beyond management, in a one-year course with a six-month portion that is intensive and action oriented. The leaders and managers selected are those who share our values, are committed to our Never Assume culture, and have demonstrated their positive influence at Civmec. Fifteen candidates have so far been selected to take part, and we are excited to see this program grow and develop in future years.

Our internal LEAD program has continued, with 55 supervisors and 33 leading hands undertaking the course over the financial year.

Efforts to increase diversity within the company has seen the proportion of females to males at its highest ever levels. In FY22, at peak, 52 per cent of our corporate head office was female, while the percentage of female apprentices doubled to 7.7 per cent. I am pleased to see our efforts to improve diversity and, in particular, grow more meaningful engagement with females in blue collar operations, is achieving results.

While we managed the pandemic to the extent that it did not have a material impact on the business, we, nonetheless, faced the same challenges felt across the industry: absence caused by COVID-19 illness and a general lack of labour availability due to border restrictions for much of the year. To mitigate these challenges, we took every practicable step to maintain the health and wellbeing of the workforce and keep operations running, including modifying our processes and work environments, providing vaccinations onsite and allowing working from home arrangements. To this end, the effects of the pandemic on our operations were controlled.

Going forward, we will continue to focus our efforts on promoting organic growth and sustainability from within, in addition to seeking the best and brightest minds in the industry to join and collaborate with us.

Sustainability

During FY22, and driven by our own internal sustainability action taskforce, we continued to operate with environmental, social and governance (ESG) factors top of mind, endeavouring to continually initiate new ways in which we can become as 'green' a construction company as possible.

Along with investigating integrated energy network systems, such as solar panels, electric equipment and battery charging stations, we have identified the substantial value of continuous improvement and lessons learned – where doing jobs right the first

Civmec team at Roy Hill Ultrafine Project time eliminates both material and time wastage. By curtailing the excessive consumption of energy and consumables, we will reduce waste and protect the environment for future generations.

This year, we continued to support a wide variety of community organisations and charities; volunteering, fundraising and donating to causes, such as homelessness, poverty, disadvantaged youth and mental illness. Once again, I have been astounded by the generosity and kindness of those around me. It is truly humbling to take part in these events and see firsthand the difference that can be made.

Our commitment to caring for the health, safety and wellbeing of people, communities and the environment is matched only by our commitment to quality on this sustainability journey. These elements will remain our major focus as we strive to meet future sustainability expectations.

Future Focus

As we move into our second decade on the SGX, and fifth year on the ASX, we will continue to seek stable revenue and consistency in profit and returns.

With the development of our Port Hedland facility on the immediate horizon and a wide range of imminent opportunities in the public and private sectors, I am excited when I consider what the future will bring.

I am confident that our maintenance and capital works division has the foundations for solid growth in FY23, and I anticipate strong delivery across all operating sectors – particularly in Infrastructure, Marine and Defence – as our accreditations in manufacturing and construction increase. With several longstanding contracts in place, our outlook in the medium to long term remains strong. Progressing into the next financial year and beyond, we will seek an increased portion of diversified projects with sustained revenue, aiming to continually replenish our order book as we make advancements in sustainability and further mature as a business overall.

I would like to take this opportunity to thank those who have made our last ten years so consistently positive. Without the support of our people, delivery partners, clients, shareholders and the greater community, our success would not have been possible. I also extend immense gratitude to my fellow Board members and Executives for your guidance and dedication.

Here's to the next ten years.

Patrick Tallon
Chief Executive Officer
Civmec Limited

2.0 Our Operating Sectors

Energy

Retaining a firm foothold in the Energy Sector through FY22 saw us continue to build on our reputation as one of Australia's leading providers of premium-quality, tailored upstream and downstream project solutions.

A$30m

Total annual revenue for the Energy sector in FY22

We have worked with numerous major Energy clients over the years; our diverse capability set and cutting-edge facilities facilitating the successful delivery of fabrication and modularisation of specialist subsea equipment, onshore manufacturing support, and maintenance and turnaround solutions.

This financial year, we finalised our works on subsea components for the Chevron-operated Gorgon Stage Two (GS2) Subsea Installation Project. GS2 is part of the original development plan for Gorgon and includes the expansion of the subsea gas gathering network required to maintain long-term natural gas supply to the LNG plant and domestic gas plant on Barrow Island. The components manufactured by Civmec included spool piping and spreader bars, weighing from 30 to 230 tonnes each, with the longest spool measuring 100 metres. Utilising 16 separate barge loadouts at the Australian Marine Complex (AMC), the works were delivered successfully.

Our manufacturing division continued to support Woodside Energy's onshore and offshore production facilities, under a five-year term agreement, which has two further one-year extension options.

The works encompass a wide range of separate brownfield packages, including structural steel fabrication, miscellaneous piping, surface treatment and assembly scopes.

In May, we announced the award of a subsea contract on the Woodside Energy-operated Scarborough Project by Subsea7 and executed by the Subsea Integration Alliance, a non-incorporated global alliance between Subsea7 and OneSubsea, the subsea technologies, production and processing systems business of Schlumberger. The work will be undertaken from our Henderson fabrication and assembly facilities, and involves more than 1,700 tonnes of subsea structures in total. Project development and material procurement commenced in FY22, with fabrication of modules due to commence in FY23.

With future optimism in the sector, we will continue to target manufacturing and onsite activity, including maintenance and capital works, as well as emerging hydrogen and ammonia projects. Our highly technical offering and delivery certainty, coupled with the solid relationships we have forged, ensures we are well positioned for any heavy engineering requirements and onsite opportunities that transpire in the coming years.

Gorgon Stage Two (GS2) Subsea Installation Project

Tie-In, Jumper Spools and Spreader Beams

CLIENT
TechnipFMC (for Chevron Australia)

LOCATION
Henderson, WA

DURATION
September 2019 – February 2022

OVERVIEW

We completed the production of tie-in and jumper spools for GS2, including the fabrication and testing of 26 spools of 8-inch to 26-inch corrosion resistant alloy (CRA) Inconel clad material, 2-inch to 4-inch solid Inconel and 2-inch to 8-inch carbon steel. The spools weighed 900 tonnes in total.

We also supplied, fabricated and tested 1,300 tonnes of rigid spreader beams, with all works completed at our Henderson facility prior to loadout at the AMC.

The completed works add to the number of manufacturing, construction and maintenance works previously delivered by Civmec on the Gorgon Project.

Woodside Energy Packages

Five-Year Term Agreement
(with two one-year extension options)

CLIENT
Woodside Energy

LOCATION
Henderson, WA

DURATION
2021 – 2026 (with possibility to extend to 2027 or 2028)

OVERVIEW

Various brownfield remediation works packages to support Woodside Energy's onshore and offshore production facilities. Works include structural steel fabrication, miscellaneous piping, surface treatment and assembly scopes.

Scarborough Project

Subsea Structures

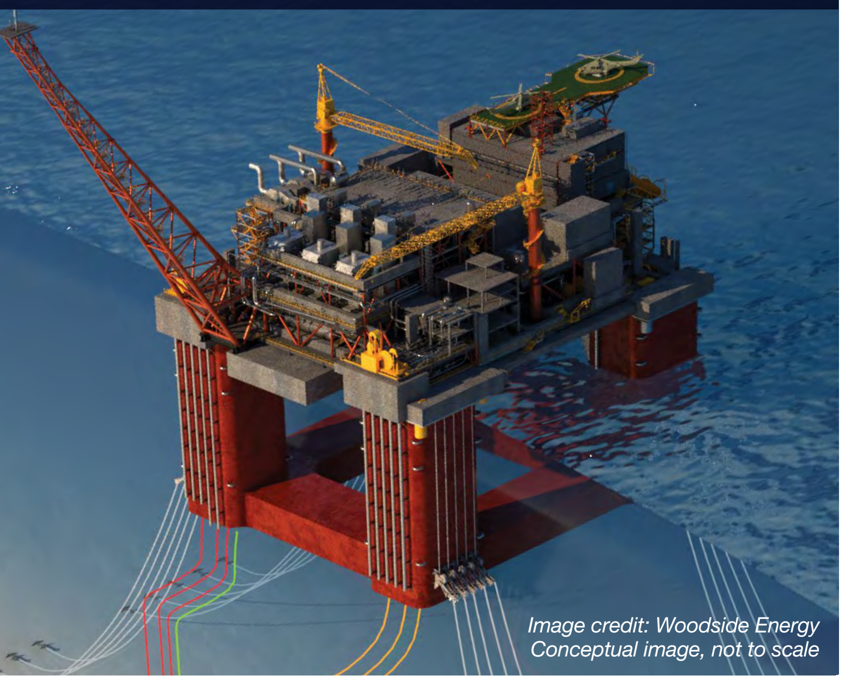


Image credit: Woodside Energy
Conceptual image, not to scale

CLIENT
Subsea7 executed by Subsea Integration Alliance

LOCATION
Henderson, WA

DURATION
2022 – 2024

OVERVIEW

The scope of work includes a riser base manifold and foundation, six flowline end terminations (FLETs) complete with mud mats, seven inline tees (ILTs) and two pig launcher receivers (PLRs).

The project deliverables, welding procedure qualification campaign and shop detailing commenced in FY22, with fabrication, testing and progressive loadout ongoing until FY24. The project will employ 80 at peak.

Woodside Energy's Pluto LNG Plant

Photo credit: Woodside Energy

Resources

The Resources sector remained a strong area of performance for the business throughout FY22, despite the ongoing pressures felt across the industry due to the pandemic.

A$631m

Total annual revenue for the Resources sector in FY22

We continued in the delivery of several major construction projects, including the fabrication, modularisation and assembly of the shiploader for BHP Mitsubishi Alliance (BMA). The weight of the structure totals 2,300 tonnes, with the boom alone weighing approximately 400 tonnes. Our Newcastle facility supported the project with the manufacture and delivery of some of the specialised components for the structures.

During FY22, we completed our extensive construction scope on the Kemerton Lithium Project, the largest lithium hydroxide plant to be built in Australia. The major project utilised a workforce of approximately 500 at peak, as we provided 120,000 cubic metres (m^3) of earthworks, 26,500m^3 of concrete, 10,000 tonnes of steel and 52 kilometres of piping. We also delivered 16 tanks, 32 buildings, 720 tonnes of platework and completed a refractory package, in addition to manufacturing kilns (delivered in a separate contract with Metso).

Our civil works on the Iron Bridge Magnetite Project progressed, which includes the construction of the structural concrete components for the dry plant, including the primary, secondary and tertiary crushing areas, screening areas, air classification and primary grinding areas, course ore stockpile, dry rejects, conveyors and all related earthing. At the end of FY22, we had placed approximately 50,000m^3 of concrete, utilising more than 200 of Civmec's skilled civil workforce. Works on the structural, mechanical, piping, electrical and instrumentation (SMPE&I) components have commenced and will continue into FY23.

At Robe Valley, we completed delivery of a number of packages at the Mesa A mine site, awarded by long-term client Rio Tinto. This included SMPE&I works on the wet plant, design and construction of the fixed plant workshop, and design and construction of the heavy vehicle refuelling facility (HVRF).

Roy Hill Ultrafine Project 1.5

During FY22, we also delivered structural, mechanical and piping (SMP) works on Rio Tinto's Gudai-Darri Project. Our scope on the project included the manufacture and assembly of modularised structural steel and platework chute components, initially comprising 600 tonnes of steel, which was later increased to 1,600 tonnes.
By utilising and coordinating our west and east coast facilities simultaneously, we delivered the scope in an accelerated time frame, achieving a successful outcome for both Civmec and our client. The mine officially opened in June 2022 and is now Rio Tinto's most technologically-advanced iron ore mine, capable of producing up to 43 million tonnes of iron ore per year.

In addition to debottlenecking civil works at the Roy Hill mine site, we were awarded two new packages, including a greenfield construction contract on the Roy Hill Ultrafine Project 1.5, consisting of greenfield installation and pre-commissioning of pre-assembled modules, piping, electrical and tie-in works. A collaborative and well-planned effort, it was delivered to a high quality standard, allowing production by the client to commence in June. We were also contracted to provide capital upgrades on Roy Hill's ROM4 Crusher 5 Project, comprising structural, mechanical, piping and electrical. Mobilisation commenced in the fourth quarter of FY22, with completion scheduled for FY23.

In late 2021, we were awarded a substantial package on the Mount Holland Lithium Project for Covalent Lithium Pty Ltd, a 50:50 joint venture between subsidiaries of Wesfarmers and Sociedad Química y Minera de Chile S.A., to be constructed at Kwinana, Western Australia. Our scope of work on the new refinery involves the assembly and delivery of kiln sections for processing trains 1 and 2, including structural and piping fabrication, SMP erection, refractory lining, insulation, and electrical and instrumentation (E&I) installation.

Later in the financial year, BHP awarded us a contract for the procurement, fabrication and surface treatment of their Car Dumper 3 (CD3), with works to continue into 2023. Additionally, BHP awarded us a civil and earthworks package at Nelson Point, as part of their Port Debottlenecking Project Stage 1 (PDP1). The project commenced in September and will continue until late 2023.

With a re-structuring that now sees both our Henderson and Newcastle manufacturing facilities managed as one cohesive team, we have seen an upturn in efficiency and synergy between the two workplaces with their increased ability to work together, simultaneously. One of the projects to specifically benefit this year was the Iron Bridge Project, where we utilised both facilities for the fabrication and timely delivery of modules.

We continued our delivery of dumper tray bodies for various clients in the Hunter Valley region of New South Wales, including DT Hiload, Austin Engineering and Duratray International Ltd. In total, 65 tray bodies were completed this financial year, on time and within budget, which has further strengthened our relationships with these clients and reinforced our reputation for reliable, quality delivery.

Our maintenance division undertook numerous works around Australia, including the aforementioned refractory installation works on the Kemerton Lithium Project, a major shutdown at Queensland Alumina Limited (QAL), and an extensive maintenance overhaul at Alcoa's Kwinana refinery. We also successfully and safely completed refractory de-scale and installation works for new client Graymont (Australia) Pty Ltd at their Galong, New South Wales, operations.

In addition, new contract awards, including four-year maintenance services contracts each for Karara Mining Ltd and Glencore, significantly bolstered our work in hand in the maintenance and capital works space. Both contracts include the provision of multidisciplinary shutdown and maintenance services. We were awarded a contract for a workshop upgrade at Onslow Salt, along with a term contract to supply refractory and maintenance trades for Rio Tinto's Boyne Island Smelters in Queensland, further adding to our growing order book in this division.

With considerable progression made in maintenance and capital works throughout FY22, and with finalisation and design aspects for our new Port Hedland facility forecast for completion in FY24, we are well positioned for continued and sustainable growth in the sector as we enter 2023 and beyond.

SABR Project

Shiploader replacement

OWNER
BHP Mitsubishi Alliance (BMA)

LOCATION
Henderson, WA and Newcastle, NSW

DURATION
August 2020 – Late 2022

OVERVIEW
Civmec was awarded a contract by BMA to fabricate, modularise and commission a 2,300-tonne shiploader for the Shiploader and Berth Replacement (SABR) Project.

The scope includes the supply, fabrication, surface treatment, assembly and no-load commissioning of the shiploader. Commissioning is currently underway, with delivery scheduled for late 2022 FAS (free alongside) a heavy lift ship at the Australian Marine Complex (AMC).

Kemerton Lithium Project

CLIENT
Albemarle

LOCATION
Kemerton, WA

DURATION
June 2019 – March 2022

OVERVIEW
Our extensive scope on the project comprised site civil works; fabrication and onsite installation of tanks; structural, mechanical, piping and insulation for the hydromet; and final product, reagents and utilities for Trains 1 and 2. We also supplied and installed refractory lining.

Under a separate contract directly with Metso, we manufactured kilns required for the processing plant.

Iron Bridge Magnetite Project

Civil and Concrete Package, Supply of Modules and SMPE&I

CLIENT
Iron Bridge JV (IBJV)

LOCATION
Marble Bar, WA

DURATION
August 2020 – Late 2022

OVERVIEW

Civmec was awarded a civil and concrete package, comprising detailed earthworks and 53,000 cubic metres of structural concrete components for the dry plant, including two primary, two secondary and two tertiary crushing areas, two air classification and two primary grinding areas, course ore stockpile, dry magnetic separation building, dry rejects, conveyors and all related earthing.

This was followed with the award of a fabrication/modularisation package for the supply and modular assembly of 4,700 tonnes of conveyor, trusses, trestles and modules; and later, contracts for onsite structural, mechanical, module installation and hook-up of 30,000 tonnes of components, and approximately 630 kilometres of electrical and instrumentation works for the dry plant.

Mesa A

Wet Plant, Fixed Plant Workshop and Heavy Vehicle Refuelling Facility (HVRF)

CLIENT
Rio Tinto

LOCATION
Robe Valley, WA

DURATION
May 2020 – August 2022

OVERVIEW

Civmec completed the supply, fabrication, modularisation, transportation to site, erection, modification, installation, and commissioning of over 10,000 tonnes of structural, mechanical, piping (SMP), 225 kilometres of electrical and instrumentation, and communication work for the Mesa A Wet Plant.

We then completed design and construction of a fixed plant workshop on the same site, as well as the upgrade of the HVRF, which included installation and maintenance of a temporary facility while the new facility was under construction.

Infrastructure, Marine and Defence

Owning one of the largest undercover workshop facilities in Australia, with 53,000 square metres of usable floor area and cutting-edge equipment, Civmec offers the Infrastructure, Marine and Defence sector a highly unique and specialised service offering.

A$148m

Total annual revenue for the Infrastructure, Marine and Defence sector in FY22

Our multidisciplinary, integrated works have been ongoing throughout FY22 on the Shiploader and Berth Replacement (SABR) Project for the BHP Mitsubishi Alliance (BMA) as we continued delivery of approximately 15,000 tonnes of modules on the project, made up of 54 individual modules. Perhaps most notably this year, that has included the fabrication and assembly of three jacket structures, the largest modules we have ever fully fabricated and assembled undercover, standing 33 metres high, 37 metres wide and weighing approximately 2,100 tonnes. The modules are a prime example of the infrastructure that Civmec is capable of producing and will be shipped to Queensland from the Australian Marine Complex (AMC) in Henderson.

Fabrication and assembly of the majority of components for the project is being undertaken at our Henderson facility, while complex stainless steel handrails, topside module box girders and dogbone connectors are being, or have been, fabricated in our Newcastle facility and shipped to Henderson for installation. The dogbone connectors are the largest components to ever be built in our NSW workshop, each weighing 520 tonnes, and were transported by sea to their final destination in Queensland.

The Sydney Gateway Project SB31 Bridge, awarded to Civmec this financial year for Transport for NSW, has been highly successful for our Newcastle operations, as we near completion of our scope of work on the project. This has included the supply, fabrication and onsite assembly of three steel trough girders for the SB31 Bridge off ramp over the Alexandra Canal. The bridge consists of six steel segments, each measuring approximately 40 metres in length, and four external bracings. The company was subsequently awarded other bridge sections for the Viaduct as part of this significant project.

We finalised our works on the Perth Kids' Bridge Project, now referred to as 'Koolangka' Bridge, in early FY22. A colourful bridge connecting the Perth Children's Hospital to Kings Park, the completed bridge measures 217 metres, comprising 11 segments, 320 tonnes of steel, and 400 cubic metres of concrete. The project, which was delivered to Main Roads WA (MRWA), encountered several logistical and environmental challenges; however, these were all overcome with timely collaboration and innovation, placing us in very good stead for future public infrastructure opportunities.

In early 2022, our proven bridge delivery experience was further recognised, with MRWA awarding us a design and construction contract for the Causeway Pedestrian and Cyclist Bridges. The project will allow us to further demonstrate our capabilities and skill in delivering iconic projects in the Infrastructure sector. The contract will be delivered in an integrated alliance with MRWA and our construction and engineering alliance partners. Once complete, the bridges will provide safer access for the more than 1,400 cyclists and 1,900 pedestrians who use the path on the existing Causeway Bridge daily.

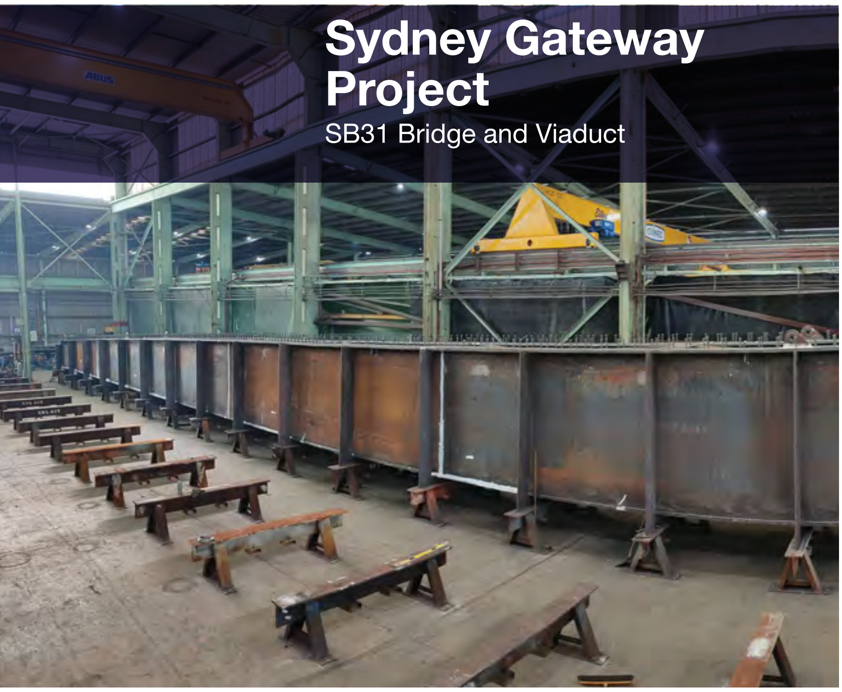
In May, we announced the formation of an alliance agreement with global Defence contractor, Serco, as we pursue the Australian Government's LAND-8710 contract and look to further expand our Sovereign shipbuilding and sustainment capabilities. The alliance agreement brings together an expert national team, with complementary capabilities, and aspires to bring Australian industry skills and capabilities to the forefront.

We have continued to undertake fabrication and block construction activities for the SEA 1180 Arafura Class Offshore Patrol Vessel (OPV) program from our Henderson workshops, with a major milestone celebrated in December 2021 when OPV1 was launched in South Australia. The OPV6 block build is scheduled for commencement in Q1 FY23, and we are pleased to continue supporting the program.

Looking ahead, the company is well placed for public and private sector spend, as federal and state governments look to stimulate post-pandemic economic recovery. This includes projects, such as the Australian Government's announced A$4.3 billion investment into maritime infrastructure at Henderson. The mammoth project, which will be built in close proximity to our own facilities, consists of a large vessel dry dock and significant associated infrastructure. At Civmec, we are optimistic and excited for the opportunities that this, and other future projects, could bring.

As opportunities increase in the Infrastructure, Marine and Defence sector, we will seek to further expand our accreditations, growing and developing our solid reputation as a prime, national Tier 1 contractor that can be trusted to deliver efficiently, innovatively, and to the highest of standards.

The Causeway Pedestrian and Cyclist Bridges (artist impression)



Sydney Gateway Project

SB31 Bridge and Viaduct

CLIENT
Transport for NSW

LOCATION
Sydney, NSW

DURATION
December 2021 – 2023

OVERVIEW

Our scope on the SB31 Bridge includes the supply, fabrication, and onsite assembly of three steel trough girders. The bridge consists of six segments – two for each girder – and four external bracings. We will complete the loading and transport of the completed segments to designated assembly areas; the design, installation, and removal of temporary works in the workshop, including jigs, trestle, and temporary support systems; and the protective treatment of the steelwork in accordance with the relevant specifications and the design requirements.

In February 2022, we were awarded a subsequent contract for the supply, fabrication and onsite assembly of 20 steel trough girders for the Viaduct.

SABR Project

Berth replacement

OWNER
BHP Mitsubishi Alliance (BMA)

LOCATION
Mackay, QLD

DURATION
December 2020 – Late 2022

OVERVIEW

Civmec was awarded by McConnell Dowell the berth replacement contract on the Shiploader and Berth Replacement (SABR) Project. The package involves the manufacture of approximately 15,000 tonnes of modules made up of 54 individual modules, including three jacket frames, topside modules, conveyor modules and transfer towers.

Our scope includes detailing, fabrication, surface treatment, mechanical and electrical and instrumentation assembly.

Components are being manufactured in both our west and east coast facilities, with assembly undertaken in Henderson.

Offshore Patrol Vessels

CLIENT
Luerssen Australia

LOCATION
Henderson, WA

DURATION
October 2018 – 2029

OVERVIEW

In April 2018, Luerssen Australia awarded Civmec a contract to perform works for the Royal Australian Navy's SEA 1180 Offshore Patrol Vessel (OPV) program.

In November 2021, Civmec commenced construction on OPV5, with OPV6 scheduled for commencement in Q1 FY23.

Causeway Pedestrian and Cyclist Bridges

CLIENT
Main Roads WA (MRWA)

LOCATION
Perth, WA

DURATION
April 2022 – Late 2024

OVERVIEW

The project comprises two cable-stayed bridges, approach embankments and connects Victoria Park foreshore with Heirisson Island and the Perth CBD. The completed bridges will be approximately 1,000 metres long and 6 metres wide.

The scope includes the completion of the architectural and engineering design; fabrication and transportation to site of approximately 1,500 tonnes of complex steel structures; ground preparation, earthworks and piling for approach embankments; in-river works, including piling, pile caps and pylon structures; and structural erection and electrical installation.

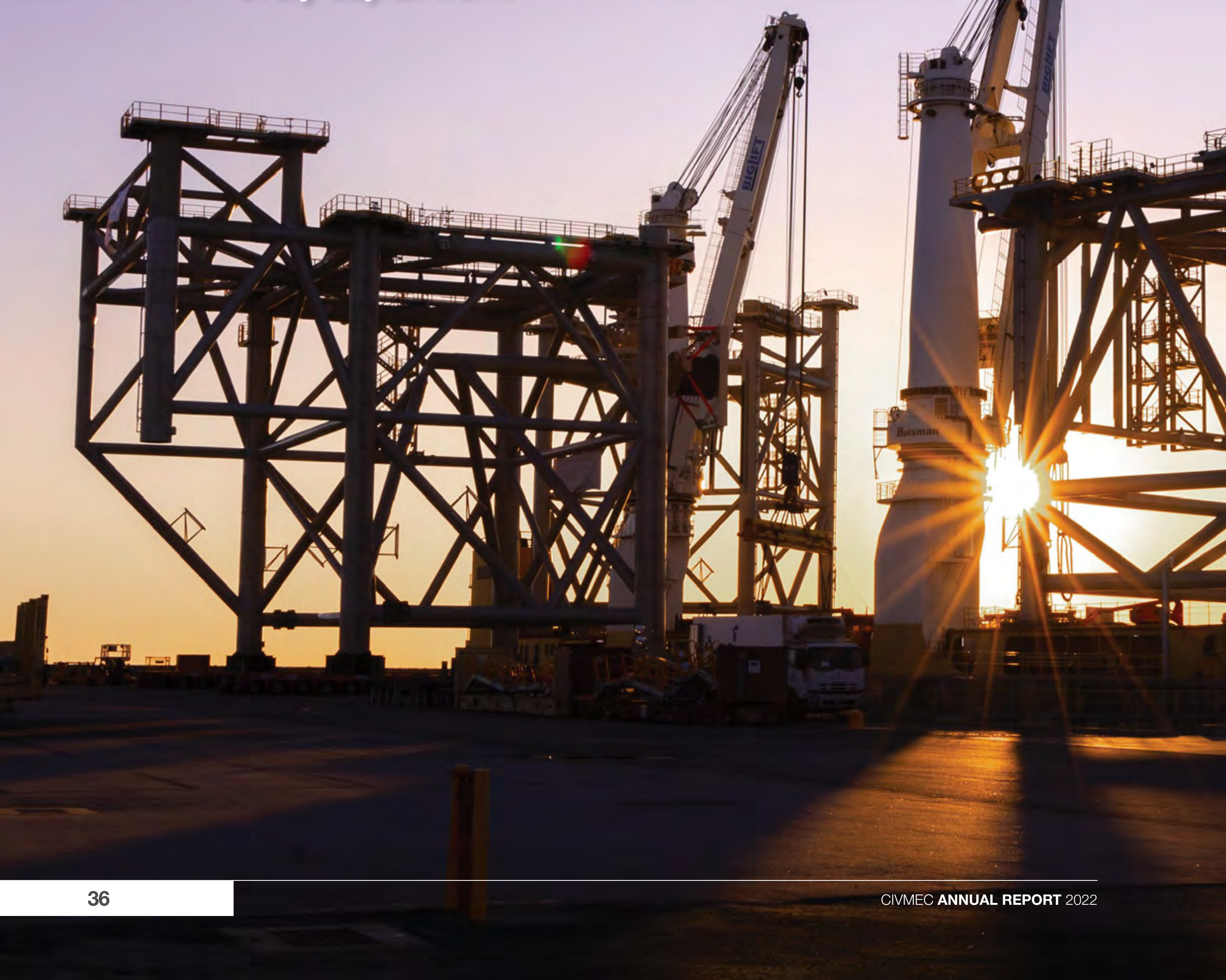
The contract will be delivered in an integrated alliance with Civmec, Seymour Whyte Constructions, WSP and MRWA.


CIVMEC
CIVMEC
CIVMEC
CIVMEC

3.0 Our Sustainability

HSEQ

By integrating our Health, Safety, Environment and Quality (HSEQ) principles and practices, we proactively manage the successful delivery of projects, driving long-term sustainability and continuous improvement, while operating with a mindset that genuinely believes it is possible for people and the environment to stay harm free, every day at work.



Health and Safety

The health, safety, and physical and mental wellbeing of our people is critically important to Civmec. Our Health and Safety Management System is certified to ISO 45001:2018 and we are committed to providing adequate processes and procedures, training and equipment to ensure a safe and healthy environment for all stakeholders.

Our Never Assume principle forms the base of this philosophy, reminding our employees, contractors and visitors to 'never assume' an action, workplace or condition is safe. It gives every single person the right and responsibility to stop work if they feel that any task carries a level of risk that they are uncomfortable with or if they see an unsafe behaviour or working environment. We encourage people to put safety first in every circumstance and to be part of the best practice outcomes by giving their inputs so the job can be done safely. Our business also has six 'Critical Safety Essentials' – a set of rules that govern our behaviour and how we operate.

As we have witnessed the impacts of COVID-19, both in Australia and around the globe, we have been reminded of the importance of health above all. Civmec was not impervious to this, and so we needed to adapt in order to ensure our people were safe and provided with appropriate support and flexibility. Our Western Australian operations experienced an increased challenge in latter Q1 FY22, as the borders re-opened and COVID-19 cases rose significantly across the state. This caused an increase in absences and, at times, required people to quarantine in their onsite fly-in, fly-out accommodation.

Our management teams, supported by our HR and HSE teams, were efficient in their handling of individual cases and close contact tracing. This, in turn, helped us to limit the spread of the virus. Our Business Management Systems team developed an in-house contact tracing application, which was implemented successfully and allowed us to promptly track and trace any positive cases.

Employees in isolation were offered support through our HR department, which included welfare checks and reminders that every Civmec employee – along with their immediate family members – have access to our confidential Employee Assistance Program (EAP) services. We also offered our employees free COVID-19 and flu vaccinations onsite at our Henderson office, administered by an external provider.

With the implementation of our formalised, three-year Mental Health Strategy last year, we have continued to focus on the broad range of challenges our people may be facing. The strategy takes into account any psychosocial and workplace factors which may contribute to poor mental health, sets goals and targets for the business, and has an overall vision to promote improved mental health and wellbeing.

Key elements of the strategy include:

- setting responsibilities within management and resources to facilitate the achievement of strategy objectives;
- conducting risk assessments to identify critical psychosocial risks, ensuring appropriate control measures are implemented;
- our ongoing partnership with industry support group, MATES in Construction, who offer suicide prevention education, peer-to-peer support, case management, and access to a 24/7 helpline;
- procedural documents required to ensure corporate and operational level integration of requirements;
- continuation of a targeted auditing program to ensure implementation of the program is consistent across different areas of the business;
- formal training and awareness packages to help promote mental health in the workplace; and
- offering a range of support services to our workforce to ensure that if help is needed, it is readily available and user friendly.

One of Civmec's onsite blue trees in the Pilbara, WA

Since its implementation, the Mental Health Strategy has seen more than 800 people trained through MATES in Construction 'General Awareness' training, with some employees furthering their study with targeted 'Connector' and 'ASIST' training. This important training of personnel offers support and practical guidance as well as raising awareness around suicide prevention and will continue as we progress into FY23. We also rolled out Mental Health First Aid Training to key personnel across our corporate office, manufacturing facilities and project sites, providing our people with important knowledge and tools to help themselves and those around them. In an additional testament to our commitment to employee mental health and wellbeing, psychosocial risks were incorporated into our corporate and project risk assessment documents and procedures this year.

We have continued to support the Blue Tree Project, with blue trees located across Civmec project sites and facilities that remind people to reach out for support if they need it, as well as R U OK? Day; a day that reminds people that it's 'okay to not be okay' and encourages everyone to check in on themselves and those around them.

Furthermore, we were nominated as a finalist in the MATES in Construction Resources/Civil category; an award that recognises outstanding leadership in improving mental health outcomes for workers and their families in the WA Building and Construction Industry. At this same event, one of our employees was awarded the Outstanding Service Award 2021, primarily for assisting to deliver MATES training to employees who do not hold English as their first language so they could understand the teachings, as well as helping to promote mental health awareness to our west coast facility workforce.

Proactive measures were taken throughout the year, in regard to the physical health of our people, which included onsite skin cancer screenings and vaccinations. The skin cancer screenings undertaken by an external medical provider in early 2022 saw more than 100 people screened at the Henderson facility. In addition to the COVID-19 vaccinations offered, we also arranged for onsite administration of flu vaccines, with nearly 350 vaccinations administered in total this financial year.

Following an update to the Western Australia WHS legislation in March, it was imperative that we reviewed, updated and communicated all changes effectively and efficiently to both management and operations. We did this through educational sessions, HSE reports, and updated procedures. We also held a leadership forum in October 2021, which incorporated an HSE presentation about driving safety through lead indicators and actively leading safety to help shape a positive safety culture. To better prepare us for potential crises in the future, this year we held an executive level crisis exercise – a high level potential crisis event in line with a COVID-19 outbreak that affected facilities and operations, involving executive leaders and senior management.

Throughout the year, we ran a number of intensive safety campaigns, including a campaign in the lead-up to and return from Christmas, as well as our successful 'Stop the Drops' campaign, which promoted better utilisation of dropped object prevention checklists, revised barricading standards and improved the use of tool lanyards.

As we advance into FY23, we will continue to seek improvements and enhancements to our health and safety systems and processes. We plan to roll out an updated Workplace Behaviour Program across the organisation to address non-physical workplace hazards, company behaviour expectations and mitigation strategies. By remaining resolute in our approach to health and safety, we will continue to be sustainable as we grow and develop as a business.

R U OK? Day at the Henderson corporate office

One of Civmec's electric forklifts

Environment

Civmec is committed to operating in an environmentally-conscious manner at all times, continually seeking ways in which we can improve, in order to best conduct our operations for long-term sustainability. We are certified to ISO 14001:2015, which is the internationally recognised standard for environmental management. We have also maintained our platinum certification with the Australian Steel Institute Environmental Sustainability Charter.

During FY22, we undertook a range of activities in an effort to deliver strong environmental performance, including our ongoing participation in the 'Containers for Change' recycling program, and taking part, once again, in Clean Up Australia's annual 'Step Up to Clean Up' event. Held in March 2022, a group of Civmec volunteers collected litter from around our facilities, which improved the local environment and helped prevent rubbish from entering our waterways.

We researched and implemented a number of new initiatives to enhance the long-term environmental sustainability of the business, including:

- introducing a fleet of electric (battery-powered) forklifts at our Henderson facility – a clean energy substitution to the usual gas-powered versions;
- conducting an energy usage assessment of the Henderson facility and investigating the cost and benefits of electric vehicle charging stations;
- completing a feasibility study for the installation of solar panels at our Henderson, Newcastle and Port Hedland facilities, in order to become more carbon neutral and supplement grid power usage; and
- promoting a new range of sustainable consumable items to phase out single-use plastics within our business, in line with the Western Australian state government's two-phase plan to ban non-recyclable plastics.

Clean Up Australia Day 2022

We continued to improve our electronic efficiency and reduce paper-based systems wherever possible, encouraging everyone in the company to think before printing any kind of document. We have a strong focus on waste reduction at all levels, from the corporate offices to our sites and manufacturing facilities.

Through our focus on continuous improvement in this space, we remain committed to measuring and monitoring our inputs of energy, water and materials, as well as our outputs of waste and emissions; consistently striving to uncover new and innovative ways to minimise our impact on the environment.

We will also continue to develop and expand our training materials and programs, to better communicate and promote best practice amongst our team.

Always seeking to grow and improve, we recently appointed a full time Sustainability and Environmental Advisor to help drive the company's sustainability goals, actions and commitments. Going forward, we remain focused on exploring ways to improve our environmental performance throughout all our facilities and sites.

Quality

Working on a diverse range of projects that are, at times, highly technical and complex, we continue to uphold the highest quality standards across our business. Our Quality Management System is certified to ISO 9001:2015, the internationally recognised standard for quality management, and our facilities across Australia hold certification to ISO 3834.2:2008, 'Quality requirements for fusion welding of metallic materials (Part 2: Comprehensive quality requirements)', demonstrating that our welding management system meets the most stringent requirements. We also hold CC3 certification to the requirements of AS/NZS 5131:2016 'Structural Steelwork - Fabrication and Erection'.

This year has seen the implementation of several quality-focused initiatives, such as:

- the roll out of Quality Essentials – a program encouraging all employees and contractors to 'plan, do, check and act' so that high quality outcomes can always be achieved;
- the incorporation of Quality Assurance and Quality Control into our Never Assume philosophy, helping to educate, inform and promote greater awareness of the quality requirements across the business; and
- the continual consultation with internal and external stakeholders urging the use of electronic submissions to, not only minimise the use of paper, but to increase efficiency and reduce costs.

Our integrated, proprietary web-based project control system, Civtrac, continues to facilitate high quality, seamless delivery by allowing us to track, monitor, report and view real-time project data throughout the entire project life cycle.

Through our ongoing software development, we have also been able to leverage cloud technologies that optimise, digitise, and automate business processes. This year, new modules have been rolled out to provide greater visibility on overall project performance, increasing productivity and collaboration across the business.

Our quality team are continuously reviewing and revising our processes and procedures throughout the life of the project and ensuring they develop and implement quality programs that identify and manage risks, while driving improvement. They also ensure that our systems meet industry certification standards and best practices. Our forward focus will be on revising and improving NCR reporting to ensure root causes are clearly identified, and associated corrective and preventative actions are implemented to prevent reoccurrence. In addition to this, we aim to more accurately capture direct and indirect costs and, ultimately, improve process efficiency.

Finally, we have re-structured our HSEQ division as we enter FY23, with all disciplines now to be overseen by a Group Manager HSEQ. We believe this integration will increase the synergy between HSE and Quality, which were previously managed by separate people, and drive continuous improvement in the years ahead.

Civmec's Civtrac barcode tracking system

People

At Civmec, we recognise that every person in the company plays a part in our success. We are proud to be a significant Australian employer, providing high-quality career and training opportunities to the local community, with a focus on diversity, sustainability, growth and development.

A number of our long-term employees celebrated their ten-year anniversary with the company this year, many of whom have experienced great personal development and career progression in this time, and who have undoubtedly helped to shape Civmec into what it is today.

Training and Development

Our priority remains as it always has been; to consistently seek the best and most enthusiastic talent available, while simultaneously retaining, training, developing and rewarding those we have.

During FY22, we consistently employed in the region of 2,800 people, including 130 apprentices, trainees, graduates and undergraduates. This includes apprentices in the metal, mechanical, electrical, bricklaying, carpentry and surface treatment trades. Of our apprentices this year, 13 completed their apprenticeships, with the majority of those continuing on at Civmec with their new qualifications, including as Boilermakers, and Electrical and Refractory Tradespeople.

In recognition of their accomplishments and achievements, four of our apprentices were chosen this year as finalists at the Skill Hire Awards 2022, with two of those apprentices going on to win Fourth Year Apprentice of the Year and Second Year Apprentice of the Year.

At our Iron Bridge operations, our female Aboriginal apprentice successfully progressed into year two of her Mechanical Fitter apprenticeship with Civmec. We also welcomed three new female apprentices across our facilities, who are training to become either Boilermakers or Painters.

By increasing the number of Australian traineeships and broadening the qualifications we offer, we were able to provide greater opportunities for our trainees this financial year. This resulted in our number of trainees increasing from the previous year, from 8 to 15. Our trainees are completing a range of Certificate IV courses, including in Business Administration – such as HSE, Quality Control, Document Control, and Learning and Development – through to Leadership and Management, and Logistics.

Our Registered Training Organisation (RTO) continued in its delivery of nationally accredited qualifications and courses, reinforcing our reputation as a quality training provider for the engineering, construction, resources and defence industries. Over the financial year, the RTO delivered 240 courses and had 2,145 new enrolments, with 2,598 units completed in total. We also employed additional staff within the RTO to cater for the growing demand in training, and acquired a dedicated Learning Management System for first aid and CPR training.

Our internal LEAD program continues to drive our leadership development within operations. The program, which includes four nationally accredited units delivered through our RTO, identifies and upskills emerging leaders within the blue collar side of the business, providing opportunities for personal development and career growth in a real-world setting. In FY22, 55 Supervisors and 33 Leading Hands were upskilled through the course.

In March 2022, Civmec launched its inaugural Leadership Development Program, which aims to shape and develop the next generation of executive leaders within the company. The initial six-month phase (Phase 1) is intensive and deals evidence based and action oriented tasks. The following six-month (Phase 2) period is based around follow-on training and external courses that are targeted towards the areas of individual development that are identified as required during Phase 1. The course is designed for ambitious leaders who are already having a positive impact within the company and who seek to reach the highest levels. Fifteen candidates were selected to take part in the program, with the first cohort of five commencing in early FY23.

The Civmec Reward and Recognition program celebrated a number of outstanding employees throughout the year, culminating in our overall 'Employee of the Year 2021' award, which was awarded to a dedicated member of the Civmec HSE team for his unwavering commitment to ensuring the health, safety and wellbeing of all, and for the outstanding way in which he represents the company.

Diversity and Inclusion

At Civmec, we understand that ensuring diversity and inclusion in the workplace is not only the right thing to do, it genuinely creates a more positive working environment whereby the thoughts and experience of all employees contribute to the overall business's success. By respecting and celebrating the unique individuality and differences of one another, we know we can unlock greater innovation, creativity and productivity.

In addition to employing a wide range of people with diverse backgrounds, ethnicities, ages and experience, we are committed to equal opportunity and gender diversity. In recent years, we have endeavoured to increase female participation – not only in the more typically male-dominated operations and project delivery roles, but also across the entire company.

This year, we are pleased to report that our female apprenticeship figures increased to 7.7 per cent at peak, nearly double our FY21 figure, and the proportion of females within the head office increased to as high as 52 per cent. Approximately one third of those undertaking a Graduate program with Civmec during FY22, such as Engineering or HSE, were female.

Indigenous engagement remains a key priority, as we aim to increase career and training opportunities across our operations for Aboriginal and Torres Strait Islander (ATSI) people. We currently have indigenous employees in a range of different roles, including Senior Shutdown Superintendent, HSE Advisor, Scaffolder, Site Administrator, Boilermaker, Mobile Plant Operation and Trades Assistant.

ATSI apprentices represent more than five per cent of our total number of apprentices and demonstrate our focus on commencing engagement at the grassroots level, offering those of ATSI descent the opportunity to grow and develop within the company whilst they pursue their formal qualifications.

Participating in national days of ATSI recognition is fundamentally important as it demonstrates our commitment to indigenous engagement and outlines our expectations and values. During Reconciliation Week this year, we celebrated one of our Senior Shutdown Superintendents, who is Indigenous and has been with Civmec for the past seven years, progressing from a Boilermaker in 2015 to the senior position he now holds in Gladstone. When asked for his perspective on Reconciliation Week, he replied, "For me, Reconciliation Week means speaking up for the things you believe in…I try to encourage non-indigenous people to buy into the culture because, in a way, it's their culture too and should be enjoyed by everyone."

In July, we celebrated the theme of Heal Country! during NAIDOC Week, acknowledging two special partnerships we have with indigenous businesses: East West Pilbara Group Pty Ltd (EPG) and Yalagan Group Pty Ltd (Yalagan Group). Yalagan Group was engaged as a subcontractor to Civmec to supply various trades personnel on a package of works at Iron Bridge.

We remain committed to seeking meaningful and sustainable partnerships with ATSI businesses and community groups, engaging indigenous contractors and suppliers where possible and cultivating respectful relationships within the ATSI communities in which we operate.


CIVMEC

Community

Jeans for Genes Day 2021

Civmec is committed to building meaningful partnerships with community groups and supporting a range of worthy charities and local sporting clubs, with the aim of making a positive difference to the community around us. We recognise this as an integral part of our sustainability as a business.

Homelessness

Civmec is proud to regularly support the St Vincent de Paul Society in their quest to end homelessness in Australia, taking part in the Vinnies CEO Sleepout event annually. This year, Civmec CEO Pat Tallon attended his fourth event – joined by two Civmec colleagues – as we set our most ambitious fundraising target yet: A$100,000. Our campaign was generously supported by many, including our own employees, suppliers, stakeholders and the general public, with our final tally exceeding A$109,000. We ended the campaign as the highest fundraising team in Western Australia, and the fifth highest nationwide; but, more importantly, we made a difference to some of those who need it most, as the money raised will help the charity provide food, emergency accommodation and essential services to those experiencing or vulnerable to homelessness in Australia.

Throughout the year, our business also supported the St Patrick's Community Support Centre, a charity local to our Henderson facility that provides accommodation, meals and other support services to vulnerable and homeless members of the community. Groups of Civmec employees volunteered their time to pack hampers and help out in the lead up to Christmas, as well as embraced our 'Containers for Change' program throughout the year. The program pays ten cents for every eligible container collected at Civmec sites, with the money raised going to St Patrick's.

The Civmec team at Vinnies CEO Sleepout 2022

Hunger

Foodbank is a worthy charity that is fighting hunger by sourcing food for people in need, and which is regularly supported by Civmec and our people. In FY22, Civmec undertook a donation drive at Henderson before Christmas, with our employees generously donating a large amount of food and other non-perishables to Foodbank, which went on to become care hampers.

Mental Health

Civmec places great emphasis on the mental health and wellbeing of our people, so it is appropriate that this support extends to the wider community. Uniting WA was one of the charities we made a financial contribution to at Christmas; a charity that supports people in the community experiencing complex challenges, such as mental health, family issues and homelessness.

We took part in R U OK? Day in September, encouraging our employees to reach out to one another and ask, “Are you okay?”.

In addition to this and our Mental Health Strategy, we partner with MATES in Construction, who provide suicide prevention, training and support services to construction workers. It is our aim that if we can promote continued discussion and awareness around mental health and wellbeing, we can reduce any stigma and motivate people to seek support when they need it.

Young People

Young people are our future, so as well as providing training and employment opportunities, we were pleased to support Youth Focus this year. The organisation offers a range of services for young people with mental health issues, including youth counselling, education, individual placement support, mentoring programs, and group-based therapy.

Children’s Medical Research

We take part annually in Jeans for Genes Day at Civmec, with our people donning jeans and donating money to the Children’s Medical Research Institute (CMRI), which is dedicated to advancing the treatment and prevention of childhood diseases.

Community Sports

Civmec is proud to sponsor the Kwinana Knights women’s Australian Rules football team, the team of two of our Henderson employees, and the Bunbury Barbarians Rugby Club in Western Australia’s south west. We were especially happy to hear that our sponsorship donation this year enabled the Barbarians to buy one-off pink jerseys for a charity match, which were later sold at a silent auction and raised more than A$3,000 for charity.

Clockwise: Volunteering at St Patrick’s Community Support Centre, Youth Focus donation, Bunbury Barbarians and Kwinana Knights sponsorships

Sustainability Reporting

At Civmec, we recognise the importance of sustainability in business and that it is an integral consideration as we evolve and strive for long-term growth and development.

It is our responsibility, to people and the planet, that sustainable practices are integrated holistically into everything we do. By striving for optimal management of environmental, social and governance (ESG) risks, opportunities and obligations, we can have a positive impact on the community, economy and environment.

At Civmec, more than 98 per cent of our procurement is sourced from within Australia. We also support the Australian economy in other ways, such as providing employment to around 2,800 people and contributing to the welfare of so many more through our supply chain.

We are focused on training and providing opportunities to future generations, coupled with our strong commitment to limiting and reducing the environmental impacts we have in our operations.

Civmec conducts a materiality assessment and comprehensive review of sustainability annually, releasing a Sustainability Report in line with each financial reporting period.

Civmec's FY22 Sustainability Report will be released in November 2022.

The report will outline our sustainability performance and identify key material issues in relation to ESG performance, providing stakeholders with detailed information of our actions, performance, strategies and goals. It is prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016 core-level reporting.

Consistent with previous years, our sustainability agenda will focus on:

- continuing to operate with integrity;
- actively contributing to the success and welfare of our people and the communities in which we operate;
- ensuring our operations have minimal environmental impact; and
- achieving our HSE, people, community, governance and financial targets.


CIVMEC

Investor Relations

In a year when businesses worldwide were grappling with runaway inflation, rising capital costs and COVID-19, delivering our best set of financial results was no mean feat in FY22.

While we were confident our disciplined approach in project tendering and execution would yield favourable results, even in spite of these challenges, we were conscious that our shareholders and investors needed the same assurance.

This was why we actively engaged with the investment community and media throughout the year, keeping them up to date with our progress and the developments across the sectors we operate in.

In meetings with investors, we emphasised that we would not pursue market share at the expense of profitability. Our focus instead was on increasing both revenue and earnings, and doing so sustainably, keeping in mind that manpower was becoming costlier and no longer as readily available as before, given the fallout from the pandemic.

We also shared with investors that our efforts to develop recurring income streams – so that we do not rely solely on projects-driven income – were paying off. This was evident in the fact that we were awarded more work to maintain and sustain our clients' plants, facilities and infrastructure.

Sustainment may, in fact, be our next engine of growth. This is a natural progression as we have a thorough understanding of how to keep these assets operating effectively since, often, we were the ones who built them. Moreover, such work typically does not require significant outlays on our part.

Investor Outreach

We held a number of virtual meetings throughout the financial year with the investment communities in Australia and Singapore. These included briefings of financial results, presentations at various stockbroking houses, and meetings with sell-side analysts.

In March 2022, we took part in the annual Euroz Hartleys three-day investor conference in Western Australia, presenting to analysts and brokers alongside other ASX-listed companies.

We also participated in four non-deal roadshows to acquaint a number of Asia-based money managers with our business.

These were put together separately by UOB Kay Hian (21 October 2021), CGS-CIMB Securities (22 March 2022), RHB Bank (12 May 2022) and Maybank (23 June 2022).

We were included in RHB Bank's annual compilation of the Top 20 Singapore small-cap companies for 2022. This was the first time Civmec made the list, where more than 60 per cent of the stock picks were companies not featured in RHB Bank's previous compilations.

Additionally, we took part in Lim & Tan Securities' 2021 Investment Webinar, held on 18 November 2021, where several hundred retail clients of the broking house dialled in to listen to the senior management of three Singapore-listed companies, including Civmec, expound on their business.

Research Coverage

Our active investor outreach played no small role in attracting research coverage for Civmec. The research teams of five securities firms in Singapore initiated rated coverage of our company in FY2022. KGI Securities was the first, with UOB Kay Hian next, followed by Lim & Tan Securities, Maybank and DBS Group Research.

Media Coverage

Throughout FY22, we actively engaged the media to better profile ourselves to the investment community and to reach a wider audience throughout both Australia and Singapore.

This included the dissemination of financial results to media outlets, as well as engagement with the media through one-on-one interviews.

CEO Pat Tallon was interviewed by the Rock Yarns podcast and Beauty and the Stock Channel, where he spoke about Civmec's view on the future of Australian industry, including Defence. We also had a full-page feature by The Edge Singapore, in March 2022, detailing the leadership styles of our Executive Chairman and CEO and their approach to business.

The research initiation of several securities firms was also covered by the press in Singapore.


CORPORATE WATCH

kopi-C: The Company Brew

Civmec: Engineering resilient long-term growth

Full-page feature in 'The Edge' Singapore, March 2022

Board of Directors

MR JAMES FINBARR FITZGERALD

Executive Chairman

Mr James Finbarr Fitzgerald was appointed to the Civmec Limited Board on 27 March 2012. With more than 35 years of industry experience, he is responsible for providing leadership to the Board and guiding the Company's corporate direction, as well as ensuring all relevant procedures are in place for compliance with corporate governance.

Mr Fitzgerald has been a Board member of the Centre for Defence Industry Capability (CDIC), a Defence industry policy initiative that assisted Australian businesses entering or working in the Defence industry and supported sector-wide projects to improve the capacity and capability of the Defence industry. He also served as a Defence Panel Expert for the AusIndustry Modern Manufacturing Initiative. He is a passionate supporter of various charities, with a strong belief in the training and development of young people; a key aspect of the Company's growth and success.

In 2019, his business acumen was recognised with joint award of the EY Entrepreneur of the Year in the Sustained Excellence category in the Western Region.

MR PATRICK JOHN TALLON

Chief Executive Officer

Mr Patrick John Tallon was appointed to the Board on 27 March 2012. He is responsible for implementing the strategic decisions and policies of the Company, with a strong focus on safety culture, team building, leadership and the Group's financial performance. He has been a key driver in operational innovation, productivity improvement and the waste elimination programs within the business.

Over the last 12 years, Mr Tallon has refined his expertise across the Energy, Resources, Infrastructure, Marine and Defence sectors, building a keen understanding of key stakeholder requirements at all levels. He is committed to working with and encouraging apprentices, trainees, undergraduates and graduates to achieve their goals. He also devotes his time to the community, supporting various charities and events, with a particular focus on the homeless.

Mr Tallon was named CEO Magazine Construction Executive of the Year in 2014 and was jointly awarded EY Entrepreneur of the Year in the Sustained Excellence category in the Western Region in 2019.

MR KEVIN JAMES DEERY

Chief Operating Officer/Acting Chief Financial Officer

Appointed to the Board on 27 March 2012, Mr Kevin James Deery oversees the Group's operational activity. He is responsible for ensuring a safety-focused workplace and delivering projects to strict quality, budget and schedule expectations.

With a Bachelor of Engineering (Mechanical) from Curtin University, he has more than 30 years' experience managing fabrication and construction projects for numerous clients across Australia.

As Acting Chief Financial Officer, he governs the Company's strong and experienced accounts team and manages the purchase and disposal of assets.

MR CHONG TECK SIN

Lead Independent Director

Mr Chong Teck Sin was appointed to the Board on 27 March 2012. He is currently an Independent Director of Changan Minsheng APLL Logistics Co Ltd, InnoTek Limited and AIMS APAC REITS Management Limited, and a Director of Civmec Construction & Engineering, Singapore Pte Ltd and Ranhill Pte Ltd.

He has a Bachelor of Engineering from the University of Tokyo, and a Master of Business Administration from the National University of Singapore.

MR WONG FOOK CHOY SUNNY

Independent Director

Mr Sunny Wong Fook Choy was appointed to the Board on 27 March 2012. He is a practicing advocate and solicitor of the Supreme Court of Singapore, and is currently a consultant with Wong Tan & Molly Lim LLC, a legal firm he co-founded in 1994. He is also an Independent Director of Excelpoint Technology Ltd, Mencast Holdings Ltd and InnoTek Limited.

Mr Wong holds a Bachelor of Law (Honours) from the National University of Singapore.

MR DOUGLAS OWEN CHESTER

Independent Director

Mr Douglas Owen Chester was appointed to the Board on 2 November 2012. He is an Independent Director of the Australian Maritime Shipbuilding and Export Group Pty Ltd. He was previously a senior Australian Government official and diplomat and, prior to his appointment, held the role of Australia's High Commissioner to Singapore.

Mr Chester holds a Bachelor of Science (Honours) from the Australian National University.

Executive Team

MR ADAM GOLDSMITH

Executive Group Manager – Operational Support

Mr Adam Goldsmith joined the Group in 2017 and has made significant contributions to the Company. He is a Fellow of the Royal Institute of Chartered Surveyors, with quantity surveying and construction law qualifications.

With more than 25 years' commercial and risk management experience, gained with major Australian and UK companies, Mr Goldsmith brings a wealth of knowledge and experience to the executive team.

MR RODNEY BOWES

Executive Group Manager – Proposals

Mr Rodney Bowes joined the Group in 2010 and since then has been responsible for managing the Group's proposals and estimating divisions, demonstrating an unwavering commitment to securing a strong and profitable order book for the Group.

After a long and illustrious career, Mr Bowes retired from the Group on 30 June 2022. From 1 July 2022, Mr Peter Ricciardello will take on the role of Executive Group Manager – Proposals and Growth. Mr Ricciardello is a seasoned engineering professional with more than 20 years' experience leading and managing large scale engineering and construction projects.

We would like to take this opportunity to, again, thank Rodney for his unwavering input to the Company and wish him the best for the future.

MR CHARLES SWEENEY

Executive General Manager – Construction

Responsible for the effective leadership of the Group's construction division, Mr Charles Sweeney has played an instrumental role in the successful completion of many key projects. He is committed to upholding the highest standards in safety, quality and productivity and has a keen focus on developing the operations department and offering innovative client solutions.

Mr Sweeney has grown with the Company, having joined at its inception. He is also the Company nominee for electrical and building licences.

MR DAVID POWER

Executive General Manager – Manufacturing

With more than 15 years' experience in the construction industry, Mr David Power has been with the company since 2011. Having worked on a number of major projects, he has developed a strong background in various management positions and places acute focus on HSEQ within the workplace.

Mr Power manages the Company's west and east coast manufacturing divisions, providing guidance and support to project teams and striving for high-quality, value-driven solutions for all clients.

MR DANIEL KENNEDY

Executive General Manager – Maintenance and Capital Works, Resources and Energy

With 28 years' experience across Australia and South East Asia, Mr Daniel Kennedy joined the Company in 2021 and was soon appointed to the executive team. He is responsible for the growth and delivery of maintenance and capital works projects within the Resources and Energy sectors.

A passionate leader with a strong commitment to safety and delivery, Mr Kennedy manages all areas of fixed plant maintenance and small to medium-sized project work, such as incremental upgrades and sustaining capital projects.

MR MYLON MANUSIU

Executive General Manager – Maintenance and Capital Works, Refineries and Smelters

Mr Mylon Manusiu has been with the Company since 2015. He is responsible for managing the Company's maintenance and capital works division in the way of refineries, smelters and the delivery of minor projects. Predominantly based on the East coast, he has played a significant role in expanding the Group's maintenance offering nationwide and securing long-term maintenance contracts.

With more than 20 years' experience, Mr Manusiu applies his broad specialist knowledge to ensuring the optimal delivery of maintenance, shutdown and refractory works, whilst motivating his team to meet all safety, environmental and quality targets.

4.0 Financial Report

Directors' Statement

(Incorporated in Singapore)

The Directors present their report to the members together with the audited consolidated financial statements of Civmec Limited (the 'Company') and its subsidiaries (collectively referred to as the 'Group') for the financial year ended 30 June 2022 and the statement of financial position of the Company as at 30 June 2022.

In the opinion of the Directors:

(a) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. Directors

The Directors of the Company in office at the date of this report are as follows:

Mr. James Finbarr Fitzgerald	*Executive Chairman*
Mr. Patrick John Tallon	*Chief Executive Officer*
Mr. Kevin James Deery	*Chief Operating Officer / Acting Chief Financial Officer*
Mr. Chong Teck Sin	*Lead Independent Director*
Mr. Wong Fook Choy Sunny	*Independent Director*
Mr. Douglas Owen Chester	*Independent Director*

2. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as disclosed under 'Share Options' and 'Performance Share Plan' and 'Performance Rights Plan' in this report.

3. Directors' interests in shares and debentures

The interests of the directors holding office at the end of the financial year in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings were as follows:

	Holdings registered in the name of directors		Holdings in which a director is deemed to have an interest	
	At 1.7.21	At 30.6.22	At 1.7.21	At 30.6.22
The Company	**No. of Ordinary shares**			
Mr. James Finbarr Fitzgerald	-	-	97,720,806	97,720,806
Mr. Patrick John Tallon	54,000	54,000	97,566,806	97,566,806
Mr. Kevin James Deery	-	228,000	13,295,250	13,295,250
Mr. Douglas Chester	-	-	70,000	70,000

There was no change in any of the above-mentioned interests between the end of the financial year and report date.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment, if later or at the end of the financial year.

4. Share options

Civmec Limited Employee Share Option Scheme

The Civmec Limited Employee Share Option Scheme (the 'CESOS') for key management personnel and employees of the Group formed part of the Civmec Limited prospectus dated 5 April 2012.

(Incorporated in Singapore)

4. Share options (continued)

Civmec Limited Employee Share Option Scheme (continued)

The Remuneration Committee (the 'RC') administering the Scheme comprises Directors, Mr. Wong Fook Choy Sunny (Chairman of the Committee), Mr. Chong Teck Sin and Mr. Douglas Owen Chester.

As part of Civmec's dual listing on the Australian Securities Exchange ('ASX'), no further grants will be made under the CESOS.

Options granted under the Scheme

As at 30 June 2022, the following options to subscribe for ordinary shares of the Company pursuant to the CESOS were granted.

Date of grant	Exercise period	Expiry date	Number of options
11 September 2013	12 September 2014 to 10 September 2023	11 September 2023	4,000,000

The options granted by the Company do not entitle the holder of the options, by virtue of such holding, to any right to participate in any share issue of any other company.

Options exercised

During the financial year, there were no shares of the Company or its subsidiaries issued by virtue of the exercise of options to take up unissued shares.

Options outstanding

Details of all the options to subscribe for ordinary shares of the Company pursuant to the CESOS, outstanding as at 30 June 2022 are as follows:

Expiry date	Exercise price	Number of options
11 September 2023	S$0.65	4,000,000

5. Performance share plan

Civmec Limited Performance Share Plan

The Civmec Limited Performance Share Plan (the 'CPSP') for key management personnel and employees of the Group was approved and adopted by shareholders at the Extraordinary General Meeting held on 25 October 2012.

The Remuneration Committee (the 'RC') administering the Scheme comprises Directors, Mr. Wong Fook Choy Sunny (Chairman of the Committee), Mr. Chong Teck Sin and Mr. Douglas Owen Chester.

The CPSP forms an integral and important component of the employee compensation plan, which is designed to primarily reward and retain key management and employees of the Company whose services are integral to the success and the continued growth of the Company.

Principal terms of the Scheme

(i) Participants

Under the rules of the Scheme, employees including Executive Directors and Associated Company Employees, who are not Controlling Shareholders or their associates, are eligible to participate in the Scheme.

Persons who are Controlling Shareholders and their Associates shall be eligible to participate in the Civmec Performance Share Plan if:

(a) their participation in the Civmec Performance Share Plan; and

(b) the actual number and terms of the Awards to be granted to them have been approved by independent Shareholders of the Company in separate resolutions for each such person.

(Incorporated in Singapore)

5. Performance share plan (continued)

Civmec Limited Performance Share Plan (continued)

(ii) Size of the Scheme

The aggregate number of new shares in respect of which awards may be granted on any date under the CPSP, when added to (i) the aggregate number of Shares issued and issuable in respect of options granted under the Civmec Employee Share Option Scheme, and (ii) any other share schemes to be implemented by the Company, shall not exceed 15% of the number of issued Shares on the day immediately preceding the relevant Date of the Award (or such other limit as the SGX-ST may determine from time to time).

(iii) Grant of Awards

Under the rules of the Plan, there are no fixed periods for the grant of Awards. As such, offers for the grant of Awards may be made at any time, from time to time at the discretion of the Committee.

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

(iv) Lapse of Awards

Special provisions in the rules of the Plan deal with the lapse of Awards in circumstances which include the termination of the participant's employment in the Company, the bankruptcy of the participant, a take-over of the Company and the winding-up of the Company.

(v) Release of Awards

After the end of each performance period, the Remuneration Committee (the 'RC') will review the performance targets specified in respect of the Award and if they have been satisfied, will release Awards to Participants.

(vi) Duration of the Plan

The Plan shall continue in operation for a maximum duration of ten years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Awards Granted under the Scheme

The details of the awards granted under the Scheme during the financial year are as follows:

Year of Award	No. of holders	No. of shares
Nil		

6. Performance rights plan

Civmec Limited Performance Rights Plan

The Civmec Limited Performance Rights Plan (the 'CPRP') for key senior executives of the Group was approved and adopted by shareholders at the Annual General Meeting held on 25 October 2019.

The Remuneration Committee (the 'RC') administering the Scheme comprises Directors, Mr. Wong Fook Choy Sunny (Chairman of the Committee), Mr. Chong Teck Sin and Mr. Douglas Owen Chester.

Performance rights are a right to one issued ordinary share of the Company granted under the CPRP.

The CPRP is designed to reinforce the vital equity culture at the top management level and to further align the interests of the Company's top management with those of Shareholders.

(Incorporated in Singapore)

6. Performance rights plan (continued)

Civmec Limited Performance Rights Plan (continued)

Principal terms of the Scheme

(i) Participants

Under the rules of the Scheme, Key Senior Executives who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time, shall be eligible to participate in the Plan at the absolute discretion of the Committee. It also serves as an incentive for the recruitment and retention of talented senior executives.

Persons who are Controlling Shareholders and their Associates shall be eligible to participate in the CPRP if:

(a) their participation in the Civmec Performance Rights Plan; and

(b) the actual number and terms of the Performance Rights to be granted to them have been approved by independent Shareholders of the Company in separate resolutions for each such person.

(ii) Size of the Scheme

The aggregate number of Ordinary Shares which may be delivered pursuant to CPRP grated under the Plan on any date, when added to (i) the total number of Shares issued or issuable in respect of Performance Rights granted under the Plan, and (ii) any other share schemes adopted by the Company, shall not exceed 15% of the total number of issued Shares on the day immediately preceding the relevant Date of the Award (or such other limit as the SGX-ST may determine from time to time).

(iii) Grant of Awards

The grant of awards may be made on an annual basis following the Company's annual general meeting, or at any time, from time to time at the discretion of the Committee.

When considering the value of the award to be provided, the Committee primarily considers the number of Award shares and the performance condition within the performance period.

(iv) Lapse of Awards

Special provisions in the rules of the Plan deal with the lapse of Awards in circumstances which include the termination of the participant's employment in the Company, the bankruptcy of the participant, the retirement of the participant, a misconduct of the participant, a take-over of the Company and the winding-up of the Company.

(v) Vesting of Performance Rights

A Performance Right refers to a right to one issued ordinary share of the Company granted under the scheme for no consideration. The Performance Rights are subject to the following vesting criteria:

1. Satisfaction of gateway hurdles
2. Achievement of company performance measures

Gateway Hurdles

The following two gateway hurdles need to be satisfied for any vesting, regardless of achievement of company performance measures.

- personal performance reviews have been received over the performance period at a satisfactory level (as determined by the Committee); and
- the participant remains employed with Civmec

6. Performance rights plan (continued)

Civmec Limited Performance Rights Plan (continued)

Company Performance Measures

To the extent the gateway hurdles are satisfied, 100% of the vesting will be based on the absolute earnings per share (aEPS) outcome. aEPS is based on the achievement of certain predetermined performance targets determined by the Committee. The vesting schedule is as follows:

Long term incentive (LTI) proportion vesting	aEPS (100%)
50%	Target =90% of three-year average annual result
Pro-rata between 50% and 100%	Outcome achieved between target and stretch
100%	Stretch >110% of three-year average annual result

The Committee has the discretion to determine whether the performance targets have been met.

(vi) Release of Awards

After the end of each performance period, the Remuneration Committee (the 'RC') will review the performance targets specified in respect of the Award and if they have been satisfied, will release Awards to Participants.

(vii) Duration of the Plan

The Plan shall continue in operation for a maximum duration of ten years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Awards Granted under the Scheme

The details of the awards granted under the Scheme are as follows:

Year of Award	No. of rights
FY 2019/20	7,359,993
FY 2020/21	8,578,000
FY 2021/22	1,773,000

FY2020 Performance rights grant

Rights will vest in two tranches as follows:

- Tranche 1 (50%): 2 year performance period (1 July 2018 to 30 June 2020)
- Tranche 2 (50%): 3 year performance period (1 July 2018 to 30 June 2021)

FY2021 Performance rights grant

Rights will vest in two tranches as follows:

- Tranche 3 (50%): 2 year performance period (1 July 2020 to 30 June 2022)
- Tranche 4 (50%): 3 year performance period (1 July 2020 to 30 June 2023)

FY2022 Performance rights grant

Rights will vest as follows:

- Tranche 5: 3 year performance period (1 July 2021 to 30 June 2024)

Directors' Statement

(Incorporated in Singapore)

6. Performance rights plan (continued)

Civmec Limited Performance Rights Plan (continued)

The number of performance rights in the Company held during the financial year by each director and KMP of the consolidated entity, is set out below:

	Balance at appointment date or 1.07.2021	Granted	Vested	Expired/ Other	Balance 30.06.2022
Directors					
James Fitzgerald	1,803,000	-	-	(375,000)	1,428,000
Patrick Tallon	1,803,000	-	-	(375,000)	1,428,000
Kevin Deery	1,565,000	334,000	(228,000)	(147,000)	1,524,000
Key management personnel:					
Rodney Bowes	908,000	167,000	(190,000)	(122,000)	763,000
Charles Sweeney	908,000	167,000	(190,000)	(122,000)	763,000
Adam Goldsmith	908,000	167,000	(190,000)	(122,000)	763,000
David Power	730,000	167,000	(82,000)	(52,000)	763,000
Mylon Manusiu	730,000	167,000	(82,000)	(52,000)	763,000
Daniel Kennedy(1)	-	167,000	-	-	167,000

Notes:
(1) Appointed on 26/08/2021 as Executive General Manager for Maintenance and Capital Works, Energy and Resources.

7. Audit committee

The members of the Audit Committee ('AC') at the end of the financial year are as follows:

Mr. Chong Teck Sin — Chairman

Mr. Wong Fook Choy Sunny — Member

Mr. Douglas Owen Chester — Member

All members of the Audit Committee are non-executive Directors. The Audit Committee performs the functions specified by the Listing Manual of the Singapore Exchange Securities Trading Limited ('SGX-ST'), the Listing Rules of the Australian Securities Exchange ('ASX'), the Code of Corporate Governance and Section 201B(5) of the Singapore Companies Act, Chapter 50.

The nature and extent of the functions performed by the Audit Committee are detailed in the Report on Corporate Governance set out in the Annual Report of the Company.

8. Independent auditor

The independent auditor, Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors,

James Finbarr Fitzgerald
Executive Chairman
Civmec Limited

29 August 2022

Patrick John Tallon
Chief Executive Officer
Civmec Limited

29 August 2022

Report on Corporate Governance

30 June 2022

Introduction

The Board of Directors (the 'Board') and the senior management of Civmec Limited ('Civmec' or the 'Company') together with its subsidiaries (the 'Group'), recognise the importance of good corporate governance in ensuring greater transparency and protecting the interests of shareholders, as well as strengthening investors' confidence in its management and financial reporting and are, accordingly, committed to maintaining a high standard of corporate governance throughout the Group.

This corporate governance report ('Report') describes the Company's corporate governance framework and practices that were in place during the financial year ended 30 June 2022 ('FY2022') with specific reference to the Principles and Provisions of the Singapore Code of Corporate Governance 2018 (the 'Code') and the 4th edition of the Australian Securities Exchange ('ASX') Corporate Governance Principles and Recommendations ('ASX Principles and Recommendations'), which is also available on the Company's corporate website.

In line with the commitment of the Company to maintaining high standards of corporate governance, the Company continually reviews its corporate governance processes to strive to comply with the Code. To the extent the Company's practices may vary from the provisions of the Code for FY2022, the Company has explained how its practices are consistent with the intent of the relevant principles of the Code.

The Board is pleased to report compliance of the Company with the Code, the Listing Manual of the Singapore Exchange Securities Limited (the 'SGX-ST'), and the Listing Rules of the ASX, where applicable, except where otherwise stated.

Board Matters

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board's primary role is to protect and enhance shareholders' value and ensure that the Company is run according to the best international management and corporate governance practices, appropriate to the needs and development of the Group. The Board works closely with the senior management for the Company's long-term success and continuously maintains the highest standards of behaviour and ethical conduct within the Group. The Board has adopted a formal code of conduct, and it requires all the Directors, senior management and employees to abide by the Company's Standard Code of Conduct, which is available on its corporate website.

Apart from its statutory duties and responsibilities, the Board's functions include:

- overseeing the management and affairs of the Group and approving the Group's corporate strategy and directions;
- implementing policies in relation to financial matters, which include risk management and internal control and compliance;
- reviewing the financial performance of the Group, approving investment proposals and setting values and standards, including ethical standards for the Company and the Group;
- ensuring that the Group has in place an appropriate risk management framework and setting the risk appetite within which the Board expects senior management to operate;
- approving the appointment, and when necessary replacement, of the senior management personnel; and
- developing and reviewing corporate governance principles and policies.

All Directors are aware of their fiduciary duties and exercise due diligence and independent judgement in ensuring that their decisions are objective and in the best interests of the Company. Directors who face conflicts of interest disclose their interests and voluntarily recuse themselves from discussions and decisions involving the issues of conflict.

Provision 1.2 Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

Board Matters (continued)

The Board's Conduct of Affairs (continued)

Principle 1 (continued)
Provision 1.2 (continued)

The Company encourages the Directors to learn and develop their directorship skills. The Directors may attend training, conferences and seminars which may have a bearing on their duties and contribution to the Board, organised by professional bodies, regulatory institutions and corporations at the Company's expense, to keep themselves updated on the latest developments concerning the Group and to keep abreast of the latest regulatory changes.

Each quarter, the Board was briefed and/or updated on recent changes to the accounting standards and industry developments and business initiatives.

All the Board members are actively engaged and play an important role in ensuring good corporate governance within the Company. Visits to the Company's business premises are arranged to acquaint the non-executive Directors with the Company's operations and ensure that all the Directors are familiar with the Company's business, policies and governance practices.

Prior to their respective appointments to the Board, each of the Directors was given an orientation and induction programme to familiarise them with the Company's business activities, strategic directions, policies and key new projects and have undertaken all appropriate checks (including the person's character, experience, education, criminal record and bankruptcy history). In addition, newly appointed senior management personnel are subject to the same orientation, induction programme and appropriate checks in accordance with our internal onboarding policies and procedures before the personnel are introduced to the senior management team. Upon appointment of each Director and key management personnel, (senior executive), the Company provides a services agreement to the Director and key management personnel (senior executive) setting out their duties and obligations.

Provision 1.3 The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Board has delegated the day-to-day management of the Group to the senior management, headed by the Executive Chairman, Mr James Finbarr Fitzgerald, the Chief Executive Officer, Mr Patrick John Tallon and the Chief Operating Officer/ acting Chief Financial Officer, Mr Kevin James Deery. The Board has reviewed and adopted the delegation of authority ('DOA') during FY2022 regarding the signing authority and limits. The DOA sets out the authorisation level required for specific transactions, including those requiring Board approval.

Matters that are specifically reserved for the approval of the Board include, among others:

- reviewing the adequacy and integrity of the Group's internal controls, risk management systems, compliance and financial reporting systems;
- approving the annual budgets and business plans;
- approving major investment or expenditure;
- approving material acquisitions and disposal of assets;
- approving the Company's periodic and full-year results announcements for release to the SGX-ST and ASX;
- approving the annual report and audited financial statements;
- monitoring senior management's performance;
- recommending share issuance, dividend payments and other returns to shareholders;
- ensuring accurate, adequate and timely reporting to, and communication with shareholders; and
- assuming responsibility for corporate governance.

Provision 1.4 Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

To assist in the execution of its responsibilities, the Board has established several Board Committees namely; Audit Committee ('AC'), Nominating Committee ('NC'), Remuneration Committee ('RC') and Risks and Conflicts Committee ('RCC'). These committees' function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of these committees is also regularly monitored and reviewed by the Board. The roles and responsibilities of these committees are described in the following sections of this report.

Board Matters (continued)

The Board's Conduct of Affairs (continued)

Principle 1 (continued)

Provision 1.5 Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The Board meets on a regular basis and when necessary, to address any specific significant matters that may arise. Board meetings are scheduled in advance. The Constitution of the Company provides for Directors to conduct meetings by teleconferencing or videoconferencing or other similar means of communication whereby all persons participating in the meeting are able to hear each other. The Board and Board Committees may also make decisions by way of circulating resolutions.

The number of Board and Board Committee meetings held and attended by each Board member during the financial year ended 30 June 2022 is set out below:

		Board Committees			
	Board	Audit Committee	Remuneration Committee	Nominating Committee	Risks and Conflicts Committee
No. of Meetings Held	4	4	2	2	4
No. of Meetings Attended					
James Finbarr Fitzgerald	4	4*	2*	2*	4*
Patrick John Tallon	4	4*	2*	2*	4*
Kevin James Deery	4	4*	2*	2*	4*
Chong Teck Sin	4	4	2	2	4
Wong Fook Choy Sunny	4	4	2	2	4
Douglas Owen Chester	4	4	2	2	4

*By Invitation

Provision 1.6 Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

The Board is informed of all material events and transactions as and when they occur. The senior management consults Board members as necessary and appropriate. Detailed Board papers, agenda and related material, background or explanatory information relating to matters to be discussed are sent out to the Directors, usually at least a week prior to each meeting, so that all Directors may better understand the issues beforehand, allowing more time at meetings for discussion and deliberations.

Directors are provided with a copy of documents containing a wide range of relevant information, including, quarterly and annual financial results, progress reports of the Group's operations, corporate developments, business developments, management information, sector performance, budgets, forecast, capital expenditure and personnel statistics, reports from both external and internal auditors, significant project updates, business strategies, risk analysis and assessments and relevant regulatory updates.

The senior management's proposals to the Board for approval include background and explanatory information such as, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. Employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board Committee meetings. In order to keep Directors abreast of the Group's operations, the Directors are also updated on initiatives and developments on the Group's business as soon as practicable and/or possible and on an ongoing basis.

The Company Secretaries administer and are available to attend Board meetings and assist the Chairman in implementing appropriate Board procedures to facilitate compliance with the Company's Constitution. The Company Secretaries also ensure that the requirements of the Companies Act (Chapter 50), SGX-ST Listing Manual, ASX Listing Rules and other governance matters applicable to the Company are complied with. The Company Secretaries work together with the Company to ensure that the Company complies with all relevant rules and regulations.

Board Matters (continued)

The Board's Conduct of Affairs (continued)

Principle 1 (continued)
Provision 1.6 (continued)

All Directors are updated regularly on changes to the Company's policies and are kept updated on relevant new laws and regulations including Directors' duties and responsibilities, corporate governance and financial reporting standards. Newly appointed Directors are given briefings by the Management on the business activities of the Group.

Provision 1.7 Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Board has separate and independent access to the senior management of the Company and the Company Secretaries at all times. Requests for information are dealt with promptly by senior management.

The Company Secretaries are appointed by the Board and are accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The removal of the Company Secretaries are subject to the approval of the Board. The Company Secretaries work closely with the Chairman to manage the flow of information between the Board, its committees and senior management across the Company.

The Board in fulfilling its responsibilities can, as a collective body or individually as Board members, when deemed fit, direct the Company and at the Company's expense, appoint independent professionals to render advice.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1 An 'independent' director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

The independence of each Director is reviewed annually by the Nominating Committee ("NC") in accordance with the Code's definition of independence. Each independent director is required to declare their independence by duly completing and submitting a 'Confirmation of Independence' form. The declaration requires each Director to assess whether they consider themselves independent and not having any of the relationships identified in the Code. Each Director is required to declare any circumstances in which they may be considered non-independent. The NC reviews the Confirmation of Independence to determine whether a Director is independent. The NC also considers the actions and conduct of the independent directors, including in formal Board meetings, to assess their independence.

As at FY2022, Mr Chong Teck Sin and Mr Wong Fook Choy Sunny have served on the Board for more than 9 years from the date of their first appointment; and Mr Douglas Owen Chester has served on the Board for 9 years as at 2 November 2021. Based on Mr Chong Teck Sin, Mr Wong Fook Choy Sunny and Mr Douglas Owen Chester ("Independent Directors") declaration, the Independent Directors do not have relationships or circumstances that are likely to affect or that could affect their judgement that could compromise their independence on board matters.

In line with the SGX-ST Listing Rule 210(5)(d)(iii) which will take effect from 1 January 2022, the continued appointment of an independent director who has served the Board for an aggregate of more than 9 years was subject to the approval of (a) all shareholders and (b) shareholders, excluding shareholders who are directors and chief executive officer of the Company ("Two-Tier Voting").

In this respect, the approval of the shareholders was obtained through a Two-Tier Voting at the annual general meeting ("AGM") on 29 Oct 2021 for Mr Chong Teck Sin, Mr Wong Fook Choy Sunny and Mr Douglas Owen Chester to continue in office as an independent non-executive director of the Company, notwithstanding that they have served as an independent non-executive director of the Company for an aggregate term of more than nine years. Such resolutions approved by the Two-Tier Voting remain in force for three years from the conclusion of the AGM following the passing of the resolutions or the retirement or resignation of the Director, whichever is earlier.

Board Matters (continued)

Board Composition and Guidance (continued)

Principle 2 (continued)
Provision 2.1 (continued)

The Independent Directors have, over time, not only gained valuable insight into the Group, its business, markets and industry but have brought the breadth and depth of their business experience to the Company. Their length of service has not in any way interfered with their exercise of independent judgment nor hindered their ability to act in the best interests of the Company. The Board has concluded that Independent Directors continue to remain objective and independent-minded in Board determinations.

Taking into account the above after due consideration and careful assessment, and also having weighed the need for Board refreshment against tenure for relative benefit, the NC and the Board are of the view that the Independent Directors continue to be considered an Independent Director notwithstanding that they have served on the Board for more than 9 years.

Provision 2.2 Independent directors make up a majority of the Board where the Chairman is not independent.

As at the date of this Report, the Board comprises six (6) Directors, three (3) of whom are Executive Directors and the remaining three (3) Directors being Independent Directors who make up half of the Board. No individual, or group of individuals, dominates the Board's decision-making as half of the Board consist of Independent Directors.

The majority of the Company's Board are not Independent Directors, including the Chairman. The Board's current composition offers a good balance of diversity and professional background of Directors. It brings a range of longer-term benefits to the Company than having a majority of Independent Directors.

Collectively, the Executive Directors and Independent Directors bring a wide range of experience and expertise as they all currently occupy or have occupied senior positions in industry and/or government, and as such, each contributes significantly to Board decisions.

In order to strengthen the independence of the Board, the Company has appointed a Lead Independent Director, Mr Chong Teck Sin, to co-ordinate and lead the Independent Directors, providing a non-executive perspective and balanced viewpoint.

The Lead Independent Director will represent the Independent Directors in responding to shareholders' questions and comments that are directed to the Independent Directors as a group.

Provision 2.3 Non-executive directors make up a majority of the Board.

As at the date of this Report, the Board comprises six (6) Directors, three (3) of whom are Executive Directors and the remaining three (3) Directors being Independent Directors who make up half of the Board.

While non-executive directors do not make up a majority of the Board, the Board considers the management and oversight function with Executive Directors heavily involved in management activities while non-executive directors exercise an oversight role which brings a range of longer term benefits to the Company more than a majority number of non-executive directors. Diversity of thought and professional background of Directors allow decisions to be made in the best interest of the Company.

The Non-Executive Directors provide constructive review and assist the Board to facilitate and develop proposals on strategy and monitor the performance of senior management in meeting agreed objectives. The Non-Executive Directors have full access to and co-operation from the Company's senior management and officers. They have full discretion to have separate meetings without the presence of senior management and to invite any Director or officer to the meetings as and when warranted.

Provision 2.4 The Board and board committees are of an appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The Board, in concurrence with the Nominating Committee ('NC'), is of the view that the current Board and the Board Committees comprise an appropriate balance and diversity of skills, experience and knowledge of the Company, which provides broad diversity of expertise such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge who, as a group, provide core competencies necessary to meet the Company's requirements. Further details on the key information and the profile of the Directors including their academic and professional qualifications, and other directorships in other listed companies is set out on related pages of this annual report.

Board Matters (continued)

Board Composition and Guidance (continued)

Principle 2 (continued)

Provision 2.4 (continued)

The current Board composition provides a diversity of skill, experience, and knowledge to the Company as follows:

	Balance and Diversity of the Board	
Core Competencies	**Number of Directors**	**Proportion of Board**
Business Management	6	100%
Accounting or finance	6	100%
Legal or corporate governance	6	100%
Strategic planning experience	6	100%
Relevant industry knowledge or experience	4	67%
Gender:		
Male	6	100%
Female	0	0

The Company values diversity and equal opportunity and has various policies in place (which includes the diversity policy, equal opportunity policy, and aboriginal peoples policy, that are available on its corporate website) to ensure that its Board, senior management and workforce is comprised of individuals with diverse skills, values, backgrounds and experience to the benefit of the Group. Diversity refers to characteristics such as age, gender, sexual orientation, race, religion, disability and ethnicity. All appointments and employment of employees including Directors are based strictly on merit and equal opportunity and not driven by any gender bias. Nevertheless, the Company endeavours to include further additional attributes when there is a need to bring in fresh perspectives and enhancements. The composition and renewal of the Board, including the need for progressive refreshing of the Board, is reviewed on an annual basis by the NC to ensure that the Board has the appropriate balance and mix of skills, knowledge, expertise, experience and other aspects of diversity such as gender and age, so as to avoid group think and foster constructive debate and possesses the necessary competencies for effective decision making. The Company's annual Sustainability Report clearly articulates the Company's strategy, targets, performance and future focus in relation to diversity.

Provision 2.5 Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

In order to strengthen the independence of the Board, the Company has appointed a Lead Independent Director, Mr Chong Teck Sin, to co-ordinate and lead the Independent Directors, providing a non-executive perspective and balanced viewpoint.

The Independent Directors communicate regularly without the presence of the other Executive Directors and senior management, to discuss matters such as succession and leadership development planning, board processes and corporate governance matters. Feedback on the outcomes of these discussions is provided to the Executive Chairman.

To facilitate an effective review of the senior management, the Non-Executive Directors meet as and when necessary and at least once a year with Auditors without the presence of the senior management.

The Board and senior management fully appreciate that a fundamental of good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge senior management on its assumptions and proposals.

Board Matters (continued)

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 The Chairman and the Chief Executive Officer ('CEO') are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

Mr James Finbarr Fitzgerald is the Executive Chairman of the Company, while Mr Patrick John Tallon is an Executive Director and Chief Executive Officer ('CEO').

The Executive Chairman and the Chief Executive Officer are not related.

Provision 3.2 The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

Whilst the Board does not have an independent Chairman, the roles of the Executive Chairman and that of the CEO are clearly delineated. The Board believes that while the Chairman is not independent, the current composition of the Board with its combined skills and capability, and its mix of experience, best serve the interests of shareholders.

The two roles are separated whereby the Executive Chairman bears responsibility for providing guidance on the corporate direction of the Group and leadership to the Board, and the CEO has executive responsibility for the Company's day-to-day business.

Provision 3.3 The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Company has appointed a Lead Independent Director, Mr Chong Teck Sin. As well as representing the views of the Independent Directors, he is also available to shareholders and to facilitate a two-way flow of information between shareholders, the Executive Chairman and the Board. In addition, all the Board Committees are led and solely comprise of Independent Directors.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 The Board establishes a Nominating Committee ('NC') to make recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of directors (including alternate directors, if any).

The Company had established an NC to make recommendations to the Board on all board appointments.

Board Matters (continued)

Board Membership (continued)

Principle 4 (continued)
Provision 4.1 (continued)

The formal terms of reference of the NC are to:

- nominate senior management personnel, Directors (including Independent Directors) taking into consideration their competencies, contribution, performance and ability to commit sufficient time and attention to the affairs of the Group and considering their respective commitments outside the Group;
- review and recommend to the Board the composition of the Audit Committee, Remuneration Committee and Risks and Conflicts Committee;
- re-nominate Directors for re-election in accordance with the Constitution at each AGM and having regard to the Director's contribution and performance;
- determine annually whether or not a Director of the Company is independent;
- decide whether or not a Director is able to and has been adequately carrying out their duties as a Director;
- assess the performance of the Board annually as a whole and the individual contribution of each Director and senior management personnel to the effectiveness of the Board;
- review and recommend succession plans for Directors and senior management, in particular the Executive Chairman and the CEO; and
- review and recommend training and professional development programmes for the Board and senior management personnel.

The Company does not have a practice of appointing alternate Directors.

During the reporting period of the year, the NC has:

- reviewed the structure, size and composition of the Board and Board Committees;
- reviewed the independence of Directors;
- reviewed and undertaken the process for evaluating the Board, individual Directors, and senior management personnel performance;
- reviewed results of performance evaluation and provided feedback to the Chairman and Board Committees;
- reviewed the need for progressive refreshing of the Board and provided feedback to the Chairman and Board Committees;
- reviewed succession planning for the Chairman, CEO and senior management personnel and notified the Board; and
- discussed information required to be reported under the 2018 Code or Listing Manual.

Provision 4.2 The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

The NC comprises of three members, all of whom including the NC Chairman are Independent Non-Executive Directors:

Mr. Douglas Owen Chester – NC Chairman

Mr. Chong Teck Sin – Member and Lead Independent Director

Mr. Wong Fook Choy Sunny – Member

Board Matters (continued)

Board Membership (continued)

Principle 4 (continued)

Provision 4.3 The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

The process for the selection and appointment (or re-appointment) of Board members is as follows:

- the NC evaluates the balance of skills, knowledge and experience of the Board and, in light of such evaluation and in consultation with the Board, prepares a description of the role and the essential and desirable competencies for a particular appointment (or re-appointment);
- if required, the NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board;
- the NC meets with short-listed candidates to assess their suitability and ensure that the candidates are aware of the expectations; and
- the NC makes recommendations to the Board for approval.

Pursuant to Article 118 of the Company's Constitution, all the directors are required to retire from office at every AGM of the Company.

After due review, the Board has accepted the recommendation of the NC and, accordingly, the below named directors will be offering themselves for re-election at the forthcoming AGM:

1. James Finbarr Fitzgerald
2. Patrick John Tallon
3. Kevin James Deery
4. Chong Teck Sin
5. Wong Fook Choy Sunny
6. Douglas Owen Chester

Provision 4.4 The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

The independence of each Director is reviewed annually by the Nominating Committee ('NC') in accordance with the Code's definition of independence. Each Independent Director is required to declare their independence by duly completing and submitting a 'Confirmation of Independence' form. The declaration requires each Director to assess whether they consider themselves independent and not having any of the relationships identified in the Code. Each Director is required to declare any circumstances in which they may be considered non-independent. The NC reviews the Confirmation of Independence to determine whether a Director is independent. The NC also considers the actions and conduct of the Independent Directors, including in formal Board meetings, to assess their independence. The NC has carefully reviewed and subsequently determined that the Independent Directors namely Mr Chong Teck Sin, Mr Wong Fook Choy Sunny and Mr Douglas Owen Chester, are independent.

Provision 4.5 The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

Board Matters (continued)

Board Membership (continued)

Principle 4 (continued)

Provision 4.5 (continued)

The dates of Director's initial appointment, last re-election and their directorships are set out below:

Name of Director	Date of Initial Appointment	Date of Last Re-election	Present Directorships in Listed Companies	Past Directorships in Listed Companies(2)
James Finbarr Fitzgerald	27 Mar 2012	29 Oct 2021	-	-
Patrick John Tallon	27 Mar 2012	29 Oct 2021	-	-
Kevin James Deery	27 Mar 2012	29 Oct 2021	-	-
Chong Teck Sin	27 Mar 2012	29 Oct 2021	Changan Minsheng APLL Logistics Co., Ltd(1) InnoTek Limited AIMS APAC REITS Management Limited	-
Wong Fook Choy Sunny	27 Mar 2012	29 Oct 2021	Mencast Holdings Ltd Excelpoint Technology Ltd InnoTek Limited	KTL Global Ltd
Douglas Owen Chester	2 Nov 2012	29 Oct 2021	-	-

Notes:
(2) Listed on Hong Kong Stock Exchange
(2) Past Directorships within the past 3 years

The NC has considered and taken the view that it would not be appropriate at this time to set a limit on the number of listed company directorships that a Director may hold. Directors have different capabilities, the nature of the organisations in which they hold appointments and the committees on which they serve are of different complexities, and accordingly, each Director would personally determine the demands of their competing directorships and obligations and assess the number of listed company directorships they could hold and serve effectively. Currently, none of the Directors hold more than three (3) directorships in other listed companies.

In addition, the NC also determines annually whether a Director with multiple board representations is able to and has been adequately carrying out their duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board. The NC is satisfied that for FY2022 sufficient time and attention have been devoted by the Directors to the affairs of the Company and the Group. As such, there is presently no need to implement internal guidelines to address their competing time commitments notwithstanding that some of the Directors have multiple board representations.

The NC will, however, continue to review, from time to time, the Board representations and other principal commitments to ensure that Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1 The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

For the year under review, the NC held two (2) meetings and evaluated the Board's performance as a whole and the contribution of each director to the effectiveness of the Board. The NC has adopted a formal process and criteria to assess the effectiveness of the Board and each of the Directors. The evaluation is carried out annually.

Board Matters (continued)

Board Performance (continued)

Principle 5 (continued)

Provision 5.2 The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

The NC undertakes an annual formal review and evaluation of both the Board's performance as a whole, as well as individual Director's performance, such as Board commitment, standard of conduct, competency, training & development and interaction with other Directors, senior management and stakeholders.

All Directors complete an evaluation questionnaire designed to seek their view on the various aspects of their individual and Board performance so as to assess the overall effectiveness of the Board.

The completed questionnaire is collated, and the results of the evaluation exercise are subsequently considered by the NC, before making recommendations to the Board. The Chairman of the Board may take actions as may be appropriate according to the results of the performance evaluation, which will be based on objective performance criteria proposed by the NC and approved by the Board.

The performance of individual Directors is assessed based on factors which include their attendance, participation at the Board and Board committee meetings and contributions to the Board in long range planning and the business strategies as well as their industry and business knowledge.

Each member of the NC abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of their performance and re-nomination as a Director.

The NC conducted a performance evaluation of the Board and Board Committees for FY2022 consistent with this process and determined that all directors have demonstrated full commitment to their roles and contributed effectively in the discharge their duties. Both the NC and the Board are of the view that the Board has met its performance objectives for FY2022.

Remuneration Matters

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 The Board establishes a Remuneration Committee ('RC') to review and make recommendations to the Board on:

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each director as well as for the key management personnel.

The Company has established a Remuneration Committee (RC) to make recommendations to the Board on remuneration packages of individual Directors and key senior management personnel. The Company has developed a remuneration policy for fixing the remuneration packages of Directors and senior executives.

The formal terms of reference of the RC, are to:

- recommend to the Board a framework of remuneration for the Directors and key senior management personnel;
- determine specific remuneration packages for each Executive Director;
- review annually the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities; and
- perform such other acts as may be required by the SGX-ST and the Code, or ASX, from time to time.

The recommendations of the RC are submitted for endorsement by the entire Board. Each member of the RC abstains from voting on any resolutions in respect of their own remuneration package. Also, in the event that a member of the RC is related to the employee under review, they will abstain from participating in that review. Directors are not involved in the discussion and in deciding their own remuneration.

Remuneration Matters (continued)

Principle 6 (continued)

Provision 6.2 The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

The RC comprises of three members, all of whom including the RC Chairman are Independent Non-Executive Directors:

Mr. Wong Fook Choy Sunny – RC Chairman

Mr. Chong Teck Sin – Member and Lead Independent Director

Mr. Douglas Owen Chester – Member

Provision 6.3 The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC has established a framework of remuneration for the Board and key senior management personnel covering all aspects of remuneration but not limited to Directors' fees, salaries, allowances, bonuses, incentive schemes and benefits-in-kind.

The RC also oversees the administration of the Civmec Limited Employee Share Option Scheme ('CESOS'), the Civmec Limited Performance Share Plan ('CPSP') and the Civmec Limited Performance Rights Plan ('CPRP') upon the terms of reference as defined in the CESOS, CPSP and CPRP. The CESOS, CPSP and CPRP were established on 27 March 2012, 25 October 2012 and 25 October 2019 respectively, with a 10-year tenure commencing on the establishment date.

The Company has a policy that governs the Directors and senior management personnel dealing in securities trading. The securities trading policy reflects the Corporations Act 2001 prohibition on senior management personnel and their closely related parties from hedging the senior management personnel's incentive remuneration. The senior management personnel, and their immediate family and controlled entities are prohibited from entering into any arrangement that would have the effect of limiting the senior management personnel's exposure to risk relating to an element of the senior management personnel's remuneration that is unvested, or is vested but remains subject to a holding lock.

The RC reviews the fairness and reasonableness of the termination clauses of the service agreements of Executive Directors to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key senior management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group. The Executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors and key senior management personnel in the event of such exceptional circumstances of breach of fiduciary duty.

During the reporting period of the year, the RC has:

- reviewed and approved remuneration for Executives which includes salary, Short Term and Long Term incentives;
- reviewed benchmarking of fees for directors;
- reviewed the remuneration packages of employees in the Group which includes salary adjustments and bonus; and
- reviewed the remuneration package of the Executive Directors and CEO which includes salary, Short Term and Long Term incentives.

Provision 6.4 The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

The RC has access to expert professional advice on human resource and remuneration matters whenever there is a need to consult externally.

During the financial year, the fixed remuneration of executives was benchmarked against peers based on the industry salary surveys sourced from AON Hewitt McDonald.

Remuneration Matters (continued)

Level and Mix Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1 A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

Executive Directors and key senior management personnel remuneration comprises a fixed and a variable component, the latter of which is in the form of a bonus linked to the performance of the individual as well as the Group. In addition, short-term and long-term incentives, such as the CESOS, CPSP and CPRP, are in place to strengthen the pay-for-performance framework by rewarding and recognising the key executives' contributions to the growth of the Group. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote long-term sustainability of the Group.

During FY2022, no Share Options under the CESOS were granted, as required under the ASX Listing Rules. Refer to the Directors' Statement for details of Performance Rights granted to Executive Directors and key senior management personnel.

Provision 7.2 The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The remuneration of the Independent Directors is in the form of a fixed fee which is subject to shareholders' approval at the AGM. Each member of the RC abstains from voting on any resolution, participating in any deliberation of the RC, and making any recommendation in respect of their own remuneration.

The Independent Directors' fees were derived using the fee structure as follows:

	Annual Fees (S$)
Independent Director who is the Chairman of the Audit Committee	93,000
Other Independent Director	82,000

Provision 7.3 Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

In making its recommendations to the Board on the level and mix of remuneration, the RC strives to be competitive, linking rewards with performance. It takes into consideration the essential factors to attract, retain and motivate the Directors and senior management needed to run the Company successfully, linking rewards to corporate and individual performance, and aligning their interest with those of the shareholders.

The Company has renewed the service agreements with the Executive Directors, Mr James Finbarr Fitzgerald, Mr Patrick John Tallon and Mr Kevin James Deery. Each service agreement is valid for a period of three (3) years with effect from the date of expiry of the previous period. During the renewal period of three (3) years, either party may terminate the Service Agreement at any time by giving to the other party not less than six (6) months' notice in writing, or in lieu of notice, payment of amount equivalent to six (6) months' salary. The Executive Directors do not receive Director's fees.

Pursuant to Article 118 of the Company's Constitution, all the directors (including independent directors) are required to retire from office at every AGM of the Company, meaning that the independent directors are appointed for a one year term when elected.

The remuneration packages of the Executive Directors and the key senior management personnel are based on service agreements and their remuneration is determined having due regard to the performance of the individuals, the Group as well as market trends.

Remuneration Matters (continued)

Level and Mix Remuneration (continued)

Principle 8 The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

For competitive reasons and the sensitive nature of such information, the Board is of the opinion that it is in the best interests of the Company to not disclose remuneration of each individual Director for the year ended 30 June 2022. Instead, the Company discloses the bands of remuneration in the following tables to avoid such information being exploited by competitors and to maintain personal confidentiality on remuneration matters:

For the year ended 30 June 2022					
Name of Director	**Salary**	**Bonus**	**Directors' Fees**	**Allowances and Other Benefits**	**Total**
A$1,000,000 to A$1,250,000					
James Finbarr Fitzgerald	56%	40%	-	4%	100%
Patrick John Tallon	56%	40%	-	4%	100%
Kevin James Deery	55%	41%	-	4%	100%
Below A$250,000					
Chong Teck Sin	-	-	100%	-	100%
Douglas Owen Chester	-	-	100%	-	100%
Wong Fook Choy Sunny	-	-	100%	-	100%

Details of remuneration paid to key senior management personnel (who are not Directors of the Company) of the Group for the financial year ended 30 June 2022 are set out below:

For the year ended 30 June 2022					
Name of Key Executive	**Designation**	**Salary**	**Bonus**	**Allowances and Other Benefits**	**Total**
A$500,000 to A$750,000					
Rodney Bowes	Executive Group Manager Proposals	56%	37%	7%	100%
Adam Goldsmith	Executive Group Manager Operational Support	56%	37%	7%	100%
Mylon Manusiu	Executive General Manager – Maintenance and Capital Works, Refineries and Smelters	69%	27%	4%	100%
David Power	Executive General Manager Manufacturing	63%	29%	8%	100%
Charles Sweeney	Executive General Manager Construction	59%	35%	6%	100%
A$250,000 to A$500,000					
Daniel Kennedy[(1)]	Executive General Manager – Maintenance and Capital Works, Resources and Energy	90%	4%	6%	100%

Notes:
(1) Appointed on 26/08/2021.

Remuneration Matters (continued)

Level and Mix Remuneration (continued)

Principle 8 (continued)
Provision 8.1 (continued)

The annual aggregate remuneration paid to all the above-mentioned Directors and key senior management personnel of the Group is A$7,292,000 (2021: A$5,218,000).

The procedures for developing remuneration policies and for fixing the remuneration packages of individual directors have been set out under principle 6 of the Corporate Governance Report above.

The relationships between the remuneration of the Board and key senior management personnel and the performance and value creation of the Company have been set out under principle 6 of the Corporate Governance Report above.

Provision 8.2 The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Name of Employee	Designation	Relationship
A$150,000 to A$249,999		
Thomas Tallon	Supervisor	Brother of CEO Patrick Tallon

The RC is of the view that the remuneration of these family members is in line with the company remuneration guidelines and commensurate with their job scope and level of responsibilities.

Provision 8.3 The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

More details in relation to the CESOS, CPSP and CPRP can be found in the 'Directors' Statement' in the 'Financials' section of the Annual Report.

Accountability and Audit

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Company has established a Risks and Conflicts Committee (RCC) to advise and make recommendations to the Board on risk and conflict matters.

The RCC is guided by its Terms of Reference which highlights its primary responsibilities are to:

- review and monitor the Group's risk management framework and activities, including the Group's levels of risk tolerance and risk policies;
- report to the Board regarding the Group's risk exposures, including the review risk assessment model used to monitor the risk exposures and senior management's views on the acceptable and appropriate level of risk faced by the Group's Business Units;
- recommend and adopt appropriate measures to control and mitigate the business risks of the Group, as and when these may arise; and
- perform any other functions as may be agreed by the Board.

During the reporting period of the year, the RCC has:

- reviewed the Risk Register and Risk Management Framework;

Accountability and Audit (continued)

Risk Management and Internal Controls (continued)

Principle 9 (continued)
Provision 9.1 (continued)

- requested revisions to the Risk Mitigation Plan presented by senior management to mitigate and monitor the risk exposure;
- reviewed the Project Risk and Opportunity Reporting Improvements; and
- reviewed the Policies adopted by the Company such as Bribery & Corruption Policy and Procedures and the Code of Conduct.

The RCC reviews all significant control policies and procedures and highlights all significant risk matters to the Board for discussion and to take appropriate actions, if required.

The RCC comprises three members, all of whom, including the RCC Chairman are Independent Non-Executive Directors:

Mr. Chong Teck Sin – RCC Chairman and Lead Independent Director

Mr. Douglas Owen Chester – Member

Mr. Wong Fook Choy Sunny – Member

Provision 9.2 The Board requires and discloses in the company's annual report that it has received assurance from:

(a) the CEO and the Chief Financial Officer ('CFO') that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The Group's internal controls and systems are designed to provide reasonable assurance on the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets. Procedures are in place to identify major business risks and to evaluate potential financial effects, as well as for the authorisation of capital expenditure and investments.

The external auditors carry out, in the course of their statutory audit, an annual review of the effectiveness of the Group's key internal controls, including financial, operational, compliance, information technology controls as well as risk management systems to the extent of their scope as laid out in their audit plan. Any material weaknesses in internal controls, together with recommendations for improvement, are reported to the AC and RCC.

The Company's internal audit function prepares an annual internal audit plan, which takes account of the Company's key risks and other assurance activities performed, enabling internal audit resources to be targeted to areas of greatest value across the Company's operations, including group and subsidiary structures. Processes subject to internal audit include financial, administrative, operational and project specific activities and systems. The internal audit function provides advice on the effectiveness of risk management processes and material internal controls, recommends corrective actions and control improvements and follows up on the implementation of action plans designed by management to address any control deficiencies or improvement opportunities. Internal audit reports containing internal audit results, recommendations and agreed action plans are presented to the AC on a quarterly basis.

The Company appoints internal auditors to carry out a review of the adequacy and effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology controls as well as risk management systems to the extent of their scope as laid out in their audit plan.

In the absence of evidence to the contrary, the Board is satisfied the system of internal controls maintained by the Company and that was in place throughout the financial year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance risks. Based on the risk management and internal control systems established and implemented by the Group, and work conducted by the internal auditors, external auditors and our internal audit team, the Board, with the concurrence of the AC, is satisfied the Company's system of internal controls and risk management procedures maintained by the Group are adequate and effective to meet the needs of the Company in addressing the financial, operational, compliance, information technology controls and risk management systems in the Group's current business environment, with no material weaknesses identified.

Accountability and Audit (continued)

Risk Management and Internal Controls (continued)

Principle 9 (continued)

Provision 9.2 (continued)

The Board has received assurances from the CEO and acting Chief Financial Officer that:

(i) the financial records have been properly maintained (and the financial statements comply with the appropriate accounting standards) and the financial statements give a true and fair view of the Company's operations and finances; and

(ii) the Company's risk management and internal control systems are adequate and effective.

The Board notes that all internal control systems are designed to manage rather than eliminate risks and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

The Company will publish its Sustainability Report later in 2022, which will further consider the management of any material economic, environmental and social sustainability risks faced by the Group.

Audit Committee

Principle 10: The Board has an Audit Committee ('AC') which discharges its duties objectively.

Provision 10.1 The duties of the AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the acting CFO on the financial records and financial statements;

(d) making recommendations to the Board on:

(i) the proposals to the shareholders on the appointment and removal of external auditors; and

(ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The AC is governed by terms of reference with its primary responsibilities as follows:

- to assist the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, and develop and maintain effective systems of internal control with the overall objective of ensuring that our management creates and maintains an effective control environment in the Group;
- to provide a channel of communication between the Board, the management team, the external auditors and internal auditors on matters relating to audit;
- to monitor senior management's commitment to the establishment and maintenance of a satisfactory control environment and an effective system of internal control (including any arrangements for internal audit);
- to monitor and review the scope and results of external audit and its cost effectiveness and the independence and objectivity of the external auditors; and
- to monitor and review the scope and results of internal audit and the cost effectiveness of the internal auditors.

In addition, the functions of the AC are to:

- review with the external auditors the audit plans, their evaluation of the system of internal controls, their management letter and the management's response thereto;

Accountability and Audit (continued)

Audit Committee (continued)
Principle 10 (continued)
Provision 10.1 (continued)

- review with the internal auditors the internal audit plans and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval;
- review the quarterly and annual financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual, ASX Listing Rules and any other relevant and statutory or regulatory requirements;
- review the internal control and procedures and ensure co-ordination between the external auditors and the management, review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- review and consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
- review and consider the appointment or re-appointment of the internal auditors and matters relating to resignation or dismissal of the auditors;
- review interested person transactions (if any);
- review the Groups' hedging policies, procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging polices approved by the Board;
- review potential conflicts of interest, if any, and to set out a framework to resolve or mitigate such potential conflicts of interests;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- review and discuss with investigators, any suspected fraud, irregularity, or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response thereto;
- generally to undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual and ASX Listing Rules, and by such amendments made thereto from time to time;
- review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;
- review the findings of internal investigation into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position;
- review key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET and ASX Online; and
- review the Group's compliance with such functions and duties as may be required under the relevant statutes or the SGX-ST Listing Manual and ASX Listing Rules, including such amendments made thereto from time to time.

The AC has the power to conduct or authorise investigations into any matters within its scope of responsibility. The AC is authorised to obtain independent professional advice whenever deemed necessary to discharge of its responsibilities at the Company's expenses.

The AC has the co-operation of and complete access to the Company's management. It has full discretion to invite any Director or Executive Officer to attend the meetings, and has been given reasonable resources to enable the discharge of its functions.

Accountability and Audit (continued)

Audit Committee (continued)

Principle 10 (continued)

Provision 10.1 (continued)

As at the reporting period of the year, the AC has:

- reviewed the scope of work of the external auditors;
- reviewed the scope of work of the internal auditors;
- reviewed audit plans and discussed the results of the respective findings and their evaluation of the Company's system of internal accounting controls;
- reviewed interested person transactions of the Company;
- met with the Company's external auditors and internal auditors without the presence of the management;
- reviewed the external auditors' independence and objectivity; and
- reviewed the Company's procedures for detecting fraud and whistle-blowing matters and to ensure that arrangements are in place by which any employee, may in confidence, raise concerns about improprieties in matters of financial reporting, financial control, or any other matters. A report is presented to the AC on a quarterly basis whenever there is a whistle-blowing issue.

The AC, having reviewed the external auditors' non-audit services, is satisfied there were no non-audit services rendered that would affect the independence of the external auditors. The AC recognises the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on monetary consideration.

The aggregate amount of agreed fees to be paid to the external auditors, Moore Stephens LLP for FY2022 is A$110,000 (equivalent S$110,000) which comprises audit fee of A$90,000 (equivalent S$90,000) and A$20,000 (equivalent S$20,000) non-audit fees. The AC has recommended to the Board the re-appointment of Moore Stephens LLP as the Company's external auditors at the forthcoming AGM.

The AC is kept abreast by the external auditors of changes to accounting standards, SGX-ST Listing Manual and ASX Listing Rules, and other regulations which could have an impact on the Group's business and financial statements.

The Company has a whistle-blowing policy where people may, in confidence, raise concerns about possible improprieties in matters of financial reporting, fraudulent acts, bribery/ corruption conduct, breach of code of conduct and other matters, and has ensured that arrangements are in place for independent investigations of such matters and for appropriate follow up actions. All whistle-blowing reports will be addressed to the AC Chairman, either directly or through STOPline, the whistle-blowing service provider. Staff are regularly informed of the existence of the whistle-blowing mechanism and encouraged to report relevant matters.

There were two reports received through the whistle-blowing system during FY2022. These reports were related to breach of code of conduct and misuse of company resources / asset misappropriation. The reports were investigated and found to be unsubstantiated and no action was required to be taken in relation to the reports.

Provision 10.2 The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The Audit Committee comprises the following three members, all of whom, including the AC Chairman, are Non-Executive Independent Directors:

Mr. Chong Teck Sin	– AC Chairman and Lead Independent Director
Mr. Douglas Owen Chester	– Member
Mr. Wong Fook Choy Sunny	– Member

The Board ensures that the members of the AC are appropriately qualified to discharge their responsibilities and they possess the requisite accounting and/or financial management expertise and experience.

Accountability and Audit (continued)

Audit Committee (continued)

Principle 10 (continued)

Provision 10.3 The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation:

(a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case,

(b) for as long as they have any financial interest in the auditing firm or auditing corporation.

None of the AC members are previous partners or directors of the Group's auditors, Moore Stephens LLP and none of the AC members hold any financial interest in Moore Stephens LLP.

Provision 10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

The Board recognises the importance of maintaining an internal audit function, independent of the activities it audits, to maintain a sound system of internal control within the Company to safeguard shareholders' investments and the Company's assets.

The Company's internal audit function is outsourced to Deloitte, which is one of the Big Four multinational accounting organisations and it is independent of the Company's business activities. The internal audit team that provide expertise and industry insights to strengthen the Company's governance and risk management on an annual basis and comprises a director, a senior manager and supported by other staff, which have more than 30 years of relevant experience combined. The internal auditors conduct the audit based on the standards set by internationally recognised professional bodies. The annual internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The internal auditors review the effectiveness of key internal controls in accordance with the internal audit plan.

Staffed by suitably qualified and experienced executives, the internal auditors have unrestricted direct access to the AC and unfettered access to all the Company's documents, properties and personnel. The internal auditors have a direct and primary reporting line to the AC and assist the AC in overseeing and monitoring the implementation and improvements required on internal control weaknesses identified. The AC reviews the adequacy and effectiveness of the internal audit function quarterly.

The role of the internal auditors is to support the AC in ensuring that the Group maintains a sound system of internal controls by monitoring and assessing the effectiveness of key controls and procedures, conducting in-depth audits of high-risk areas and undertaking investigations as directed by the AC.

The AC regularly reviews the performance of the internal auditors and determines their reappointment and level of remuneration.

The AC reviews the adequacy of the function of the internal audit annually and based on this review believes that the internal auditors have adequate resources to perform their function effectively and objectively and has unfettered access to the Company's documents, records, properties and personnel.

The AC is satisfied with the effectiveness of the existing internal control systems put in place by senior management to meet the needs of the Group in its current business environment.

The Company's external auditors also conduct annual reviews of the effectiveness of the Group's material internal controls for financial reporting in accordance with the scope as laid out in their audit plans.

Provision 10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC has met with the Company's external auditors and internal auditors without the presence of the management and has full unfettered access to do so.

Shareholders' Rights and Engagement

Shareholders' Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

30 June 2022

Shareholders' Rights and Engagement (continued)

Shareholders' Rights and Conduct of General Meetings (continued)

Principle 11 (continued)

Provision 11.1 The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Annual General Meeting ('AGM') and other shareholders' meetings will always be held at a reasonable place and time. The Company ensures that shareholders have the opportunity to participate effectively and vote at shareholders' meetings. In this regard, shareholders are informed of shareholders' meetings through notices contained in annual reports or a circular sent to all shareholders. These notices are also published in the local newspaper and posted on SGXNET and ASX Online. Shareholders are able to send and receive communications electronically with the Company through its respective share registries platform in Singapore and Australian, details for doing so are available on the corporate website at www.civmec.com.au

Due to the COVID-19 pandemic crisis and in line with the joint statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation of 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020 and 1 October 2020), the AGM was held by electronic means via live webcast during this period. The AGM was conducted on 29 October 2021 in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debentures Holders) Order 2020.

At AGM and other shareholders' meetings, the Executive Chairman ensures constructive dialogue between the Board and shareholders and upholds high standards of corporate governance. Shareholders are invited and given the opportunity to voice their views, put forth any questions and seek clarification on questions they may have regarding the Company. Shareholders are also informed of the rules and voting procedures governing such meetings under the relevant notice of meeting.

For greater transparency, the Company has adopted the voting of all its resolutions by poll at the general meetings and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages are announced at the meeting and via announcements on SGXNET and ASX Online made on the same day.

Provision 11.2 The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are 'bundled', the company explains the reasons and material implications in the notice of meeting.

Resolutions are, as far as possible, structured separately and may be voted on independently.

Provision 11.3 All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.

The Directors and the external auditors are available at the AGM to answer shareholders' queries. In FY2022, all Directors and the external auditor attended the AGM.

Provision 11.4 The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

The Group fully supports the Code's principle to encourage shareholders' participation in and vote at all the general meetings. The AGM will always be held at a reasonable place and time. The Company's Constitution allows the appointment of not more than two proxies by shareholders to attend the AGM and vote on his/her/their behalf. Shareholders who hold shares through nominees are allowed, upon prior request through their nominees, to attend the general meetings as proxies without being constrained by the two-proxy requirement.

The Company, however, has not implemented measures to allow shareholders who are unable to vote in person at the Company's AGM the option to vote in absentia, such as via mail, electronic mail or facsimile transactions as the authentication of shareholder indemnity information and other related security issues remain a concern. The Company will review its Constitution from time to time. Where an amendment to its Constitution is required to align the relevant provisions with the requirements of the SGX-ST Listing Manual and the ASX Listing Rules, shareholders' approval will be obtained.

During the COVID-19 pandemic crisis period, the shareholders could only exercise their option to appoint the Chairman of the AGM as their proxies to attend and vote on behalf of the AGM of the Company held via live webcast regarding their directions to vote. If the shareholders gave no specific direction for voting, the proxy would be disregarded and abstained from voting on any matter arising at the AGM.

Shareholders' Rights and Engagement (continued)

Shareholders' Rights and Conduct of General Meetings (continued)

Principle 11 (continued)
Provision 11.4 (continued)

Where an amendment to its Constitution is required to align the relevant provisions with the requirements of the SGX-ST Listing Manual and the ASX Listing Rules, shareholders' approval will be obtained.

Provision 11.5 The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company Secretaries prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and the senior management, and makes these minutes available to shareholders at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898 during normal business hours upon written request.

Minutes of general meetings will be published on the Company's corporate website within 30 days of the date of the meeting.

Provision 11.6 The company has a dividend policy and communicates it to shareholders.

Civmec Limited is committed to providing excellent returns to its shareholders through a combination of longer-term capital growth and regular dividend payments. The Board considers a range of factors in determining the dividend payable in any year, including the business environment, balance sheet, working capital requirements of the business and potential investment opportunities. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. Any payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET and ASX Online when the Company discloses its financial results.

The Company's dividend policy is published on the Company's corporate website at www.civmec.com.au.

The Company has proposed a tax exempt (foreign source) Final Dividend of A$0.02 per ordinary share for the financial year ended 30 June 2022, payment of which is subject to shareholders' approval at the forthcoming AGM. This dividend is fully franked for Australian tax resident shareholders.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1 The company provides avenues for communication between the Board and all shareholders and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Board is mindful of its obligations to furnish timely information to its shareholders, the public and regulators and to ensure full disclosure of material information to its shareholders in compliance with the statutory requirements and the SGX-ST Listing Manual and ASX Listing Rules.

In this respect the Board is responsible for the release of half yearly and full year results, price sensitive information, the annual report and other material corporate developments in a timely manner and within the legally prescribed period. The Company does not practise selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Manual, the Companies Act of Singapore and the ASX Listing Rules, it is the Company's policy that all the shareholders should be equally informed, on a timely basis via SGXNET and ASX Online, of all major developments that will or expect to have an impact on the Company or the Group. The Board will also receive copies of all material market announcements promptly after they have been made by the Company. The Company also updates shareholders of its corporate developments and Continuous Disclosure Policy through its corporate website at www.civmec.com.au

In addition, all price sensitive information was publicly released either before the Company met with any of the Company's investors or analysts or simultaneously with such meetings. Financial results and other corporate announcements of the Company are disseminated through announcements via SGXNET and ASX Online.

Shareholders' Rights and Engagement (continued)

Engagement with Shareholders (continued)

Principle 12 (continued)

Provision 12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Company has in place an investor relations policy which sets out the principles and practices that the Company applies in order to provide shareholders and prospective investors with information necessary to make well informed investment decisions and to ensure a level playing field.

In addition, the Group has in-house professionals that support the Company to promote relations with, and act as liaison for, institutional investors and public shareholders.

Provision 12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

Relevant contact information through which shareholders may contact the Company are published on its corporate website at https://www.civmec.com.au/investors/shareholder-services/.

Principle 13 The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

Provision 13.2 The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Provision 13.3 The company maintains a current corporate website to communicate and engage with stakeholders.

The Company engages its stakeholders through different channels to establish, address and monitor the material environmental, social and governance (ESG) factors of the Company's operations and its impact on the various stakeholders. Such stakeholders include employees, community, government, regulators, shareholders and investors.

The Company engages stakeholders through the various channels that are already in place, understanding its stakeholders' concerns better, and addressing any issues that they may face. In addition, engagement channels and frequencies are reviewed periodically to ensure that they are sufficient to deal with current identified stakeholders' ESG-related issues.

The Company is committed to enhance and improve the current engagement initiatives, while staying abreast of new trends or developments that may affect the sustainability standing of the Company, and eventually devise corresponding measures to resolve the new ESG issues.

The Company's website can be found at www.civmec.com.au. and includes a tab labelled 'Investors' which provides investors with all the information they may require.

Other Governance Practices

Material Contracts

There were no material contracts of the Company and its subsidiaries, including loans, involving the interests of any Director, the CEO or the controlling shareholders during FY2022.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and these interested persons' transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. There was no material interested person transactions for FY2022.

Independent Auditor's Report
to the Members of Civmec Limited

(Incorporated in Singapore)

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MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Civmec Limited (the 'Company') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the 'Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ('ACRA') Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Incorporated in Singapore)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financials as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Accounting for construction contracts	**Our response**
We refer to Note 3(a)(ii), 3(a)(iii) and 3(b)(i) under "Critical Accounting Judgements and Key Sources of Estimation Uncertainty", Note 4 and Note 34 to the financial statements. During the financial year ended 30 June 2022, revenue from construction contracts amounted to A$649.7 million which represented 80.3% of the total revenue of the Group. Contract revenue comprises the initial amount agreed in the contract and variations in the contract as constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently removed. The amount of revenue recognised is based on the Group's progress towards completion of the construction contract, determined based on the proportion of construction costs incurred to date to the estimated total contract costs ("input method"). The Group uses the input method to measure project progress and recognises contract revenue in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*.	• We performed procedures to understand the projects through discussions with management and examination of key project documents including contracts and correspondences with customers on delays and extension of time. We evaluated the relevant key controls put in place by the management over the construction contract revenue and costs recognition on construction contracts. • In relation to the contract revenue for projects, on a sample basis, we have: o Traced the contract sums to the contracts and variation orders entered into by the Group and its customers. o Challenged the appropriateness of the Group's judgement on the variations and claims included in the computation of the construction contract revenue via scrutiny of relevant customer correspondence, legal/specialist consultant correspondence and inspecting key clauses in the contracts and variation orders. o Held discussions with senior operational and financial management, as well as the Group's legal advisors and specialist consultants where appropriate, to evaluate management's assessment that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently removed. o Assessed the adequacy of the provision for onerous contracts based on our understanding of the projects. This includes reviewing management's assessment of provision for onerous contracts by focusing on projects with low or negative margins. We have also held discussions with senior operational and financial management, where appropriate on these projects.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED

(Incorporated in Singapore)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Accounting for construction contracts (continued)	Our response (continued)
Estimates of revenues, costs or the extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. The determination of estimated contract revenue, total contract costs and costs to complete require significant judgement which may impact on the amounts of construction contract revenue and profits recognised during the year, including the provision for onerous contracts. We have therefore, identified this as a key audit matter.	• In relation to total contract costs, on a sample basis, we have: o Tested costs incurred to date and agreed these to supporting documentation. o Evaluated the appropriateness of inputs, amongst others, materials, subcontractor and labour costs used by management in their estimation of the total cost to complete the contract or project, and obtained supporting documentation on the major inputs. o We examined key project documentation and discussed the progress of the significant projects with the Group's key project personnel and management for significant events that could impact the estimated total contract costs and stage of completion. • We have recomputed the percentage of completion based on actual cumulative contract costs incurred to date to the total estimated contract costs for individually significant projects. • We checked the arithmetic accuracy of the revenue and profit recognised based on the percentage of completion computation for individually significant projects and traced the revenue for the current year based on the measurement of progress to the accounting records. • We have also assessed the adequacy of the disclosures of the key accounting estimates and the sensitivity of the inputs to the estimates and found the disclosures in the financial statements to be appropriate. **Our audit findings:** We are satisfied that the judgements applied by management in accounting for construction contracts are reasonable.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED

(Incorporated in Singapore)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of trade and other receivables and contract assets	**Our response**
We refer to Note 3(a)(i) under 'Critical Accounting Judgements and Key Sources of Estimation Uncertainty', Note 4(b), Note 11 and Note 33(a) to the financial statements. The carrying amount of trade and other receivables and contract assets of the Group was A$95.0 million and A$121.7 million as at 30 June 2022 respectively. We focused on this area because of its significance and the degree of judgement required in determining the carrying amount of trade and other receivables as at the reporting date. In accordance with SFRS(I) 9 *Financial Instruments*, the Group assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.	• We obtained an understanding of the Group credit policy and evaluated the processes for identifying impairment indicators. • We have reviewed and tested the ageing of trade and other receivables. • We have reviewed management's assessment on the credit worthiness of selected customers. • We have also assessed current ongoing negotiations and settlements of significant contracts subject to modifications, to identify if the collectability of contract consideration is highly probable. • We further discussed with the key management and the component auditors on the adequacy of the allowance for impairment recorded by the Group and reviewed the supporting documents provided by management in relation to their assessment. • We have also reviewed the adequacy and appropriateness of the impairment charge based on the available information. **Our audit findings:** Based on our audit procedures, we found management's assessment of the recoverability of trade and other receivables and contract assets to be reasonable and the disclosures to be appropriate.

(Incorporated in Singapore)

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CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of property, plant and equipment and investment properties	**Our response**
We refer to Note 3(a)(vi), Note 5, Note 14, Note 15 and Note 27 to the financial statements. The carrying amount of property, plant and equipment and investment properties of the Group was A$448.1 million and A$16.8 million respectively as at 30 June 2022, of which the fair value of the freehold land and buildings and investment properties had been assessed as having a fair value of A$349.9 million and A$14.8 million respectively. The valuation of property, plant and equipment and investment properties is significant to our audit due to the use of various valuation techniques which involve significant judgements and critical estimates. The key assumptions used in the fair valuation are also disclosed in Note 14 and Note 15 to the financial statements. Management relied on independent external valuations for the fair valuation of its freehold land and buildings and investment properties.	• We assessed the competence, capabilities and independence of the professional valuer engaged by the Group. • We discussed and considered the reasonableness of the valuation methodologies used, as well as reviewed the key assumptions and inputs used with the professional valuer in determining the valuation of each property. • We assessed the reasonableness of the market value of properties by benchmarking them against those of comparable properties when there are comparable market sales evidence. • We evaluated the reasonableness of the key data and assumptions used in the Depreciated Replacement Cost approach by the valuer when there are no comparable market sales evidence. • We also assessed the appropriateness of the disclosures relating to the valuation techniques and key inputs applied by the professional valuer. **Our audit findings:** The external valuer is a member of a recognised body for professional valuers. We found that the valuation methodologies used to be appropriate and the key assumptions used were within the range of market data.

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CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Christopher Bruce Johnson.

Moore Stephens LLP

Moore Stephens LLP
Public Accountants and Chartered Accountants

Singapore
29 August 2022

Consolidated Income Statement

For the Year Ended 30 June 2022

	Note	Group 2022 A$'000	Group 2021 A$'000
Revenue	4(a)	**809,295**	674,186
Cost of sales		**(718,458)**	(599,148)
Gross profit		**90,837**	75,038
Other income	5	**2,919**	2,572
Share of loss of joint venture	18	**(5)**	(97)
Administrative expenses		**(20,052)**	(18,987)
Other write-back/(expenses)		**1,152**	(1,848)
Finance costs	8	**(4,868)**	(6,481)
Profit before income tax		**69,983**	50,197
Income tax expense	9	**(19,242)**	(15,569)
Profit for the year		**50,741**	34,628
Profit attributable to:			
Owners of the Company		**50,762**	34,771
Non-controlling interest		**(21)**	(143)
		50,741	34,628
Earnings per share attributable to equity holders of the Company (cents per share):			
- Basic	10	**10.11**	6.94
- Diluted	10	**10.11**	6.94

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2022

	Note	Group	
		2022 A$'000	2021 A$'000
Profit for the year		**50,741**	34,628
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss			
Net gain on revaluation of freehold land and buildings		**37,119**	1,871
Total comprehensive income for the year		**87,860**	36,499
Total comprehensive income attributable to:			
Owners of the Company		**87,881**	36,642
Non-controlling interest		**(21)**	(143)
		87,860	36,499

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

As at 30 June 2022

	Note	Group 2022 A$'000	Group 2021 A$'000	Company 2022 A$'000	Company 2021 A$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	**40,841**	48,172	**7**	28
Trade and other receivables	11	**95,030**	87,488	**34,831**	50,481
Contract assets	4(b)	**121,654**	82,642	**-**	-
Other current assets	12	**1,829**	1,903	**-**	-
		259,354	220,205	**34,838**	50,509
Non-current assets					
Investment in subsidiaries	17	**-**	-	**7,579**	7,579
Investment in joint venture	18	**-**	57	**-**	-
Property, plant and equipment	14	**448,092**	412,030	**-**	-
Investment properties	15	**16,805**	-	**-**	-
Intangible assets	16	**10**	10	**-**	-
Deferred tax assets	9	**1,401**	4,637	**86**	260
		466,308	416,734	**7,665**	7,839
TOTAL ASSETS		**725,662**	636,939	**42,503**	58,348
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	21	**111,671**	87,413	**192**	192
Contract liabilities	4(b)	**43,325**	80,138	**-**	-
Lease liabilities	24	**10,564**	10,385	**-**	-
Borrowings	22	**28,000**	-	**-**	-
Income tax payable		**3,774**	14,978	**3,774**	17,835
Provisions	23	**11,350**	8,950	**-**	-
		208,684	201,864	**3,966**	18,027
Non-current liabilities					
Lease liabilities	24	**45,357**	44,372	**-**	-
Borrowings	22	**46,000**	60,000	**-**	-
Provisions	23	**4,726**	4,429	**-**	-
Deferred tax liabilities	9	**49,781**	34,406	**-**	-
		145,864	143,207	**-**	-
TOTAL LIABILITIES		**354,548**	345,071	**3,966**	18,027
Capital and Reserves					
Share capital	25(a)	**29,807**	29,807	**29,807**	29,807
Treasury shares	25(b)	**(10)**	(10)	**(10)**	(10)
Asset revaluation reserve	27	**117,477**	80,358	**-**	-
Other reserves	28	**11,570**	10,135	**7,958**	6,523
Retained earnings		**212,549**	171,836	**782**	4,001
Total equity attributable to the Owners of the Company		**371,393**	292,126	**38,537**	40,321
Non-controlling interest		**(279)**	(258)	**-**	-
TOTAL EQUITY		**371,114**	291,868	**38,537**	40,321
TOTAL LIABILITIES AND EQUITY		**725,662**	636,939	**42,503**	58,348

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

Group	Share capital A$'000	Treasury shares A$'000	Other reserves: Asset revaluation reserve A$'000	Other reserves: Merger reserve A$'000	Other reserves: Equity-settled employee benefits reserve A$'000	Other reserves: Other reserves A$'000	Retained earnings A$'000	Total A$'000	Non-controlling interest A$'000	Total A$'000
Balance as at 1 July 2021	29,807	(10)	80,358	7,578	2,280	277	171,836	292,126	(258)	291,868
Profit for the year	-	-	-	-	-	-	50,762	50,762	(21)	50,741
Other comprehensive income for the year:										
Net gain on revaluation of freehold land and buildings	-	-	37,119	-	-	-	-	37,119	-	37,119
Total comprehensive income for the year	-	-	37,119	-	-	-	50,762	87,881	(21)	87,860
Share based payment	-	-	-	-	1,435	-	-	1,435	-	1,435
Dividends paid (Note 25(a))	-	-	-	-	-	-	(10,049)	(10,049)	-	(10,049)
Balance as at 30 June 2022	29,807	(10)	117,477	7,578	3,715	277	212,549	371,393	(279)	371,114

Group	Share capital A$'000	Treasury shares A$'000	Other reserves: Asset revaluation reserve A$'000	Other reserves: Merger reserve A$'000	Other reserves: Equity-settled employee benefits reserve A$'000	Other reserves: Other reserves A$'000	Retained earnings A$'000	Total A$'000	Non-controlling interest A$'000	Total A$'000
Balance as at 1 July 2020	29,807	(10)	78,487	7,578	240	-	147,086	263,188	(115)	263,073
Profit for the year	-	-	-	-	-	-	34,771	34,771	(143)	34,628
Other comprehensive income for the year:										
Net gain on revaluation of freehold land and buildings	-	-	1,871	-	-	-	-	1,871	-	1,871
Total comprehensive income for the year	-	-	1,871	-	-	-	34,771	36,642	(143)	36,499
Waiver of loan payable to a related party	-	-	-	-	-	277	-	277	-	277
Share based payment	-	-	-	-	2,040	-	-	2,040	-	2,040
Dividends paid (Note 25(a))	-	-	-	-	-	-	(10,021)	(10,021)	-	(10,021)
Balance as at 30 June 2021	29,807	(10)	80,358	7,578	2,280	277	171,836	292,126	(258)	291,868

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	Group	
		2022 A$'000	2021 A$'000
Cash Flows from Operating Activities			
Profit before income tax		**69,983**	50,197
Adjustments for:			
Depreciation of property, plant and equipment and investment properties - leasehold land	14, 15	**16,600**	14,174
Gain on disposal of property, plant and equipment	5	**(176)**	(404)
Share of loss of a joint venture	18	**5**	97
Impairment loss on loan to an associate	6,11	**127**	200
Trade receivables written off	6	**37**	1,646
Fair value gain on investment property at fair value through profit or loss	15	**(1,640)**	-
Write-back of bad debt	6	**(23)**	-
Write-back of impairment loss on loan to an associate	6, 11	**(328)**	-
Write-back of revaluation loss on freehold land and buildings		**(967)**	-
Finance cost	6,8	**7,947**	9,399
Interest income	5	**(156)**	(230)
Share based payment		**1,435**	2,040
Foreign exchange differences		**83**	(55)
Operating cash flow before working capital changes		**92,927**	77,064
Changes in working capital:			
(Increase)/decrease in trade and other receivables		**(7,227)**	(14,613)
(Increase)/decrease in contract assets		**(39,012)**	12,475
(Increase)/decrease in other current assets		**74**	148
Increase/(decrease) in trade and other payables		**23,566**	(3,003)
Increase/(decrease) in contract liabilities		**(36,813)**	(3,128)
Increase/(decrease) in provisions		**2,697**	3,924
Cash generated from operations		**36,212**	72,867
Interest received		**29**	31
Finance cost paid		**(7,310)**	(8,391)
Income tax refund		**598**	-
Income tax paid		**(27,755)**	(6,244)
Net cash generated from operating activities		**1,774**	58,263

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

(continued)	Note	Group 2022 A$'000	Group 2021 A$'000
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		**334**	632
Purchase of property, plant and equipment	14	**(6,904)**	(21,616)
Repayment of loan to a joint venture		**-**	493
Cash distribution from joint venture		**52**	88
Net cash used in investing activities		**(6,518)**	(20,403)
Cash Flows from Financing Activities			
Proceeds from borrowings		**154,437**	20,000
Repayment of borrowings		**(139,452)**	(20,334)
Repayment of principal lease liability		**(7,533)**	(7,045)
Dividends paid	25(a)	**(10,037)**	(10,021)
Net cash used in financing activities		**(2,585)**	(17,400)
Net (decrease)/increase in cash and cash equivalents		**(7,331)**	20,460
Cash and cash equivalents at the beginning of the year		**48,172**	27,712
Cash and cash equivalents at the end of the year	13	**40,841**	48,172

The reconciliation of movements of liabilities to cash flows arising from financing activities is presented below:

		Cash flows		Non-cash changes			
	Opening A$'000	Proceeds A$'000	Repayment A$'000	Reclassification A$'000	Addition A$'000	Others A$'000	Closing A$'000
2022							
Borrowings	**60,000**	**154,437**	**(139,452)**	**(985)**	**-**	**-**	**74,000**
Lease liabilities	**54,757**	**-**	**(7,533)**	**985**	**7,829**	**423**	**55,921**
2021							
Borrowings	62,387	20,000	(20,334)	(1,776)	-	(277)	60,000
Lease liabilities	54,061	972	(7,045)	1,776	3,368	1,625	54,757

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

30 June 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Civmec Limited (the 'Company') was incorporated in the Republic of Singapore on 3 June 2010 under the Singapore Companies Act 1967 (the 'Act') as an investment holding company for the purpose of acquiring the subsidiary companies pursuant to the Restructuring Exercise. On 29 March 2012 the company changed its name to Civmec Limited. The Company has been listed on the Singapore Exchange Securities Ltd ('SGX-ST') since 13 April 2012. On 20 June 2018, the Company was listed on the Australian Securities Exchange ('ASX'). The Company now holds dual listing status. The Company has provided an option for shareholders to convert their shares with SGX-ST for shares with ASX, at the ratio of 1:1.

The registered office of the Company is at 80 Robinson Road #02-00, Singapore 068898 and the principal place of business is at 16 Nautical Drive, Henderson, WA 6166 Australia.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries, joint ventures, associate, and joint operations are set out in Notes 17, 18, 19 and 20 respectively.

The financial statements for the financial year ended 30 June 2022 were approved and authorised for issue on the date of the statement by the board of directors in accordance with a resolution of the directors on the date of the Directors' Statement.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ('SFRS(I)') under the historical cost convention, except for the revaluation on freehold land and buildings and investment properties.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Group has adopted the new or amended SFRS(I) and SFRS(I) Interpretations ('SFRS(I) INTs') that are mandatory for application for the financial year. The details are disclosed in Note 35 to the financial statements.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the

2. Significant accounting policies

(b) Basis of consolidation (continued)

(i) Subsidiaries (continued)

equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in accordance with SFRS(I) 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies have been eliminated. Unrealised losses have also been eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Change in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(ii) Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group reassesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change.

2. Significant accounting policies (continued)

(b) Basis of consolidation (continued)

(ii) Joint arrangements (continued)

Joint venture

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method.

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

Joint operations

The Group's joint operations are joint arrangements whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations to the liabilities, relating to the arrangement.

The Group recognises, in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

When the Group sells or contributes assets to a joint operation, the Group recognises gains or losses on the sale or contribution of assets that are attributable to the interest of the other joint operations. The Group recognises the full amount of any loss when the sale or contribution of assets provides evidence of a reduction in the net realisable value, or an impairment loss, of those assets.

When the Group purchases assets from a joint operation, it does not recognise its share of the gains and losses until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of the assets to be purchased or and impairment loss.

The accounting policies of the assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(c) Investment in subsidiary companies

Investments in subsidiary companies are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

(d) Investment in associate

The Group recognises its interest in an associate as an investment and accounts for the investment using the equity method.

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

(e) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

30 June 2022

2. Significant accounting policies (continued)

(e) Revenue recognition (continued)

Construction contract revenue

The Group provides engineering and construction services to customers through contracts. Contract revenue is recognised when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

For these contracts, revenue is recognised over time by reference to the Group's progress towards the completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ('input method'). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation ('PO') are excluded from the measurement of progress and instead are expensed as incurred.

In some circumstances, such as in the early stages of a contract where the Group may not be able to reasonably measure its progress but expects to recover the contract costs incurred, contract revenue is recognised only to the extent of the contract costs incurred until such time when the Group can reasonably measure its progress.

Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, adjusted for expected returns. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management and included in the transaction only to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Estimates of revenues, costs or the extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

The period between the transfer of the promised services and customer payment may exceed one year. For such contracts, there is no significant financing component present as the payment terms are an industry practice to protect the customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which is within the scope of another SFRS(I) (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract cost assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Sale of goods and services

Revenue from the sale of goods and services in the ordinary course of business are recognised when the Group satisfies a PO by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

2. Significant accounting policies (continued)

(e) Revenue recognition (continued)

Sale of goods and services (continued)

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for the time value of money if the contract includes a significant financing component. The consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The Group considers certain services to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and is available for customers from other providers in the market. A portion of the transaction price is therefore allocated to the maintenance services based on the stand-alone selling price of those services. Discounts are not considered as they are only given in rare circumstances and are never material. Revenue from the maintenance services is recognised over time. The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight-line basis over the period of service.

Rental income

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

(f) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to R&D expenditure already incurred it is recognised in the income statement in the period it became receivable.

(g) Contract assets and Contract liabilities

A contract asset is recognised when the Group recognises revenue as set out in Note 2(e) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (‘ECLs’) in accordance with the policy set out in Note 2(j) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue as set out in Note 2(e). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

(h) Income tax

Income tax expense represents the sum of current tax expense and deferred tax expense.

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax liabilities are recognised on all temporary differences except for taxable temporary differences associated with investments in subsidiaries and joint venture, where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Significant accounting policies (continued)

(h) Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries and interest in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured:

(i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current income taxes are recognised in profit and loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sale tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(i) Foreign currency translation

Functional and presentation currency

The financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to each entity (the 'functional currency'). The financial statements are presented in Australian Dollars ('A$'), which is the functional currency of the Company.

Prior to 1 July 2019, the financial statements were presented in Singapore Dollars ('S$'). With effect from 1 July 2019, the Group changed its presentation currency from S$ to A$. The Group largely operates within Australia where virtually all its income is derived. Following the Group's listing on the Australian Securities Exchange on 22 June 2019, the change provides a clearer understanding of the Group's financial results and improve comparability of the Group's performance.

The effect of the change of presentation currency was applied retrospectively using the following procedures:

- Assets and liabilities of all corresponding figures presented (including opening balances from the beginning of earliest prior period presented) were translated at the closing rates of respective year end;

2. Significant accounting policies (continued)

(i) Foreign currency translation (continued)

Functional and presentation currency (continued)

- Income and expenses for all corresponding figures presented were translated at the average exchange rate for the financial year approximating the exchange rates at the dates of transactions; and
- All resulting exchange differences were recognised in other comprehensive income.

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ('foreign currencies') are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Group companies

The consolidated results and financial position of foreign operations whose functional currency is different from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement;
- Income or expense for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and
- All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in other comprehensive income in the period in which they are incurred.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or loss of joint control over a jointly controlled entity that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

(j) Financial assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ('FVOCI'); and
- Fair value through profit or loss ('FVPL').

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives, if any, are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

2. Significant accounting policies (continued)

(j) Financial assets (continued)

Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

Debt instruments mainly comprise cash and cash equivalents, trade and other receivables and contract assets.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ('OCI') and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in 'other income / other expenses'. Interest income from these financial assets is recognised using the effective interest rate method and presented in 'interest income', if any.
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in 'other income / other expenses', if any.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

For trade receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, the Group applies the general approach. For the purpose of impairment assessment for other receivables, the loss allowance is measured at an amount equal to 12-month ECL, which reflects the low credit risk of the exposures.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

2. Significant accounting policies (continued)

(j) Financial assets (continued)

Credit-impaired financial assets (continued)

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not other consider (e.g. the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to recovery efforts under the Group's recovery procedures. Any recoveries made are recognised in profit or loss.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(l) Property, plant and equipment

i. Recognition and measurement

Freehold land and buildings

Before 1 July 2019, the Group was using cost model for this class of property. Freehold land and buildings were stated on the cost basis and are therefore carried at cost less accumulated depreciation and accumulated impairment losses. The cost includes construction costs and borrowing cost that are eligible to be capitalised.

From 1 July 2019, under the revaluation model, freehold land and buildings are initially recognised at cost. Such costs, including the construction costs and borrowing costs that are eligible for capitalisation, are subsequently carried at their revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amount do not differ materially from those that would be determined using fair values at the end of the reporting period.

Freehold land and buildings are revalued by independent professional valuers on triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

Other property, plant and equipment

All other items of property are measured at cost less accumulated depreciation and accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognized either in profit or loss or as a revaluation

2. Significant accounting policies (continued)

(l) Property, plant and equipment (continued)

Other property, plant and equipment (continued)

decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 3 for details of critical judgements of impairment of property, plant and equipment).

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

ii. Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Assets under construction are not depreciated as they are not yet ready for their intended use as at the end of the reporting period.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Buildings	2% - 33%
Plant and equipment	3% - 33%
Leasehold land	1% - 2%
Leased assets	5% - 33%
Small tools	5% - 50%
Motor vehicles	6% - 33%
Office and IT equipment	5% - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss.

(m) Investment properties

Investment properties, which are properties held to earn rental income and/or for capital appreciation (including property under construction for such purposes and land under operating leases that is held for long-term capital appreciation or for a current indeterminate use), are measured initially at its cost, including transaction costs.

Buildings

Subsequent to initial recognition, investment properties are measured at fair value, determined annually by independent professional valuers on the highest-and-best use basis. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Leasehold land

Subsequent to initial recognition, investment properties are accounted for in accordance with the cost model that is cost less accumulated depreciation and less accumulated impairment losses. The depreciation is calculated on a straight-line basis over its lease term.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements are capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements are recognised in profit or loss when incurred.

2. Significant accounting policies (continued)

(m) Investment properties (continued)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

When the property is sold, the related amount in the revaluation reserve is transferred to retained earnings.

(n) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, for which it is more likely than not that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(p) Financial liability and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

30 June 2022

2. Significant accounting policies (continued)

(p) Financial liability and equity instruments issued by the Group (continued)

Financial liabilities

An entity shall recognise a financial liability on its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial liability is recognised initially at fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the liabilities are derecognised, and through amortisation process.

Borrowings

Borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Leases

The Group as Lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets in 'Property, plant and equipment' and lease liabilities in 'Lease liabilities' in the statements of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

2. Significant accounting policies (continued)

(r) Leases (continued)

The Group as Lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

The Group as Lessor

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in income on a straight-line basis over the lease term.

(s) Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed. The Group has no further payment obligations once the contributions have been paid.

Provision for employee benefits

Provisions are made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using the market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Share-based payments

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period.

2. Significant accounting policies (continued)

(s) Employee benefits (continued)

Share-based payments (continued)

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

(u) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Treasury shares

When any entity within the Group purchases the Company's ordinary shares ('treasury shares'), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or re-issued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of the earnings of the Company.

When treasury shares are subsequently sold or re-issued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

(v) Related parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

a. A person or a close member of that person's family is related to a reporting entity if that person:
    i. has control or joint control over the reporting entity;
    ii. has significant influence over the reporting entity; or
    iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

2. Significant accounting policies (continued)

(v) Related parties (continued)

b. An entity is related to a reporting entity if any of the following conditions applies:
    i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
    ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
    iii. both entities are joint ventures of the same third party;
    iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
    v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
    vi. the entity is controlled or jointly controlled by a person identified in (a);
    vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
    viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements are discussed as follows.

(i) Impairment of trade and other receivables and contract assets

As at 30 June 2022, the Group's trade and other receivables and contract assets amounted to A$95,030,000 (2021: A$87,488,000) and A$121,654,000 (2021: A$82,642,000) respectively, net of allowance for impairment, if any, arising from the Group's different revenue segments as disclosed in Note 32 to the financial statements.

Based on the Group's historical credit loss experience, trade receivables exhibited different loss patterns for each revenue segment. Within each revenue segment, the Group has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment. An allowance for impairment of A$127,000 (2021: A$200,000) and A$37,000 (2021: A$1,646,000) write off for trade and other receivables were recognised as at 30 June 2022. During the year, the Group has partially recovered an amount of A$328,000 from the impaired loan to an associate. No allowance for impairment of contract assets was recognised as at 30 June 2022 (2021: Nil).

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. So far as management is aware, there is no major customer in financial difficulties during the financial year except for those customers with impairment loss being recognised.

The Group's and the Company's credit risk exposure for trade receivables by different revenue segment are set out in Note 33(a).

(ii) Judgement and method used in estimating construction contract revenue

As discussed in Note 2(e) to the financial statements, construction contract revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Critical judgements in applying the Group's accounting policies (continued)

(ii) Judgement and method used in estimating construction contract revenue (continued)

costs incurred to date to the estimated total contract costs ('input method'). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation ('PO') are excluded from the measure of progress and instead are expensed as incurred.

Construction contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that is highly probable that a significant reversal in the amount of the cumulative revenue will not occur.

In estimating the variable consideration for contract revenue, the Group uses the expected value amount method to estimate the transaction price. The expected value is the sum of probability-weighted amounts in a range of possible consideration amounts. Management has relied on historical experience and the work of experts, analysed by customers and nature of scope of work, from prior years.

Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price. For variations claims, management has determined that a portion of the estimated variable consideration is subject to the constraint as, based on past experience with the customers, it is highly probable that a significant reversal in the cumulative amount of revenue recognised will occur, and therefore will not be recognised as revenue.

(iii) Legal proceedings

The Group is exposed to the risk of claims and litigation which can arise for various reasons, including changes in scope of work, delay and disputes etc. Given the nature of the business, variation orders, additional works and prolongation costs are common. As some of these items could be subjective and hence contentious in nature, the Group may from time to time be involved in adjudication or legal processes.

In making its judgment as to whether it is probable that any such adjudication decisions or litigation will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal advisors and technical experts.

In making that overall judgment, management has included in its consideration the likely outcome of the claims. Although an adverse outcome of those claims could have a material adverse impact on the financial position of the Group, management have taken the view that such a material adverse outcome is very unlikely

(iv) Impairment of property, plant and equipment and investment properties

The Group assesses impairment of property, plant and equipment and investment properties at each year end by evaluating conditions specific to the Group that may lead to impairment of assets. Adjustments are made when considered necessary.

Impairment assessment of property, plant and equipment and investment properties includes considering certain indications such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant under performance relative to the expected historical or future operating results and significant negative industry or economic trends.

No impairment loss on property, plant and equipment and investment properties was recorded for the financial years ended 30 June 2022 and 2021. The carrying amount of property, plant and equipment and investment properties at 30 June 2022 is A$448,092,000 (2021: A$412,030,000) and A$16,805,000 (2021: Nil) respectively.

(v) Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease term is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of the leasehold land and buildings, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Critical judgements in applying the Group's accounting policies (continued)

(v) Determination of the lease term (continued)

- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

(vi) Valuation of freehold land and buildings and investment properties

The Group carries its freehold land and building and investment properties at fair values which are determined by an independent real estate valuation expert using the highest-and-best use approach which is generally the sales comparison approach (i.e. the basis of market value). In arriving at the valuation figure, the valuer has taken into consideration the prevailing market conditions and differences between the freehold land and building and investment properties and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of the buildings, dates of transactions and other factors affecting their values. The most significant inputs in this valuation approach are the selling price per square meter and the usage of the properties. The estimates are based on local market conditions existing at the reporting date.

Fair values of buildings with no available market information are determined by the independent real estate valuation expert using the depreciated replacement cost method, which involves estimating the current replacement cost of the buildings and from which deductions are made to allow for depreciation due to age, condition and functional obsolescence. The replacement cost is then added to the land value to derive the fair value. The land value is determined based on the direct comparison method with transactions of comparable plots of land within the vicinity and elsewhere. In arriving at the valuation figure, the valuation expert has taken into consideration the prevailing market condition and differences between the freehold land and buildings and the comparable in terms of location, tenure, size, shape, design and layout, age and condition, dates of transactions and other factors affecting their values. The most significant inputs into this valuation approach are the estimated construction costs, depreciation rates and developer profit margin.

The carrying amount of the freehold land and buildings and investment properties at the reporting date is disclosed in Note 14 and Note 15. If the selling prices and price per unit measurement of the freehold land and buildings determined by valuation experts had been 5% higher/lower, the carrying amount of the freehold land and buildings and investment properties would have been A$18,239,000 higher/lower.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Estimation of total contract costs for contracts

The Group has significant ongoing construction contracts as at 30 June 2022 that are non-cancellable. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ('input method').

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant assumptions are used to estimate the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of provision for onerous contracts recognised. In making these estimates, management has relied on past experience and the work of specialists.

The Group includes incremental costs of fulfilling the contracts which are the cost of materials and labour required to construct the projects. In estimating the forecast costs, the management exercised judgement in considering costs that relate directly to the contracts.

If the estimated total contract sum decreases by 1% from management's estimates, the Group's profit before income tax will decrease by approximately A$8,100,000 (2021: A$6,200,000).

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(b) Key sources of estimation uncertainty (continued)

(i) Estimation of total contract costs for contracts (continued)

If the remaining estimated contract costs increase by 1% from management's estimates, the Group's profit before income tax will decrease by approximately A$7,180,000 (2021: A$5,991,000).

(ii) Estimation of useful lives of property, plant and equipment and investment properties – leasehold land

The useful lives of assets have been based on historical experience, lease terms and best available information for similar items in the industry. These estimations will affect the depreciation expense recognised in the financial year. There is no change in the estimated useful lives of plant and equipment and investment properties – leasehold land during the current financial year.

The carrying amount of the Group's property, plant and equipment and investment properties – leasehold land as at 30 June 2022 was A$448,092,000 (2021: A$412,030,000) and A$1,965,000 (2021: Nil) respectively. A 10% difference in the expected useful lives of these assets from management's estimate would result in an approximately A$1,660,000 (2021: A$1,417,000) variance in the Group's profit before tax.

(iii) Income taxes

The Group has exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises receivables or liabilities on expected tax issues based on their best estimates of the likely taxes recoverable or due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's and Company's current income tax positions as at 30 June 2022 were current income tax payable of A$3,774,000 (2021: A$14,978,000). The carrying amounts of the Group's and Company's deferred tax assets and deferred tax liabilities as at 30 June 2022 are disclosed in Note 9 to the financial statements.

(iv) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavorably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time as follows:

	Group	
	2022 A$'000	2021 A$'000
Over time:		
Construction contract revenue	**649,677**	620,019
Revenue from rendering of services	**157,432**	53,284
	807,109	673,303
At a point in time:		
Revenue from rendering of services	**1,180**	-
Revenue from sales of goods	**1,006**	883
	809,295	674,186

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4. Revenue from contracts with customers (continued)

(a) Disaggregation of revenue from contracts with customers (continued)

Revenue from the rendering of services

Contracts where payment is made for the provision of labour and materials without any risk or penalty for performance is classified as revenue from the rendering of services.

Segment analysis

The segment analysis of the Group is disclosed in Note 32 to the financial statements.

(b) Contract Assets and Liabilities

	Group	
	2022 A$'000	2021 A$'000
Contract assets	**121,654**	82,642
Contract liabilities	**(43,325)**	(80,138)

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date on construction contracts. The contract assets are transferred to trade receivables when the rights become unconditional, which usually occurs when the customer certifies the progress claims.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for construction contracts and progress billings issued in excess of the Group's rights to the consideration in respect of construction contract revenue.

(i) Significant changes in contract balances

	Group	
	2022 A$'000	2021 A$'000
Contract assets:		
Contract assets reclassified to trade receivables	**(12,708)**	(28,740)
Changes in measurement of progress	**51,720**	16,264
Contract liabilities:		
Revenue recognised in the current year that was included in the contract liability balance at the beginning of the year	**58,224**	51,711
Increase due to cash received, excluding amounts recognised as revenue during the year	**(21,411)**	(48,583)

In accordance with Note 2(e) to the financial statements, contract assets adjustments relating to changes in the estimated transaction price were made following receipt of revised independent legal and expert advice on completed contracts.

4. Revenue from contracts with customers (continued)

(b) Contract Assets and Liabilities (continued)

(ii) Unsatisfied performance obligations

	Group	
	2022 A$'000	2021 A$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 30 June	**1,038,556**	1,005,664

The Group expects that the aggregate amount of the transaction price allocated to unsatisfied performance obligations as of 30 June 2022 will be recognised as revenue as the Group continues to perform to complete the construction, which is expected to occur over the next few years up to 2029. The amount disclosed above does not include variable consideration which is subject to constraint.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods of one year or less, or are billed based on time incurred, is not disclosed.

5. Other income

	Group	
	2022 A$'000	2021 A$'000
Insurance recoveries	**595**	1,605
Fuel tax rebate	**171**	183
Interest income:		
- Bank balances	**29**	31
- Related party	**127**	199
	156	230
Gain on disposal of property, plant and equipment	**176**	404
Fair value gain on investment property at fair value through profit or loss	**1,640**	-
Subsidies and incentives	**171**	37
Net foreign exchange gain	**-**	54
Miscellaneous income	**10**	59
	2,919	2,572

Insurance recoveries

During the current financial year, the Group recognised an insurance recovery of A$523,000 from an incident which damaged company owned mobile plant and an incident that damaged equipment while in transit.

During the previous financial year, the Group recognised other income of A$1,605,000 from an insurance claim recovered for property repairs and business interruptions which were caused by a storm.

Subsidies and incentives

The Group received Wage Subsidy and Jobs and Skills WA Employer Incentives from the Government for hiring eligible participants.

6. Profit before income tax

The following items have been included in arriving at profit before income tax:

	Group	
	2022 A$'000	2021 A$'000
Included in cost of sales:		
Direct materials	**128,735**	134,984
Employee benefits (Note 7)	**356,223**	289,405
Subcontract works	**109,961**	83,984
Workshop and other overheads	**104,073**	73,926
Depreciation of property, plant and equipment (Note 14, 15)	**16,387**	13,931
Finance costs on lease liabilities (Note 8)	**3,079**	2,918
Included in administrative expenses:		
Audit fees:		
- Auditor of the Company	**90**	87
- Other auditors	**105**	98
Non-audit fees:		
- Auditor of the Company	**20**	20
- Other auditors*	**153**	154
Business development	**106**	237
Communications	**2,930**	2,497
Depreciation of property, plant and equipment (Note 14)	**213**	243
Directors' fee	**261**	241
Employee benefits (Note 7)	**12,703**	12,113
Occupancy expenses	**551**	382
Office costs	**784**	599
Other administrative expenses	**178**	141
Other professional fees	**1,106**	1,565
Tax fees	**769**	610
Net foreign exchange loss	**83**	-

**includes internal audit*

Included in other (write-back)/expenses:		
Trade receivables written off	**37**	1,646
Impairment loss on loan to an associate (Note 11)	**127**	200
Write-back of bad debt	**(23)**	-
Write-back of impairment loss on loan to an associate (Note 11)	**(328)**	-
Write-back of revaluation loss on freehold land and buildings	**(967)**	-
Other expenses	**2**	2

7. Employee benefits expenses

	Group	
	2022 A$'000	**2021 A$'000**
Included in cost of sales: (Note 6)		
Wages and salaries	**335,859**	272,280
Contributions to defined contribution plans	**18,021**	15,025
Other employee benefits	**2,343**	2,100
	356,223	289,405
Included in administrative expenses: (Note 6)		
Wages and salaries	**8,753**	7,706
Contributions to defined contribution plans	**2,231**	2,111
Other employee benefits	**284**	256
Share based payment	**1,435**	2,040
	12,703	12,113

8. Finance costs

	Group	
	2022 A$'000	**2021 A$'000**
Corporate market loan and line fees	**1,502**	1,190
Trade finances	**164**	4
Lease liabilities	**757**	994
Secured notes	**2,350**	4,200
Other finance costs	**95**	93
	4,868	6,481
Included in cost of sales:		
Lease liabilities (Note 6)	**3,079**	2,918

9. Income tax expense

	Group	
	2022 A$'000	**2021 A$'000**
Current income tax	**17,771**	18,375
Deferred income tax	**3,279**	(2,506)
	21,050	15,869
(Over)/under provision in prior years		
- Current income tax	**(1,232)**	1
- Deferred income tax	**(576)**	(301)
	(1,808)	(300)
	19,242	15,569
Deferred income tax expense on revaluation of freehold land and buildings recognised in other comprehensive income	**15,908**	802

The Group's tax on profit before income tax differs from the amount that would arise using the Australian standard rate of income tax as follows:

	Group	
	2022 A$'000	**2021 A$'000**
Profit before income tax	**69,983**	50,197
Income tax at 30%	**20,995**	15,059
Add/(deduct) the tax effects of:		
Under provision of current tax expense in prior years	**-**	1
Over provision of current tax expense in prior years	**(1,232)**	-
Over provision of deferred tax expense in prior years	**(576)**	(301)
Non-assessable income	**(474)**	-
Non-deductible expenses	**529**	665
Deferred tax asset not recognised	**-**	145
	19,242	15,569
Weighted average effective tax rates	**27.5%**	31.0%

As at 30 June 2022, the Group has capital tax losses of approximately A$2,080,000 (2021: A$2,094,000) that are available for offset against future capital gains of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these capital tax losses is subject to the agreement of tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The deferred tax assets arising from these capital losses amounted to A$624,000 (2021: A$628,000) and are not recognised as there is no reasonable certainty that future capital gains will be available to utilise the capital tax losses.

The non-deductible expenses of the Group mainly relate to share option expenses which are being treated as non-deductible for tax purposes.

The tax rate used for the 2022 and 2021 reconciliations above is the corporate tax rate of 30% payable by corporate entities in Australia on taxable profits under the tax law in that jurisdiction. The Group's operations are primarily located in Australia.

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9. Income tax expense (continued)

Deferred taxes

	Opening A$'000	Charged to profit or loss A$'000	Charged to OCI* A$'000	Closing A$'000
Group				
2022				
Property, plant and equipment	**(41,550)**	**(1,223)**	**(15,908)**	**(58,681)**
Receivables	**437**	**(520)**	**-**	**(83)**
Trade and other payables	**5,700**	**(3,331)**	**-**	**2,369**
Provisions	**5,111**	**598**	**-**	**5,709**
Carried forward tax losses	**1**	**(1)**	**-**	**-**
Others	**532**	**1,774**	**-**	**2,306**
	(29,769)	**(2,703)**	**(15,908)**	**(48,380)**
2021				
Property, plant and equipment	(37,046)	(3,702)	(802)	(41,550)
Receivables	551	(114)	-	437
Trade and other payables	1,005	4,695	-	5,700
Provisions	3,218	1,893	-	5,111
Carried forward tax losses	142	(141)	-	1
Others	356	176	-	532
	(31,774)	2,807	(802)	(29,769)

*Other Comprehensive Income

	Opening A$'000	Charged to profit or loss A$'000	Closing A$'000
Company			
2022			
Loan receivables	**24**	**52**	**76**
Trade and other payables	**10**	**-**	**10**
Carried forward tax losses	**1**	**(1)**	**-**
Investment in subsidiaries	**224**	**(224)**	**-**
Others	**1**	**(1)**	**-**
	260	**(174)**	**86**
2021			
Loan receivables	17	7	24
Trade and other payables	1	9	10
Carried forward tax losses	2	(1)	1
Investment in subsidiaries	-	224	224
Others	2	(1)	1
	22	238	260

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10. Earnings per share

Basic earnings per share is calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial year by the weighted average number of ordinary shares issued.

	Group	
	2022	**2021**
Profit attributable to the owners of the Company (A$'000)	**50,762**	34,771
Share capital (A$'000)	**29,807**	29,807
Weighted average number of ordinary shares issued		
- Basic	**502,239,178**	501,083,288
- Diluted	**502,266,373**	501,094,247
Earnings per ordinary share (A$ cents)		
- Basic	**10.11**	6.94
- Diluted	**10.11**	6.94

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 ordinary shares outstanding during the financial year, which includes the effect of 1,350,000 (30 June 2021: 100,000) ordinary shares granted under CPRP (Note 26 (c)).

As at 30 June 2022, the diluted earnings per share includes the effect of 9,926,000 unissued ordinary shares granted under CPRP due to the performance targets are likely to be met (30 June 2021: Nil) (Note 26(c)). The effect of the inclusion is dilutive.

As at 30 June 2022, the diluted earnings per share does not include the effect of 4,000,000 (30 June 2021: 4,000,000, dilutive) unissued ordinary shares granted under CESOS (Note 26(b)). The effect of the inclusion is anti-dilutive.

11. Trade and other receivables

	Group		Company	
	2022 A$'000	**2021 A$'000**	**2022 A$'000**	**2021 A$'000**
Current:				
Trade receivables				
- Third parties	**94,432**	87,064	**-**	-
- Retention sum receivables	**5**	173	**-**	-
Allowance for impairment loss	**(11)**	(11)	**-**	-
	94,426	87,226	**-**	-
Receivables from subsidiaries	**-**	-	**34,831**	50,481
Loan to an associate	**1,766**	1,967	**-**	-
Allowance for impairment loss	**(1,766)**	(1,967)	**-**	-
Other receivables	**604**	262	**-**	-
	95,030	87,488	**34,831**	50,481

The receivables from subsidiaries are non-trade, unsecured, interest-free and repayable on demand in cash.

The Group provided working capital funding to an associate, Civtec Africa Ltd. As at 30 June 2022, the loan balance of A$1,766,000 (30 June 2021: A$1,967,000) is fully impaired due to cashflow constraints of the borrower caused by the COVID-19 limiting their ability to repay the loan.

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11. Trade and other receivables (continued)

The movements in allowance for impairment loss of trade and other receivables during the year are as follows:

	Trade receivables A$'000	Other receivables A$'000	Total A$'000
Group			
2022			
Balance as at 1 July 2021	**11**	**1,967**	**1,978**
Impairment loss recognised in profit or loss during the year on			
- Changes in credit risk (Note 6)	**-**	**127**	**127**
Write-back of impairment loss on loan to an associate	**-**	**(328)**	**(328)**
As at 30 June 2022	**11**	**1,766**	**1,777**
2021			
Balance as at 1 July 2020	911	1,767	2,678
Impairment loss recognised in profit or loss during the year on:			
- Changes in credit risk (Note 6)	-	200	200
- Written off	(900)	-	(900)
As at 30 June 2021	11	1,967	1,978

Apart from the credit allowance provided, management has assessed that there is no other significant expected credit loss for the financial year ended 30 June 2022.

The Group's internal credit evaluation practices and basis for recognition and measurement for expected credit losses are disclosed in Note 33(a) to the financial statements.

12. Other current assets

	Group		Company	
	2022 A$'000	2021 A$'000	2022 A$'000	2021 A$'000
Prepayments	**1,297**	1,311	**-**	-
Consumables inventory	**532**	592	**-**	-
	1,829	1,903	**-**	-

13. Cash and cash equivalents

	Group		Company	
	2022 A$'000	2021 A$'000	2022 A$'000	2021 A$'000
Cash at banks and on hand	**40,841**	48,172	**7**	28

Cash at banks earn interest at floating rates ranging from 0.01% to 0.85% (2021: 0.01% to 0.35%) per annum.

A floating charge over cash and cash equivalents has been provided for certain debt.

14. Property, plant and equipment

	Freehold land A$'000	Leasehold land A$'000	Buildings A$'000	Plant and equipment A$'000	Small tools A$'000	Motor vehicles A$'000	Office equipment A$'000	IT equipment A$'000	Assets under construction A$'000	Total A$'000
2022										
Cost or valuation										
At 1 July 2021	17,950	30,979	314,461	72,658	7,018	7,357	737	3,329	20,102	474,591
Additions	-	-	-	3,217	1,512	-	29	6	2,140	6,904
Additions – ROU	-	1,482	-	2,932	85	1,682	-	-	1,999	8,180
Transfer	-	-	(7,901)	20,106	1,769	2	-	22	(13,998)	-
Transferred to investment property (Note 15)	-	(1,912)	(13,200)	-	-	-	-	-	-	(15,112)
Reclassification	-	-	-	480	-	-	-	-	(700)	(220)
Revaluation increase	3,250	-	35,374	-	-	-	-	-	-	38,624
Disposals	-	-	-	(1,072)	(54)	(351)	-	-	-	(1,477)
At cost at 30 June 2022	-	30,549	-	98,321	10,330	8,690	766	3,357	9,543	161,556
At valuation at 30 June 2022	21,200	-	328,734	-	-	-	-	-	-	349,934
At 30 June 2022	21,200	30,549	328,734	98,321	10,330	8,690	766	3,357	9,543	511,490
Accumulated depreciation										
At 1 July 2021	-	(3,419)	(7,198)	(38,099)	(5,457)	(4,849)	(679)	(2,860)	-	(62,561)
Depreciation for the year	-	(636)	(7,205)	(6,941)	(771)	(787)	(37)	(182)	-	(16,559)
Transfer	-	-	-	(95)	88	7	-	-	-	-
Revaluation	-	-	14,403	-	-	-	-	-	-	14,403
Disposals	-	-	-	928	48	343	-	-	-	1,319
At 30 June 2022	-	(4,055)	-	(44,207)	(6,092)	(5,286)	(716)	(3,042)	-	(63,398)
Net carrying amount										
At cost	-	26,494	-	54,114	4,238	3,404	50	315	9,543	98,158
At valuation	21,200	-	328,734	-	-	-	-	-	-	349,934
At 30 June 2022	21,200	26,494	328,734	54,114	4,238	3,404	50	315	9,543	448,092

14. Property, plant and equipment (continued)

	Freehold land A$'000	Leasehold land A$'000	Buildings A$'000	Plant and equipment A$'000	Small tools A$'000	Motor vehicles A$'000	Office equipment A$'000	IT equipment A$'000	Assets under construction A$'000	Total A$'000
2021										
Cost or valuation										
At 1 July 2020	19,500	29,310	301,002	70,201	6,342	6,916	712	3,081	11,037	448,101
Additions	-	-	9,236	1,372	1,026	599	25	248	9,110	21,616
Additions – ROU	-	1,669	-	1,928	-	742	-	-	-	4,339
Transfer	-	-	-	185	(140)	-	-	-	(45)	-
Revaluation increase	-	-	4,223	-	-	-	-	-	-	4,223
Revaluation decrease	(1,550)	-	-	-	-	-	-	-	-	(1,550)
Disposals	-	-	-	(1,028)	(210)	(900)	-	-	-	(2,138)
At cost at 30 June 2021	-	30,979	-	72,658	7,018	7,357	737	3,329	20,102	142,180
At valuation at 30 June 2021	17,950	-	314,461	-	-	-	-	-	-	332,411
At 30 June 2021	17,950	30,979	314,461	72,658	7,018	7,357	737	3,329	20,102	474,591
Accumulated depreciation										
At 1 July 2020	-	(2,824)	-	(33,916)	(5,204)	(5,055)	(642)	(2,656)	-	(50,297)
Depreciation for the year	-	(595)	(7,198)	(5,045)	(477)	(618)	(37)	(204)	-	(14,174)
Transfer	-	-	-	(11)	20	(9)	-	-	-	-
Disposals	-	-	-	873	204	833	-	-	-	1,910
At 30 June 2021	-	(3,419)	(7,198)	(38,099)	(5,457)	(4,849)	(679)	(2,860)	-	(62,561)
Net carrying amount										
At cost	-	27,560	-	34,559	1,561	2,508	58	469	20,102	86,817
At valuation	17,950	-	307,263	-	-	-	-	-	-	325,213
At 30 June 2021	17,950	27,560	307,263	34,559	1,561	2,508	58	469	20,102	412,030

14. Property, plant and equipment (continued)

Depreciation expenses are classified as follows:

	2022 A$'000	2021 A$'000
Included in cost of sales	**16,346**	13,931
Included in administrative expenses	**213**	243
	16,559	14,174

At the balance sheet date, the details of the Group's freehold land and buildings are as follows:

Location	Description/Existing use	Tenure
2-8 Stuart Drive, Henderson, Western Australia	Land and buildings / Operational readiness and logistics support facility	Freehold
16 Nautical Drive, Henderson, Western Australia	Buildings on leasehold land / Undercover waterfront, manufacturing, modularisation and maintenance facility	Leasehold land leases: i. 34-years lease from August 2010, with further 35 years option ii. 30-years lease from March 2014, with further 35 years option iii. 28-years lease from December 2016, with further 45 years option
35-39 Old Punt Road, Tomago, New South Wales	Land and buildings / Manufacturing facility and modular assembly laydown area	Freehold

Freehold land and buildings carried at fair value

At 30 June 2022, an independent valuation was carried out by Griffin Valuation Advisory on all the freehold land and buildings of the Group. The fair value is determined by the valuer on the highest and best use approach of each asset. Such valuation was determined using the Sales Comparison approach (to market-type properties), Hypothetical Development approach, Income Capitalisation approach and Depreciated Replacement Cost ('DRC') approach (to non-market-type properties). The fair value has been derived through a mix of Level 2 inputs where applicable and Level 3 inputs where the Valuer has deemed Level 2 inputs to be not applicable.

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 30 June 2022 and 30 June 2021 are as follows:

	Level 1 A$'000	Level 2 A$'000	Level 3 A$'000	Fair Value as at 30 June 2022 A$'000
Freehold land	**-**	**21,200**	**-**	**21,200**
Buildings	**-**	**2,600**	**326,134**	**328,734**

	Level 1 A$'000	Level 2 A$'000	Level 3 A$'000	Fair Value as at 30 June 2021 A$'000
Freehold land	-	17,950	-	17,950
Buildings	-	1,917	305,346	307,263

Level 2 fair value of the Group's freehold land and building have been derived using the market data approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes as disclosed in Note 3(a)(vi) to the financial statements. The most significant input in this valuation approach is the selling price per square meter and the usage of the property.

14. Property, plant and equipment (continued)

Freehold land and buildings carried at fair value (continued)

Valuation techniques used to derive Level 3 fair values

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3) as at 30 June 2022 and 2021:

Description	Fair value as at 30 June 2022 A$'000	Valuation techniques	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Buildings	326,134	Depreciated Replacement Cost (DRC	Depreciation rates	2% to 33%	The higher the depreciation rates, the lower the fair value.
			Estimated construction costs per square metre	$1,079 to $5,571	The higher the construction costs, the higher the fair value.
			Developer profit margin	5% to 8%	The higher the profit margin, the higher the fair value.

Description	Fair value as at 30 June 2021 A$'000	Valuation techniques	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Buildings	305,346	Depreciated Replacement Cost (DRC)	Depreciation rates	2% to 33%	The higher the depreciation rates, the lower the fair value.
			Estimated construction costs per square metre	$984 to $4,857	The higher the construction costs, the higher the fair value.
			Developer profit margin	4% to 6%	The higher the profit margin, the higher the fair value.

The following table represents the changes in level 3 items for the financial year ended 30 June 2022 and 30 June 2021:

	Buildings 2020 A$'000
Freehold buildings at cost before revaluation model	
Net book value	50,162
Acquisition	57,365
Depreciation	(2,215)
Transfer from assets under construction	85,607
Total cost of buildings	190,919

	2022 A$'000	2021 A$'000
At the beginning of the year	**305,346**	299,002
Acquisition	**-**	9,236
Depreciation	**(15,508)**	(7,115)
Transferred to investment property (Note 15)	**(13,200)**	-
Gain on revaluation of buildings	**49,496**	4,223
Closing balance	**326,134**	305,346

There were no transfers between Level 1 and Level 2 during the year.

30 June 2022

14. Property, plant and equipment (continued)

Freehold land and buildings carried at fair value (continued)

If the freehold land and building were stated on the historical cost basis, the carrying amount would be as follows:

	2022 A$'000	2021 A$'000
Freehold land	**16,254**	16,254
Buildings	**218,565**	218,565
Accumulated depreciation	**(28,554)**	(21,461)
Transfer to investment property	**(8,756)**	-
Transfer to plant and equipment	**(8,866)**	-
Net book value	**188,643**	213,358

Right-of-use assets

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are also disclosed in Note 24.

(a) As at the balance sheet date, the net book value of property, plant and equipment that were under lease liabilities was A$60,490,000 (2021: A$55,063,000) (Note 24).

(b) The carrying amount of property, plant and equipment that are pledged for security are as follows:

		Group	
Description	Borrowings	2022 A$'000	2021 A$'000
Leased plant and equipment	Lease liabilities	**33,996**	27,472
Remaining property, plant and equipment	Corporate market loan, multi-option	**414,096**	384,558
		448,092	412,030

The details of the borrowings are disclosed in Note 22 to the financial statements.

15. Investment properties

	Buildings A$'000	Leasehold land A$'000	Total A$'000
Cost or valuation			
At 1 July 2021	-	-	-
Transfer from property, plant and equipment (Note 14)	**13,200**	**1,912**	**15,112**
Addition – ROU	-	**94**	**94**
Revaluation increase – recognised in profit and loss	**1,640**	-	**1,640**
At cost at 30 June 2022	-	**2,006**	**2,006**
At valuation at 30 June 2022	**14,840**	-	**14,840**
At 30 June 2022	**14,840**	**2,006**	**16,846**
Accumulated depreciation			
At 1 July 2021	-	-	-
Depreciation for the year	-	**(41)**	**(41)**
At 30 June 2022		**(41)**	**(41)**
Net carrying amount			
At cost	-	**1,965**	**1,965**
At valuation	**14,840**	-	**14,840**
At 30 June 2022	**14,840**	**1,965**	**16,805**

15. Investment properties (continued)

Buildings carried at fair value

At 30 June 2022, an independent valuation was carried out by Griffin Valuation Advisory on the investment property of the Group. The fair value is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy due to its specialised nature which is not readily traded in the marketplace.

At the balance sheet date, the investment property held by the Group is as follows:

Location	Description/ Existing use	Tenure
1 Welding Pass, Henderson, Western Australia	Buildings on leasehold land / Submarine rescue facility	Leasehold land leases: 28-years lease from April 2020, with further 22 years option
		Leasehold land sub-lease: 26-years and 4 months lease from July 2021, with 2 options to renew for a further 3 years each

The fair value measurement for the investment property of A$14,840,000 (2021: Nil) has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques used to derive Level 3 fair values

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 30 June 2022 A$'000	Valuation techniques	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Buildings	14,840	Depreciated Replacement Cost (DRC)	Depreciation rates	2%	The higher the depreciation rates, the lower the fair value.
			Estimated construction costs per square metre	$1,318	The higher the construction costs, the higher the fair value.
			Developer profit margin	5% to 8%	The higher the profit margin, the higher the fair value.

Leasehold land carried at cost.

The asset is depreciated on a straight-line basis over its lease term. The depreciation rate used is 2%.

(a) Investment property is leased to non-related parties under operating leases.

Amounts recognised in profit or loss for investment properties

	Group
	2022 A$'000
Rental income	**329**
Direct operating expenses from property that generated rental income	**(273)**

(b) The carrying amount of investment properties that are pledged for security is as follows:

Description	Borrowings	2022 A$'000
Investment properties	Corporate market loan, multi-option	**16,805**

16. Intangible assets

	Group	
	2022 A$'000	2021 A$'000
Goodwill	**10**	10

16. Intangible assets (continued)

Goodwill arose from the excess of the consideration paid for a business acquired from a third party. Goodwill has been allocated to the cash-generating unit, Metals and Minerals division.

Management is of the opinion that the recoverable amount will exceed the carrying amount on the basis that this cash generating unit has been generating profit since acquisition and management forecasts the results of this subsidiary to be in a net profit position for the financial year ended 30 June 2022. In arriving at this assessment, management has determined the recoverable amount using a two (2021: two) years forecasting process based on the current order book, projected orders and a consumer price index ('CPI') factor of 6.1% (2021: 3.8%) per annum on direct costs and overhead costs.

17. Investment in subsidiaries

	Company	
	2022 A$'000	2021 A$'000
Unquoted equity shares, at cost	**7,579**	7,579
Interest-free loan receivable	**-**	746
	7,579	8,325
Less: impairment loss	**-**	(746)
	7,579	7,579

During the current financial year, the Company has written off the impairment loss of A$746,000.

There is no material non-controlling interest to be disclosed for the financial year ended 30 June 2022.

The details of the Company's subsidiaries are as follows:

Name of Entity	Principal Activities	Country of incorporation	Equity held by the Group 2022 %	Equity held by the Group 2021 %
Held by the Company				
Civmec Construction & Engineering Pty Ltd*	Engineering and construction services	Australia	**100**	100
Civmec Construction & Engineering Singapore Pte Ltd**	Engineering and construction services	Singapore	**100**	100
Held by Civmec Construction & Engineering Pty Ltd				
Civmec Holdings Pty Ltd*	Asset holding company	Australia	**100**	100
Multidiscipline Solutions Pty Ltd*	Asset holding company and labour supply	Australia	**100**	100
Civmec Pipe Products Pty Ltd*	Asset holding company	Australia	**83.5**	83.5
Civmec Electrical and Instrumentation Pty Ltd*	Electrical services	Australia	**100**	100
Civmec DLG Pty Ltd(2)	Engineering and construction services	Australia	**-**	100
Forgacs Marine and Defence Pty Ltd*	Marine and defence services	Australia	**100**	100
Civmec Construction & Engineering Africa Ltd***	Asset holding company	Mauritius	**100**	100
Civmec-Mala PNG***	Engineering and construction services	Papua New Guinea	**88**	88
Held by Forgacs Marine and Defence Pty Ltd				
Forgacs Valco Pty Ltd*(1)	Valve services	Australia	**-**	50
Held by Civmec Construction & Engineering Africa Ltd				
Civmec Construction & Engineering Uganda Ltd***	Asset holding company	Uganda	**100**	100

* Audited by Moore Australia (WA) Pty Ltd, Australia.
** Audited by Moore Stephens LLP, Singapore.
*** Reviewed by Moore Australia (WA) Pty Ltd, Australia for the purpose of consolidation.
(1) The company was deregistered on 15 August 2021.
(2) The company was deregistered on 10 September 2021.

18. Investment in joint venture

	Group	
	2022 A$'000	**2021 A$'000**
Unquoted cost of investment	**57**	242
Share of loss	**(5)**	(97)
	52	145
Cash distribution to shareholders	**(52)**	(88)
As at 30 June	**-**	57

Details of the Group's joint venture that is accounted for using the equity method at the end of the reporting period are as follows:

Name of Entity	Principal Activities	Country of incorporation	Ownership interest held by the Group	
			2022 %	**2021 %**
Held by Civmec Construction & Engineering Pty Ltd				
Australian Maritime Shipbuilding and Export Group Ltd (AMSEG)(1)	Shipbuilding	Australia	**50**	50
Brown & Root Civmec Pty Ltd(2)	Engineering and maintenance services	Australia	**-**	49

(1) Not a significant component.
(2) The company was deregistered on 11 April 2022.

The summarised financial information below represents amounts shown in the joint venture's financial statements.

Brown & Root Civmec Pty Ltd

Summarised statement of financial position:

	2022 A$'000	**2021 A$'000**
Current assets	**-**	115
Total assets	**-**	115
Other payables	**-**	-
Net assets	**-**	115

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	11 Apr 2022 A$'000	**2021 A$'000**
Net assets	**-**	115
Proportion of the Group's ownership interest in the joint venture	**49.0%**	49.0%
Carrying amount of the Group's interest in the joint venture	**-**	57

30 June 2022

18. Investment in joint venture (continued)

Summarised statement of comprehensive income:

	1 Jul 2021 to 11 Apr 2022 A$'000	2021 A$'000
Administrative expenses		
Loss before tax	**(10)**	(8)
	(10)	(8)
Income tax expense		
Loss after tax	**-**	(189)
	(10)	(197)

19. Investment in associate

Details of the Group's associate that is accounted for using the equity method at the end of the reporting period are as follows:

Name of Entity	Principal Activities	Country of Incorporation	Ownership interest held by the Group 2022 %	Ownership interest held by the Group 2021 %
Held by Civmec Construction & Engineering Uganda Ltd				
Civtec Africa Ltd	Engineering and construction services	Uganda	**32**	32

Civtec Africa Ltd

As at 30 June 2022, Civtec Africa Ltd has reported an estimated net equity deficit of A$3,572,000 (30 June 2021: A$3,088,000 net equity deficit) with assets of A$2,077,000 (30 June 2021: A$297,000) and liabilities of A$5,649,000 (30 June 2021: A$3,385,000), and a total comprehensive loss for the year ended 30 June 2022 of A$1,941,000 (2021: A$922,000 loss).

The carrying amount of investment in associate has been reduced to nil on the basis that the associate reported a net liability position as at 30 June 2022.

The Group has not recognised its share of loss of A$620,000 for the financial year ended 30 June 2022 (2021: A$294,000) because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised loss amount to A$958,000 (2021: A$338,000) at reporting date.

A settlement agreement was entered on 29 November 2021 for the exit of Civmec Group from Civtec Africa Ltd upon the fulfillment of the terms and conditions by Civtec Africa Ltd.

20. Joint operations

The Group has interests in the following joint operation which is proportionately consolidated:

Name of Entity	Principal Activities	Country of incorporation	Ownership interest held by the Group 2022 %	Ownership interest held by the Group 2021 %
Black & Veatch Civmec JV ('BCJV')	Engineering and construction services	Australia	**50**	50

BCJV project is for the design and construction of a wastewater treatment plant upgrade.

The Group is entitled to a proportionate share of the construction contract revenue earned and bears a proportionate share of the joint operations' expenses.

21. Trade and other payables

	Group		Company	
	2022 A$'000	2021 A$'000	2022 A$'000	2021 A$'000
Trade creditors	**57,303**	41,293	**32**	60
Sundry payables and accruals	**44,605**	38,303	**160**	132
Goods and services tax payable	**3,524**	2,601	**-**	–
Other taxes payable	**6,239**	5,216	**-**	-
	111,671	87,413	**192**	192

Trade and other payables are usually paid within 45 days.

22. Borrowings

	Group	
	2022 A$'000	2021 A$'000
Current:		
Corporate market loan – secured [Note 22(a)]	**8,000**	-
Trade finance [Note 22(b)]	**20,000**	-
	28,000	-
Non-current:		
Senior secured notes [Note 22(c)]	**-**	60,000
Corporate market loan - secured [Note 22(a)]	**46,000**	-
	46,000	60,000
	74,000	60,000

(a) Corporate market loan

The Group is required by the banks to maintain certain financial ratios such as leverage ratio, tangible net worth and debt service cover ratio. As at 30 June 2022, the Group met all of these financial covenants.

As at 30 June 2022, the Group has a commercial bank facility amounting to A$54 million (30 June 2021: A$40 million) which was fully utilised (30 June 2021: not utilised). The facility is repaid at an amount of A$8 million per annum. Interest rates are variable and ranged between 1.37% to 1.53% (2021: 1.34% to 4.13%) per annum during the current financial year.

22. Borrowings (continued)

(b) Trade finance

The Group has a multi-option facility of A$40 million which was 50.0% utilised as at 30 June 2022 (30 June 2021: not utilised). It can be used for trade financing, bank guarantees and letters of credit. Interest rates are fixed at the time of drawing and ranged between 1.29% to 1.80% per annum during the current financial year.

(c) Senior secured notes

The Group secured a A$60 million offering of 4-year secured notes ('senior secured notes') on 23 November 2018 to restructure existing finance and provide funding for a portion of a world-class shipbuilding and maintenance facility at Henderson, Western Australia. The senior secured notes were unconditionally and irrevocably guaranteed by the Company and are redeemable after two years at the Company's option. The notes were repaid in full in November 2021.

General security deed

Both the commercial bank and multi-option facilities are secured by certain property, plant and equipment and investment properties as disclosed in Note 14 and Note 15 to the financial statements.

23. Provisions

	Group	
	2022 A$'000	2021 A$'000
Current:		
Provision for employee benefits	**11,350**	8,950
Non-current:		
Provision for employee benefits	**4,726**	4,429
	16,076	13,379

The movements in provisions are as follows:

	Group	
	2022 A$'000	2021 A$'000
Current:		
At the beginning of the year	**8,950**	6,103
Provisions made during the year		
- Included in employee benefits	**28,035**	16,567
Provisions utilised during the year	**(25,635)**	(13,720)
At the end of the year	**11,350**	8,950
Non-current:		
At the beginning of the year	**4,429**	3,352
Provisions made during the year		
- Included in employee benefits	**1,792**	1,381
Adjustment due to change in probability %	**(916)**	(52)
Provisions utilised during the year	**(579)**	(252)
At the end of the year	**4,726**	4,429

Provisions pertain to employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data and the discount rate used ranges from 3.61 % to 5.26% (2021: 0.18 % to 2.66%).

24. Leases

(a) The Group as Lessee

Nature of the Group's leasing activities

The Group has entered into leases of land and buildings in respect of its offices, facilities and workshops. The Group has the following leases:

- The Henderson land lease at Lot 804 (16) Nautical Drive, Henderson, Western Australia is for a 34-year period from August 2010 with an option to renew for a further 35 years (reasonably certain to be exercised). Rent increases as per the CPI Index.
- The Henderson land lease on extended area at Lot 804 (16) Nautical Drive, Henderson, Western Australia is for a 28-year period from December 2016 with an option to renew for a further 45 years (reasonably certain to be exercised). Rent increases as per the CPI Index.
- A workshop lease at 1 Boys Road, Gladstone in Queensland for 2-year period and 1-year option (exercised).
- The Henderson land lease at Lot 101 (1) Welding Pass, Henderson, Western Australia is 28-year lease from November 2019 with further 22 years option (reasonably certain to be exercised). Rent increases as per the CPI Index.
- A workshop lease at 4/379 Spearwood Avenue, Bibra Lake, Western Australia is for 3-year lease from July 2022 with a first further 2 years option and a second further 3 years option (reasonably certain to be exercised). Rent increases 2.5% on each anniversary of the start date on the initial lease term and subsequently increases as per CPI index.

The Group also leases motor vehicles, workshop equipment and office fitout from non-related parties under lease liabilities. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term. The average lease term is between 4 and 5 years.

The present values of lease liabilities are analysed as follows:

	Minimum lease payments A$'000	Future finance charges A$'000	Net present value of minimum lease payments A$'000
2022			
Within one year	**14,340**	**(3,776)**	**10,564**
Between two and five years	**44,234**	**(16,128)**	**28,106**
Later than five years	**151,444**	**(134,193)**	**17,251**
	195,678	**(150,321)**	**45,357**
	210,018	**(154,097)**	**55,921**
2021			
Within one year	14,060	(3,675)	10,385
Between two and five years	43,272	(15,433)	27,839
Later than five years	97,666	(81,133)	16,533
	140,938	(96,566)	44,372
	154,998	(100,241)	54,757

24. Leases (continued)

(a) The Group as Lessee (continued)

Nature of the Group's leasing activities (continued)

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2022 A$'000	2021 A$'000
Present value of lease liabilities		
Within one year	**10,564**	10,385
Between two and five years	**28,106**	27,839
Later than five years	**17,251**	16,533
	45,357	44,372
	55,921	54,757

The effective interest rates range from 2.14% to 8.6% (2021: 2.14% to 8.6%) per annum.

Carrying amount of right-of-use assets within Property, Plant and Equipment

	Group	
	2022 A$'000	2021 A$'000
Leasehold land & buildings	**26,494**	27,560
Small tools	**885**	-
Plant and equipment	**30,597**	26,138
Motor vehicles	**2,514**	1,339
Office equipment	**-**	26
	60,490	55,063

Carrying amount of right-of-use assets within Investment Properties

	Group	
	2022 A$'000	2021 A$'000
Leasehold land	**1,965**	-

There was an addition of A$8,180,000 to right-of-use assets during the year (Note 14 and Note 15).

Amounts recognised in profit or loss

	Group	
	2022 A$'000	2021 A$'000
Depreciation charged for the year:		
- Small tools	**94**	-
- Plant and equipment	**2,139**	2,018
- Motor vehicles	**462**	296
- Office equipment	**-**	27
- Leasehold land & building	**677**	595
Interest on lease liabilities (Note 8)	**3,836**	3,912
Expenses relating to short-term leases	**249**	371
Other disclosures		
Total cash outflow for leases	**7,533**	7,045

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24. Leases (continued)

(b) The Group as lessor

The Group sub-leased its investment property under an operating lease which also included pay to build and occupy conditions. A net amount of A$9,236,000 was received in advance during the year ended 30 June 2021 from the sub-lessee as part of the pay to build conditions. Revenue from the advance is being recognised over the tenure of the land. The sub-lessee does not have an option to purchase the property at the expiry of the lease period. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties is disclosed in Note 15.

Future minimum rental receivables under non-cancellable operating leases as at the end of the reporting period are as follows:

	Group
	2022 A$'000
Present value of rental receivables	
Within one year	**214**
Between one year and two years	**207**
Between two years and three years	**184**
Between three years and four years	**184**
Between four years and five years	**184**
Later than five years	**1,724**
	2,697

25. Share capital

(a) Fully paid ordinary shares

	Group and Company			
	2022		2021	
	No. of shares	A$'000	No. of shares	A$'000
At the beginning and end of the year	**501,100,000**	**29,807**	501,000,000	29,807
Share issued during the year				
- Conversion of performance rights	**1,350,000**	**-**	100,000	-
At the end of the year	**502,450,000**	**29,807**	501,100,000	29,807

The ordinary shares of the Company have no par value. All issued ordinary shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share without restrictions at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

During the financial year, 1,350,000 shares were issued pursuant to vesting and conversion of performance rights held by key management personnel (KMP) and other management.

On 17 December 2021 the Company paid a Final dividend of 1.0 Australia cents per ordinary share (30 June 2021: 1.0 Australia cents) amounting to A$5,024,350 for the financial year ended 30 June 2021. On 4 April 2022, the Company also paid an Interim dividend of 1.0 Australia cents per ordinary share amounting to A$5,024,350 for the financial year ended 30 June 2022.

The Board has recommended a Final dividend of 2.0 Australian cents per ordinary share for the financial year ended 30 June 2022, subject to shareholders' approval at the forthcoming Annual General Meeting.

25. Share capital (continued)

(b) Treasury shares

	Group and Company			
	2022		2021	
	No. of shares	A$'000	No. of shares	A$'000
At the beginning and end of the year	**15,000**	**10**	15,000	10

Treasury shares relate to ordinary shares of the Company that are held by the Company.

(c) Share options

	Group and Company			
	2022		2021	
	No. of shares	Exercise Price	No. of shares	Exercise Price
At the beginning and end of the year	**4,000,000**	**S$0.65**	4,000,000	S$0.65

These options vested but were not exercised during the reporting period. Share options granted under the Civmec Employee Share Option plan carry no rights to dividends and no voting rights. The exercise price is Singapore dollars $0.65 per share. Further details of the employee option plan are disclosed in Note 26(b) to the financial statements.

26. Share-based payments

(a) Performance share plan

The Civmec Limited Performance Share Plan (the 'CPSP') for key management personnel and employees of the Group was approved and adopted by shareholders at the Extraordinary General Meeting held on 25 October 2012.

Under the CPSP, 1,199,000 ordinary shares with a market value of S$0.70 equivalent to A$0.74 per share were fully allotted out of treasury shares issued by the Company on 13 June 2014.

No issuance of share-based payment transactions in the current financial year.

(b) Employee share option scheme

The Civmec Limited Employee Share Option Scheme (the 'CESOS') was established on 27 March 2012 and formed part of the Civmec Limited prospectus dated 5 April 2012. The CESOS is a long term incentive scheme to reward and retain key management and employees of the Group whose service are integral to the success and the continued growth of the Group. Executive and non-executive directors (including independent directors) and employees of the Company, who are not controlling shareholders or their associates, are eligible to participate in the scheme. Controlling shareholders or their associates cannot participate in the scheme unless certain conditions are satisfied and shareholder approval is obtained.

The options are issued for no consideration and carry no entitlements to voting rights or dividends of the Group and are not transferable. The number of options granted is subject to approval by the Remuneration Committee and is based on a performance framework which incorporates financial and/or non-financial performance measurement criteria.

Options are forfeited immediately after the holder ceases to be employed by the Group (except in the case of ill health, retirement, redundancy or bankruptcy), unless the committee determines otherwise.

The options are issued with a strike price that is at the Remuneration Committee's discretion, set at a price as quoted on the Singapore Exchange for three market days immediately preceding the relevant date of grant of the option or at a discount to the market price (subject to a maximum discount of 20%).

The vesting period for options issued with no discount to market price is over one year.

On 11 September 2013, 6,000,000 options were granted to employees under the CESOS to take up ordinary shares at an exercise price of S$0.65 equivalent to A$0.64 per share. The options are exercisable on or before 11 September 2023.

26. Share-based payments (continued)

(b) Employee share option scheme (continued)

Options granted to employees are as follows:

Grant date	Total number granted	Vesting period
11 September 2013	6,000,000	1 year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in share options during the year:

	2022		2021	
	No. of shares	WAEP	No. of shares	WAEP
Outstanding at the beginning of the year	**4,000,000**	**S$0.65**	4,000,000	S$0.65
- Cancelled during the year	**-**		-	
Outstanding at the end of the year	**4,000,000**	**S$0.65**	4,000,000	S$0.65
Exercisable at the end of the year	**4,000,000**		4,000,000	

The weighted average remaining contractual life of options outstanding as at 30 June 2022 is 1 (2021: 2) years. The exercise price of outstanding shares was S$0.65 (2021: S$0.65) equivalent to A$0.68 (2021: A$0.64).

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted was S$0.35 (2021: S$0.35) equivalent to A$0.37 (2021: A$0.35). These values were calculated using the Binomial option pricing model applying the following inputs:

Grant date	11 September 2013
Vesting period	1 year
Dividend yield	11%
Weighted average exercise price	S$0.65
Share price	S$0.65
Expected average life of the option	5.9 years
Expected share price volatility	26%
Risk-free interest rate	2.68%

The expected volatility of the Company has been determined having regard to the historical volatility of the market price of the Company's shares and the mean reversion tendency of volatilities.

The life of the options is based on the expected exercise patterns, which may not eventuate in the future.

A liquidity discount has also been applied to the value of the options to account for historically low trading volume of the shares.

(c) Performance rights plan

The Civmec Limited Performance Rights Plan (the 'CPRP') for key senior executives of the Group was approved and adopted by shareholders at the Annual General meeting held on 25 October 2019.

A Performance Right refers to a right to one issued ordinary share of the Company granted under the scheme for no consideration. To the extent the gateway hurdles are satisfied, 100% of the vesting will be based on the absolute earnings per share (aEPS) outcome. aEPS is based on the achievement of certain predetermined performance targets determined by the Committee. The Committee has the discretion to determine whether the performance targets have been met.

26. Share-based payments (continued)

(c) Performance rights plan (continued)

The balances of Performance Rights are as follows:

	Issued	Vested	Forfeited /Lapsed /Expired	Balance
Performance period 1 July 2018 to 30 June 2021 (Granted in FY2020)	3,061,000	(1,350,000)	(1,711,000)	-
Performance period 1 July 2020 to 30 June 2022 (Granted in FY2021)	4,289,000	-	(179,000)	4,110,000
Performance period 1 July 2020 to 30 June 2023 (Granted in FY2021)	4,289,000	-	(179,000)	4,110,000
Performance period 1 July 2021 to 30 June 2024 (Granted in FY2022)	1,773,000	-	(67,000)	1,706,000
Balance as at 30 June 2022				9,926,000

For the financial year ended 30 June 2022, the Group has recognised A$1,435,000 of share-based payment expense (2021: A$2,040,000).

27. Asset revaluation reserve

	Group and Company			
	2022 A$'000	2021 A$'000	2022 A$'000	2021 A$'000
Balance at beginning of year	**80,358**	78,487	**-**	-
Gain on revaluation of freehold land and buildings	**53,027**	2,673	**-**	-
Deferred tax liability arising on revaluation (Note 9)	**(15,908)**	(802)	**-**	-
Balance at end of year	**117,477**	80,358	**-**	-

28. Other reserves

	Group		Company	
	2022 A$'000	**2021 A$'000**	**2022 A$'000**	**2021 A$'000**
Merger reserve	**7,578**	7,578	**7,578**	7,578
Waiver of interest receivable from a subsidiary	**-**	-	**(3,335)**	(3,335)
Waiver of loan payable to a related party	**277**	277	**-**	-
Equity-settled employee benefits reserve	**3,715**	2,280	**3,715**	2,280
	11,570	10,135	**7,958**	6,523

(a) Merger reserve

Pursuant to the completion of the Restructuring Exercise, the share capital of Civmec Construction & Engineering Pty Ltd and Controlled Entities was adjusted to merger reserve based on the 'pooling of interest method'.

(b) Equity-settled employee benefits

The equity-settled employee benefits reserve relates to share options granted to employees under the employee share option plan and performance rights.

29. Capital expenditure commitments

The Group has contracted capital expenditure commitments at the reporting date but not recognised in the financial statement as follows:

	Group	
	2022 A$'000	**2021 A$'000**
Plant and equipment purchases	**816**	1,862
Capital projects	**3,013**	3,068
	3,829	4,930

30. Guarantees

Group

The Group is, in the normal course of business, required to provide guarantees in respect of their contractual performance related obligations. These guarantees and indemnities only give rise to a liability in the event that it is unable to perform its contractual obligations.

Company

The Company also provides parent company guarantee (PCG) to clients from time to time when a subsidiary enters into a contractual agreement. These guarantees and indemnities only give rise to a liability in the event that the subsidiary is unable to perform its contractual obligations.

During the course of business, the Company also provides letters of credit for international trading when required.

30. Guarantees (continued)

As at 30 June 2022, the Group has given the following:

	Group	
	2022 A$'000	2021 A$'000
Group		
Bank guarantees	**1,567**	1,879
Surety bond facility	**163,192**	160,885
Letters of credit	**60**	380
	164,819	163,144
Company		
Senior secured notes	**-**	60,000

The surety bond facility is provided for the provision of performance bonds to customers of the Group. It has a limit of A$370 million (30 June 2021: A$305 million) as at 30 June 2022.

31. Related party transactions

The Group's main related parties are as follows:

Entities exercising control over the Group

The largest shareholders are James Finbarr Fitzgerald and Olive Theresa Fitzgerald (acting as trustees for the JF & OT Fitzgerald Family Trust) (19.45%) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust) (19.43%). Patrick John Tallon is a beneficiary of the Kariong Investment Trust.

Key management personnel

Any person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

Remuneration paid to key management personnel is as follows:

	Group	
	2022 A$'000	2021 A$'000
Directors' remuneration		
- Salaries and other related costs	**3,034**	2,420
- Directors' fees	**261**	241
- Share-based payment	**160**	-
- Benefits including defined contribution plans	**140**	125
Other key management personnel		
- Salaries and other related costs	**2,948**	2,243
- Share-based payment	**514**	-
- Benefits including defined contribution plans	**235**	189
	7,292	5,218

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31. Related party transactions (continued)

Directors' interest in employee share benefit plans

At the end of the reporting date, the total number of outstanding share options and performance rights that were issued/allocated to the directors and key management personnel under existing employee benefit schemes is given below:

	Group	
	2022 No.	2021 No.
Share options		
Directors	-	-
Key management personnel	**2,000,000**	2,000,000
Performance rights		
Directors	**4,380,000**	5,171,000
Key management personnel	**3,982,000**	4,184,000

Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Group	
	2022 A$'000	2021 A$'000
Waiver of loan payable to a related party	-	277
Purchase of goods and services		
- Consultant fee paid to a related party (in which a director has an interest in the related party)	-	(15)

32. Financial information by segments

Management has determined the operating segments based on the internal reports which are regularly reviewed by the Operations Management that are used to make strategic decisions.

The Operations Management comprises of the Executive Chairman, Chief Executive Officer, Chief Operations Officer, Acting Chief Financial Officer and the department heads of each operating segment.

The business is managed primarily on the basis of different products and services as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements.

32. Financial information by segments (continued)

The Group is organised into the following main business segments:

- Energy
- Resources
- Infrastructure, Marine and Defence

The business activities include heavy engineering, shipbuilding, modularisation, SMP (structural, mechanical, piping), EIC (electrical, instrumentation and control), precast concrete, site civil works, industrial insulation, maintenance, surface treatment, refractory and access solutions.

Although the Operations Management receives separate reports for each project in the Energy, Resources, and Infrastructure, Marine and Defence businesses, these have been aggregated into the respective reportable segments as they have similar long-term average gross margins.

Basis of accounting for purpose of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the consolidated financial statements of the Group.

(b) Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reviewed quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs.

(c) Segment assets and liabilities

The Group does not identify nor segregate its assets and liabilities in operating segments as these are managed on a 'group basis'.

Geographical segments (secondary reporting)

Revenue is based on the location of customers regardless of where the services are rendered. Non-current assets are based on the location of those assets:

	Revenue		Non-current assets	
	2022 A$'000	2021 A$'000	2022 A$'000	2021 A$'000
Australia	**809,295**	674,186	**466,308**	416,734

Major customers

The Group has a number of customers to whom it provides both products and services. For the year ended 30 June 2022, the Group supplies to two (2021: three, Resources) external customers in the Resources segment and one external customer in Infrastructure, Marine and Defence segment. The major customers account for approximately 52.0% (2021: 55.1%) of external revenue.

32. Financial information by segments (continued)

	2022				2021			
	Energy A$'000	Resources A$'000	Infra-structure, Marine and Defence A$'000	Total A$'000	Energy A$'000	Resources A$'000	Infra-structure, Marine and Defence A$'000	Total A$'000
Revenue – external sales	**30,192**	**630,902**	**148,201**	**809,295**	38,317	559,781	76,088	674,186
Cost of sales (excluding depreciation)	**(25,850)**	**(547,421)**	**(128,800)**	**(702,071)**	(32,447)	(486,096)	(66,674)	(585,217)
Depreciation expense	**(929)**	**(12,155)**	**(3,303)**	**(16,387)**	(1,581)	(8,197)	(4,153)	(13,931)
Segment results	**3,413**	**71,326**	**16,098**	**90,837**	4,289	65,488	5,261	75,038
Other income				**2,919**				2,572
Share of loss of joint venture	**(5)**	**-**	**-**	**(5)**	(97)	-	-	(97)
Unallocated costs								
Administrative expenses*				**(19,839)**				(18,744)
Depreciation in admin expenses*				**(213)**				(243)
Finance costs				**(4,868)**				(6,481)
Trade receivables written off	**-**	**(37)**	**-**	**(37)**	-	(1,646)	-	(1,646)
Impairment loss on loan to an associate	**-**	**(127)**	**-**	**(127)**	-	(200)	-	(200)
Write back of:								
- bad debt	**-**	**23**	**-**	**23**	-	-	-	-
- impairment loss on loan to an associate	**-**	**328**	**-**	**328**	-	-	-	-
- revaluation loss on freehold land and buildings				**967**				-
Other expenses				**(2)**				(2)
Profit before income tax				**69,983**				50,197
Income tax expense				**(19,242)**				(15,569)
Net profit for the year				**50,741**				34,628
Segment assets:								
Intangible assets	**-**	**10**	**-**	**10**	-	10	-	10
Unallocated assets:								
Assets				**722,422**				630,389
Other current assets				**1,829**				1,903
Deferred tax assets				**1,401**				4,637
Total assets				**725,662**				636,939
Segment liabilities:								
Unallocated liabilities								
Liabilities				**264,472**				271,692
Borrowings				**74,000**				60,000
Provisions				**16,076**				13,379
Total liabilities				**354,548**				345,071
Other segment information								
Capital expenditure during the year				**6,904**				21,616

*Administrative expenses above exclude depreciation which is disclosed separately above.

33. Financial risk management objectives and policies

The Group and the Company financial risk management policies set out the Group's and the Company's overall business strategies and its risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company do not hold or issue derivative financial instruments for speculative purposes.

As at 30 June 2022, the Group's and the Company's financial instruments mainly consisted of cash and cash equivalents, trade and other receivables, contract assets, trade and other payables, contract liabilities, lease liabilities and borrowings.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables, contract assets and cash and cash equivalents. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk; and
- High credit quality counterparties of at least an 'A' rating by external credit rating companies.

Financial assets that are potentially subject to concentration of credit risk consist are principally bank deposits and receivables. The Group places its deposits with financial institutions and other creditworthy issuers and limits the amount of credit exposure to any one party. As at 30 June 2022, the Group has a concentration of credit risk on two debtors (2021: one debtor) that individually represents 26.8% and 26.0% (2021: 49.1%) of total trade and other receivables and contract assets.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except for financial guarantees as disclosed in Note 30 to the financial statements.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement for expected credit losses ('ECL'):

Internal rating grades	Definition	Basis for recognition and measurement of ECL
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition (>60 days past due).	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired (>90 days past due).	Lifetime ECL (credit-impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

33. Financial risk management objectives and policies (continued)

(a) Credit risk

Trade receivables and contract assets

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group has adopted the policy of dealing with customers with an appropriate credit history as a means of mitigating the credit risk exposures. Credit evaluation which takes into account qualitative and quantitative profile of each customer is performed and approved by management before credit is being granted. The Group also closely monitors customers' payment pattern and credit exposures on an on-going basis.

The Group applies the simplified approach to provide for the ECL for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to the lifetime ECL.

The Group uses a provision matrix to measure the lifetime ECL allowance for trade receivables and contract assets. In measuring the ECL, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate mainly to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the ECL rates, the Group considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data. The Group has identified the gross domestic product ('GDP') growth of the countries in which it sells goods and services to be the most relevant factor, and accordingly adjust the historical loss rates based on expected changes in this factor.

The Group considers a financial asset as in default when the counterparty fail to make contractual payments for a prolonged period of time when they fall due, and the Group may also consider internal and external information, such as significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flow, such as a debtor failing to engage in a repayment plan with the Group and it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management has assessed and concluded that the ECL rate for trade receivables past due less than 1 year approximates Nil and is immaterial, while the ECL rate for trade receivables past due more than 1 year approximates 50% to 100%, except for specific cases where management has assessed the amount is still fully recoverable.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 June 2022 and 2021 are set out in the provision matrix as follows:

		Past due			
	Current A$'000	Within 60 days A$'000	61 to 90 days A$'000	More than 90 days A$'000	Total A$'000
Group					
2022					
Trade receivables	**90,733**	**3,684**	**-**	**20**	**94,437**
Loss allowance	**-**	**-**	**-**	**(11)***	**(11)**
	90,733	**3,684**	**-**	**9**	**94,426**
2021					
Trade receivables	83,878	3,283	18	58	87,237
Loss allowance	-	-	-	(11)*	(11)
	83,878	3,283	18	47	87,226

* Risk profile of the corresponding receivable is assessed separately from the other trade receivables.

33. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

There is no ageing analysis for contract assets as these mainly relate to variable considerations which have yet to be invoiced.

The Group has assessed and concluded that trade receivables are subject to immaterial credit loss. There has been no change in the estimation techniques or significant assumptions made during the current reporting year.

Other receivables and receivables from subsidiaries and a related party

The Group applies the general approach to provide for the ECL for other receivables and receivables from subsidiaries and a related party. Under the general approach, the loss allowance is measured at an amount equal to the 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

Impairment of these balances have been measured on the 12-month ECL basis which reflects the low credit risk of exposures. These amounts are subject to immaterial credit loss.

Impact of COVID-19

Judgement has been exercised in considering the impacts that COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Unless otherwise addressed in specific notes, it has had no significant impact on the Group's overall credit risk.

Cash and cash equivalents

The cash and bank balances are entered into with bank and financial institution counterparties, which are rated at least AA, based on international credit rating agencies.

For the purpose of impairment, cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(b) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt. At 30 June 2022, approximately 28% (2021: 83%) of the Group's debt is fixed. The Group's borrowings at variable rates are denominated mainly in A$. If the A$ interest rates increase/decrease by 1% (2021: 1%) with all other variables remain constant, the Group's profit before tax will be approximately lower/higher by A$540,000 (2021: Nil) as a result of higher/lower interest expenses on these borrowings.

The Group and the Company has cash balances placed with reputable banks and financial institutions. Such balances are placed on varying maturities and generate interest income for the Group and the Company.

The Group obtains additional financing through bank borrowings and leasing arrangements. Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's borrowings and leasing obligations. They are both fixed and floating rates of interest. The policy is to retain flexibility in selecting borrowings at both fixed and floating rates interest.

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33. Financial risk management objectives and policies (continued)

(b) Interest rate risk (continued)

	Variable rates		Fixed rates			
	Within 1 year A$'000	Between 2 to 5 years A$'000	Within 1 year A$'000	Between 2 to 5 years A$'000	Non-interest bearing A$'000	Total A$'000
Group						
2022						
Financial assets						
Cash and cash equivalents	**40,834**	**-**	**-**	**-**	**7**	**40,841**
Trade and other receivables	**-**	**-**	**-**	**-**	**95,030**	**95,030**
	40,834	**-**	**-**	**-**	**95,037**	**135,871**
Financial liabilities						
Trade and other payables	**-**	**-**	**-**	**-**	**101,908**	**101,908**
Contract liabilities	**-**	**-**	**-**	**-**	**43,325**	**43,325**
Lease liabilities	**-**	**-**	**10,565**	**45,356**	**-**	**55,921**
Borrowings						
- Corporate market loan	**8,000**	**46,000**	**-**	**-**	**-**	**54,000**
-Trade finance	**-**	**-**	**20,000**	**-**	**-**	**20,000**
	8,000	**46,000**	**30,565**	**45,356**	**145,233**	**275,154**
Group						
2021						
Financial assets						
Cash and cash equivalents	48,144	-	-	-	28	48,172
Trade and other receivables	-	-	-	-	87,488	87,488
	48,144	-	-	-	87,516	135,660
Financial liabilities						
Trade and other payables	-	-	-	-	79,596	79,596
Contract liabilities	-	-	-	-	80,138	80,138
Lease liabilities	7,190	12,933	3,195	31,439	-	54,757
Borrowings						
- Senior secured notes	-	-	-	60,000	-	60,000
	7,190	12,933	3,195	91,439	159,734	274,491

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33. Financial risk management objectives and policies (continued)

(b) Interest rate risk (continued)

	Variable rates		Fixed rates			
	Within 1 year A$'000	Between 2 to 5 years A$'000	Within 1 year A$'000	Between 2 to 5 years A$'000	Non-interest bearing A$'000	Total A$'000
Company						
2022						
Financial assets						
Cash and cash equivalents	-	-	-	-	7	7
Trade and other receivables	-	-	-	-	34,831	34,831
	-	-	-	-	34,838	34,838
Financial liabilities						
Trade and other payables	-	-	-	-	192	192
	-	-	-	-	192	192
2021						
Financial assets						
Cash and cash equivalents	-	-	-	-	28	28
Trade and other receivables	-	-	-	-	50,481	50,481
	-	-	-	-	50,509	50,509
Financial liabilities						
Trade and other payables	-	-	-	-	192	192
	-	-	-	-	192	192

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting its commitments concerning its financial liabilities. The Group and the Company manages this risk through the following mechanism:

- Preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- Monitoring undrawn credit facilities;
- Maintaining credit risk related to financial assets;
- Obtaining funding from a variety of sources;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward. Balances due within 12 months equal their carrying amount as the impact of discounting is not significant.

33. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

The table below reflects an undiscounted contractual maturity analysis for financial liabilities (exclude contract liabilities).

		Contractual undiscounted cash flows			
	Carrying amount A$'000	Within 1 year A$'000	Between 2 to 5 years A$'000	More than 5 years A$'000	Total A$'000
Group					
2022					
Financial liabilities					
Trade and other payables	**101,908**	**101,908**	**-**	**-**	**101,908**
Lease liabilities	**55,921**	**14,340**	**44,234**	**151,444**	**210,018**
Borrowings					
- Corporate market loan	**54,000**	**8,123**	**46,704**	**-**	**54,827**
- Trade finance	**20,000**	**20,018**	**-**	**-**	**20,018**
Total financial liabilities	**231,829**	**144,389**	**90,938**	**151,444**	**386,771**
Group					
2021					
Financial liabilities					
Trade and other payables	79,596	79,596	-	-	79,596
Lease liabilities	54,757	14,060	43,272	97,666	154,998
Borrowings					
- Senior secured notes	60,000	4,200	64,200	-	68,400
Total financial liabilities	194,353	97,856	107,472	97,666	302,994

		Contractual undiscounted cash flows		
	Carrying amount A$'000	Within 1 year A$'000	Between 2 to 5 years A$'000	Total A$'000
Company				
2022				
Financial liabilities				
Trade and other payables	**192**	**192**	**-**	**192**
Total financial liabilities	**192**	**192**	**-**	**192**
Company				
2021				
Financial liabilities				
Trade and other payables	192	192	-	192
Total financial liabilities	192	192	-	192

The Group's undrawn borrowings facilities and guarantees are disclosed in Notes 22 and 30 to the financial statements respectively.

33. Financial risk management objectives and policies (continued)

(d) Capital management

Management controls the capital of the Group in order to maintain a good debt-to-equity ratio, provide the shareholders with adequate returns and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

The Group and the Company have no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distribution to shareholders and share issues.

The net debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total financial liabilities less cash and cash equivalents.

	Group	
	2022 A$'000	2021 A$'000
Net debt	**234,313**	226,319
Total equity	**371,114**	291,868
Net debt-to-equity ratio	**0.63**	0.78

There were no changes in the Group's approach to capital management during the current financial year.

(e) Fair value estimation

Financial instruments

The fair values of financial assets and financial liabilities can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated.

The fair value of current financial assets and financial liabilities approximate the carrying value due to the liquid nature of these assets and/or the short-term nature of these financial rights and obligations.

The fair value of non-current receivables and borrowings are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the reporting date. The carrying amounts of financial assets and financial liabilities are assumed to approximate their respective fair values. The Group does not anticipate that the carrying amounts recorded at the balance sheet date would be significantly different from the values that would eventually be received or settled.

Fair value hierarchy

The Group categories fair value measurement using a fair value hierarchy that is depend on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

34. Litigation

Perth stadium project

In February 2019, the Group lodged a writ in the Supreme Court of Western Australia against Brookfield Multiplex Engineering and Infrastructure Pty Ltd ('Brookfield Multiplex'), in relation to the valuation of additional time and changes to the works undertaken in the delivery of the new Perth Stadium project in Western Australia.

The Group is seeking a determination from the Supreme Court to recover costs associated with the changes in scope and nature of the works required to be completed and for the granting of Practical Completion.

35. Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2021.

- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7, SFRS(I) 16 *Interest rate benchmark reform – Phase 2*;
- Amendments to SFRS(I) 16 *Related rent concessions*

The directors of the Company have assessed that the interest rate benchmark reform does not have material impact to the Group during the current financial year.

36. New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning on or after 1 July 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning on or after 1 July 2022:

Applicable to 2023 financial statements:

- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37 *Provisions – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to SFRS(I) 3 *Business Combination – Reference to the Conceptual Framework*
- Annual improvements to SFRS(I)s 2018 – 2020 SFRS(I) 9 *Financial Instruments – Fees in the '10 per cent' test for derecognition*

Applicable to 2024 financial statements:

- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1 *Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements*
- Amendments to SFRS(I) 1-8 Accounting Policies, *Changes in Accounting Estimates and Errors -Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Statistics of Shareholders

For the Year Ended 30 June 2022

Shareholders' Statistics and Distribution as at 16 September 2022

Class of Shares:	Ordinary Shares
Voting Rights (excluding treasury shares):	One vote per Ordinary Share
No. of issued shares:	505,132,000
No. of issued shares excluding treasury shares:	505,117,000
No. of treasury shares:	15,000

Distribution of Shareholdings

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	4	0.43	139	0.00
100 - 1,000	37	3.96	28,719	0.00
1,001 - 10,000	392	41.97	2,463,067	0.49
10,001 - 1,000,000	472	50.54	42,969,468	8.51
1,000,001 and Above	29	3.10	459,655,607	91.00
TOTAL	**934**	**100.00**	**505,117,000**	**100.00**

Twenty Largest Shareholders as at 16 September 2022

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	CHESS DEPOSITORY NOMINEES PTY LIMITED	241,486,076	47.81
2	CITIBANK NOMINEES SINGAPORE PTE LTD	49,052,173	9.71
3	DBS NOMINEES PTE LTD	48,754,934	9.65
4	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	35,281,364	6.98
5	MAYBANK SECURITIES PTE. LTD.	21,422,974	4.24
6	RAFFLES NOMINEES (PTE) LIMITED	6,571,900	1.30
7	LEE TECK LENG	5,700,200	1.13
8	FOO SIANG GUAN	5,015,249	0.99
9	GOH GEOK LING	4,994,434	0.99
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,999,100	0.79
11	PHILLIP SECURITIES PTE LTD	3,682,100	0.73
12	NG KEE CHOE	3,330,134	0.66
13	LAI VOON NEE	3,300,000	0.65
14	HENG KHENG LONG	3,130,845	0.62
15	HSBC (SINGAPORE) NOMINEES PTE LTD	2,418,600	0.48
16	PANG CHIN FATT	2,273,000	0.45
17	HO KONG CHEW	2,050,000	0.41
18	DB NOMINEES (SINGAPORE) PTE LTD	2,000,000	0.40
19	DIANA SNG SIEW KHIM	1,962,700	0.39
20	WONG YEW MENG	1,916,000	0.38
	Total:	**448,341,783**	**88.76**

Note: The percentage is based on 505,117,000 shares (excluding shares held as treasury shares) as at 16 September 2022.

Statistics of Shareholders

For the Year Ended 30 June 2022

Substantial Shareholders

Name	Direct Interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
JF & OT Fitzgerald Family Trust (1)	97,720,806	19.35%		-
Kariong Investment Trust (2)	97,566,806	19.32%		-
Michael Lorrain Vaz (3)	13,938,000	2.76%	23,812,000	4.71%
James Finbarr Fitzgerald (and Olive Teresa Fitzgerald) (1)	-	-	97,720,806	19.35%
Goldfirm Pty Ltd (2)	-	-	97,566,806	19.32%
Patrick John Tallon (2)	54,000	0.01%	97,566,806	19.32%

Note:
1. Mr James Finbarr Fitzgerald and his spouse (Olive Teresa Fitzgerald) are the trustees of the JF & OT Fitzgerald Family Trust. Pursuant to Section 4(3) of the Securities and Futures Act (SFA), Mr James Finbarr Fitzgerald and his spouse (Olive Teresa Fitzgerald), their children (Sean Fitzgerald, Claire Fitzgerald and Sarah Fitzgerald) and Parglade Holdings Pty Ltd (which is equally held by Mr James Finbarr Fitzgerald and his spouse) are deemed to have an interest in the Shares owned by JF & OT Fitzgerald Family Trust, which are legally held in the names of Mr James Finbarr Fitzgerald and his spouse, Olive Teresa Fitzgerald, as trustees.
2. Goldfirm Pty Ltd is the trustee of the Kariong Investment Trust. Mr Patrick John Tallon has a deemed interest in the Shares which are held by Goldfirm Pty Ltd as trustee. Pursuant to Section 4(3) of the SFA, Mr Patrick John Tallon is also deemed to have interest in the Shares owned by the Kariong Investment Trust, which are legally held in the name of Goldfirm Pty Ltd, as trustee.
3. Michael Lorrain Vaz has deemed interest in 23,812,000 shares which are held by Clarendon Pacific Ventures Pte. Ltd.

Percentage of Shareholding in Public's Hands

Based on Shareholders' Information as at 16 September 2022 and to the best knowledge of the Directors, approximately 51.0% of the issued ordinary shares of the Company is held in the hands of the public (on basis of information available to the Company). Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

CIVMEC LIMITED
Company Registration No. 201011837H
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore on Friday, 28 October 2022 at 10:30 a.m. to transact the following businesses:

As Ordinary Business:

1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2022 together with the Directors' Statement and Independent Auditors' Report thereon.	**Ordinary Resolution 1**
2	To approve the payment of a tax exempt (foreign sourced) Final Dividend of 2.0 Australian cents per ordinary share for the financial year ended 30 June 2022.	**Ordinary Resolution 2**
3	To approve the payment of Directors' fees of S$257,000 for the financial year ending 30 June 2023, to be paid quarterly in arrears. (FY2022: S$257,000) *[See Explanatory Note (i)]*	**Ordinary Resolution 3**
4	For the purposes of ASX Listing Rule 10.17, to approve the increase in payment of non-executive Directors' fees of S$8,000 (i.e. aggregate of S$265,000) for the financial year ending 30 June 2023, to be paid quarterly in arrears. (FY2022: S$257,000). *[See Explanatory Note (ii)]* **Voting Exclusion:** In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out by or on behalf of a Director or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by: (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.	**Ordinary Resolution 4**
5	To re-elect the following Directors retiring pursuant to Regulation 118 of the Company's Constitution and for the purposes of ASX Listing Rule 14.5:	
	(a) Mr James Finbarr Fitzgerald *[See Explanatory Note (vi)]*	**Ordinary Resolution 5**
	(b) Mr Patrick John Tallon *[See Explanatory Note (vi)]*	**Ordinary Resolution 6**
	(c) Mr Kevin James Deery *[See Explanatory Note (vi)]*	**Ordinary Resolution 7**

Notice of Annual General Meeting

As Ordinary Business:

6	To re-elect the following Directors retiring pursuant to Article 118 of the Company's Constitution and for the purposes of ASX Listing Rule 14.5, and Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST:	
	(a) Mr Chong Teck Sin *[See Explanatory Notes (iii) and (vi)]*	**Ordinary Resolution 8**
	(b) Mr Wong Fook Choy Sunny *[See Explanatory Notes (iv) and (vi)]*	**Ordinary Resolution 9**
	(c) Mr Douglas Owen Chester *[See Explanatory Notes (v) and (vi)]*	**Ordinary Resolution 10**
7	Subject to and contingent upon Resolution 8 being passed, shareholders (excluding Directors and the Chief Executive Officer ('CEO') of the Company, and their associates) to approve Mr Chong Tek Sin's continued appointment as an Independent Director in accordance with Rule 210(5)(d)(iii) of the SGX-ST Listing Manual, and such Resolution shall remain in force until the earlier of the following: (i) Mr Chong Tek Sin's retirement or resignation; or (ii) the conclusion of the third AGM following the passing of this Resolution in 2025. *[See Explanatory Notes (iii) and (vi)]* **Voting Exclusion:** For the purposes of this Resolution, the Directors and the CEO of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST): (a) shall abstain from voting; and (b) must not accept appointment as proxies unless specific instructions as to voting are given. Any votes cast by such persons in contravention of the foregoing shall be disregarded for the purposes of determining if this Resolution has been passed in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST.	**Ordinary Resolution 11**
8	Subject to and contingent upon Resolution 9 being passed, shareholders (excluding Directors and the CEO of the Company, and their associates) to approve Mr Wong Fook Choy Sunny's continued appointment as an Independent Director in accordance with Rule 210(5)(d)(iii) of the SGX-ST Listing Manual, and such Resolution shall remain in force until the earlier of the following: (i) Mr Wong Fook Choy Sunny's retirement or resignation; or (ii) the conclusion of the third AGM following the passing of this Resolution in 2025. *[See Explanatory Notes (iv) and (vi)]* **Voting Exclusion:** For the purposes of this Resolution, the Directors and the CEO of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST): (a) shall abstain from voting; and (b) must not accept appointment as proxies unless specific instructions as to voting are given. Any votes cast by such persons in contravention of the foregoing shall be disregarded for the purposes of determining if this Resolution has been passed in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST.	**Ordinary Resolution 12**
9	Subject to and contingent upon Resolution 10 being passed, shareholders (excluding Directors and the CEO of the Company, and their associates) to approve Mr Douglas Owen Chester's continued appointment as an Independent Director in accordance with Rule 210(5)(d)(iii) of the SGX-ST Listing Manual, and such Resolution shall remain in force until the earlier of the following: (i) Mr Douglas Owen Chester's retirement or resignation; or (ii) the conclusion of the third AGM following the passing of this Resolution in 2025. *[See Explanatory Notes (v) and (vi)]* **Voting Exclusion:** For the purposes of this Resolution, the Directors and the CEO of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST): (a) shall abstain from voting; and (b) must not accept appointment as proxies unless specific instructions as to voting are given. Any votes cast by such persons in contravention of the foregoing shall be disregarded for the purposes of determining if this Resolution has been passed in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST.	**Ordinary Resolution 13**
10	To re-appoint Messrs Moore Stephens LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 14**

Notice of Annual General Meeting

As Special Business:

To consider and, if thought fit, to pass with or without modifications the following resolutions, will be proposed as Ordinary Resolutions:

11	**Authority to allot and issue shares** THAT pursuant to Section 161 of the Companies Act 1967 of Singapore (the 'Companies Act'), and the listing rules of the Singapore Exchange Securities Trading Limited ('SGX-ST'), and subject to the Company's compliance with the requirements of the ASX Listing Rules, authority be and is hereby given for the Directors of the Company ('Directors') at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to: (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, 'Instruments') including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuant to any Instrument made or granted by the Directors while the Resolution was in force, provided always that: (a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the Company's total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) shall be the Company's total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) at the time this Resolution is passed, after adjusting for: (i) new shares arising from the conversion or exercise of convertible securities, or (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, and (iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares; Adjustments in accordance with (i), (ii) and (iii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution. (b) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. *[See Explanatory Note (vii)]*	**Ordinary** **Resolution 15**

Notice of Annual General Meeting

As Special Business:

12	**Proposed Grant of Performance Rights to Mr Kevin James Deery, a Director of the Company, under the Civmec Key Senior Executives Performance Rights Plan** THAT, for the purposes of ASX Listing Rule 10.14, and for all other purposes: (a) approval be given for the grant of Performance Rights covering 417,000 fully-paid Shares to Mr Kevin James Deery, upon such terms to be determined by the Remuneration Committee, in accordance with the rules of the Civmec PRP; and (b) the Directors be and are hereby authorised to allot and issue from time to time such number of fully-paid Shares as may be required to be delivered pursuant to the vesting of such Performance Rights under the Civmec PRP. *[See Explanatory Note (viii)]* Voting Exclusion: In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Kevin James Deery) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by: (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.	**Ordinary** **Resolution 16**
13	To transact any other business which may properly be transacted at an Annual General Meeting.	

BY ORDER OF THE BOARD

James Finbarr Fitzgerald
Executive Chairman
6 October 2022

Notice of Annual General Meeting

Explanatory Notes:

(i) Ordinary Resolution 3 seeks Shareholder approval for the payment of fees to directors. The Singapore Companies Act 1967 requires shareholders' approval to approve the payment of fees to directors each year.

(ii) Ordinary Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.17 to increase the total aggregate amount of fees payable to non-executive Directors to S$265,000.

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Directors' fees include all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any of its child entities (including attending and participating in any board committee meetings), superannuation contributions for the benefit of a non-executive director and any fees which a non-executive director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine 'special exertion' fees paid in accordance with an entity's constitution, or securities issued to a non-executive director under the ASX Listing Rules 10.11 or 10.14 with the approval of the holders of its ordinary securities.

If Ordinary Resolution 4 is passed, the maximum aggregate amount of fees payable to the non-executive Directors will increase by S$8,000 to S$265,000. The increase to maximum aggregate amount of fees payable may enable the Company to:

(a) fairly remunerate both existing and any new non-executive directors joining the Board;

(b) remunerate its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and

(c) have the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

If Ordinary Resolution 4 is not passed, this may inhibit the ability of the Company to remunerate, attract and retain appropriately skilled non-executive directors.

In the past three years, the Company has not issued any securities to non-executive Directors pursuant to ASX Listing Rules 10.11 and 10.14.

(iii) Ordinary Resolution 8 and 11 relate to Mr Chong Teck Sin's re-election as a Director of the Company and his continued designation as an Independent Non-Executive Director. Mr Chong has been a Director of the Company for an aggregate period of more than 9 years and will cease to be regarded as independent on the date of the AGM pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST unless Resolution 8 and Resolution 11 are both passed. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) all shareholders and (B) the shareholders, excluding the directors, the CEO and their associates as required for his continued appointment as an Independent Director.

If only Resolution 8 is passed but Resolution 11 is not passed, Mr Chong shall be re-designated as a Non-Independent Non-Executive Director, and a member of the Audit Committee and Risks and Conflicts Committee as of and from the date of the AGM.

If Resolution 8 and Resolution 11 are both passed, Mr Chong will continue to be designated as an Independent Non-Executive Director of the Company in accordance with Rule 210(5)(d)(iii) of the SGX-ST Listing Manual until the earlier of (i) Mr Chong Teck Sin's retirement or resignation; or (ii) the conclusion of the 2025 AGM. Mr Chong will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and the Risks and Conflicts Committee and a member of the Nominating and Remuneration Committees. Key information on Mr Chong can be found on the section 'Board of Directors' of the Annual Report 2022.

(iv) Ordinary Resolution 9 and 12 relate to Mr Wong Fook Choy's re-election as a Director of the Company and his continued designation as an Independent Non-Executive Director. Mr Wong has been a Director of the Company for an aggregate period of more than 9 years and will cease to be regarded as independent on the date of the AGM pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST unless Resolution 9 and Resolution 12 are both passed. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) all shareholders and (B) the shareholders, excluding the directors, the CEO and their associates as required for his continued appointment as an Independent Director.

If only Resolution 9 is passed but Resolution 12 is not passed, Mr Wong shall be re-designated as a Non-Independent Non-Executive Director and member of the Remuneration Committee as of and from the date of the AGM.

If Resolution 9 and Resolution 12 are both passed, Mr Wong will continue to be designated as an Independent Non-Executive Director of the Company in accordance with Rule 210(5)(d)(iii) of the SGX-ST Listing Manual until the earlier of

(i) Mr Wong Fook Choy's retirement or resignation; or (ii) the conclusion of the 2025 AGM. Mr Wong will, upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit, Risks and Conflicts and Nominating Committees. Key information on Mr Wong can be found on the section 'Board of Directors' of the Annual Report 2022.

(v) Ordinary Resolution 10 and 13 relate to Mr Douglas Owen Chester's re-election as a Director of the Company and his continued designation as an Independent Non-Executive Director. Mr Chester has been a Director of the Company for an aggregate period of more than 9 years and will cease to be regarded as independent on the date of the AGM pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST unless Resolution 10 and Resolution 13 are both passed. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) all shareholders and (B) the shareholders, excluding the directors, the CEO and their associates as required for his continued appointment as an Independent Director.

If only Resolution 10 is passed but Resolution 13 is not passed, Mr Chester shall be re-designated as a Non-Independent Non-Executive Director and a member of the Nominating Committee as of and from the date of the AGM.

If Resolution 10 and Resolution 13 are both passed, Mr Chester will continue to be designated as an Independent Non-Executive Director of the Company in accordance with Rule 210(5)(d)(iii) of the SGX-ST Listing Manual until the earlier of (i) Mr Chester's retirement or resignation; or (ii) the conclusion of the 2025 AGM. Mr Chester, will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit, Risks and Conflicts and Remuneration Committees. Key information on Mr Chester can be found on the section 'Board of Directors' of the Annual Report 2022.

(vi) Each of Resolutions No. 5 to 10 are also included for the purpose of ASX Listing Rule 14.5, which provides that an entity which has directors must hold an election of directors at each annual general meeting.

(vii) Resolution No. 15, if passed, will empower the Directors of the Company from the date of the passing of Resolution No. 15 to the date of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares (excluding treasury shares and shares (if any) held by a subsidiary) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares and shares (if any) held by a subsidiary) for issues other than on a pro-rata basis to shareholders.

Upon the passing of Resolution No. 15, pursuant to SGX Listing Rule 806, approval by an issuer's shareholders under SGX Listing Rule 805(1) is not required as the shareholders had, by ordinary resolution in a general meeting, given a general mandate to the directors of the issuer to issue shares or convertible securities.

However, any issue of securities pursuant to Resolution No. 15 will be made subject to the Company's compliance with ASX Listing Rule requirements including, but not limited to, the Company's ability to issue securities under ASX Listing Rule 7.1 at any given time. Resolution No. 15 is not a prior approval for the issue of securities pursuant to ASX Listing Rule 7.1.

(viii) Resolution No. 16 seeks shareholders' approval for the grant of Performance Rights covering 417,000 Shares to Mr Kevin James Deery upon such terms to be determined by the Remuneration Committee in accordance with the rules of the Civmec PRP, and the allotment and issuance from time to time such number of fully-paid Shares as may be required to be delivered pursuant to the vesting of such Performance Rights under the Civmec PRP. Mr Kevin James Deery is Chief Operating Officer of the Company.

ASX Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

10.14.1 a director of the entity; or

10.14.2 an associate of a director of the entity; or

10.14.3 a person whose relationship with the entity or a person referred to in ASX Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Performance Rights to Mr Kevin James Deery falls within ASX Listing Rule 10.14.1 and therefore requires the approval of shareholders under ASX Listing Rule 10.14.

If Resolution No. 16 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Kevin James Deery under the Civmec PRP within 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under ASX Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

If Resolution No. 16 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Kevin James Deery under the Civmec PRP.

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Performance Rights.

(a) The Performance Rights will be issued to Mr Kevin James Deery, who falls within the category set out in Listing Rule 10.14.1, by virtue of being a Director.

(b) The maximum number of Performance Rights to be issued to Mr Kevin James Deery is 417,000.

(c) The current total fixed annual remuneration package for Mr Kevin James Deery is $595,292, comprising of salary and allowances of $570,000 and a superannuation payment of $25,292. Mr Deery is also eligible to up to $250,000 in short term incentives if certain performance measures are met. If the Performance Rights are issued, the total remuneration package of Mr Kevin James Deery will increase by $219,925.80 to a maximum of $1,065,217.80, being the value of the Performance Rights (based on the Black-Scholes methodology).

(d) The Civmec PRP was last adopted by shareholders on 29 October 2021. 2,274,000 Performance Rights have previously been issued to Mr Kevin James Deery for nil cash consideration under the Civmec PRP. Of those Performance Rights previously issued, 522,000 have been cancelled, 228,000 have vested and been converted to shares and 1,524,000 remain.

(e) The Performance Rights are unquoted performance rights. The Company has chosen to grant the Performance Rights to Mr Kevin James Deery for the following reasons:

a. the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on shareholders;

b. the issue of Performance Rights to Mr Kevin James Deery will align the interests of Mr Kevin James Deery with those of shareholders;

c. the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Kevin James Deery; and

d. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.

(f) The Company values the Performance Rights at A$219,926 (being A$0.53 per Performance Right) based on the Black-Scholes methodology using the following assumptions:

Valuation of the underlying Shares	S$0.60
Valuation date	01 July 2022
Commencement of performance/vesting period	01 July 2022
Performance measurement/vesting date	30 June 2025
Expiry date	30 June 2032
Term of the Performance Right	3 Years
Volatility (discount)	25%
Risk free interest rate	2.5%
Gross Dividend Yield	5.71%

(g) The issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights.

(h) A summary of the material terms and conditions of the Civmec PRP is set out in the Schedule.

(i) No loan is being made to Mr Kevin James Deery in connection with the acquisition of the Performance Rights.

(j) Details of any Performance Rights issued under the Civmec PRP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

(k) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Civmec PRP after Resolution No. 16 is approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.

(l) Key Senior Executives (including Controlling Shareholders and Associates of such Controlling Shareholders, each as defined in the Listing Manual of the SGX-ST) who have attained the age of 21 years and hold such rank as may be designated by the Remuneration Committee from time to time, will be eligible to participate in the Civmec PRP. Directors, James Finbarr Fitzgerald, Patrick John Tallon and Kevin James Deery, are eligible to participate in the Civmec PRP. Non-Executive Directors are not eligible to participate in the Civmec PRP. Subject to the absolute discretion of the Remuneration Committee, Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Civmec PRP, provided that (i) the participation of each Controlling Shareholder or his Associate, and (ii) the actual number and terms of the Performance Rights to be granted to them have been approved by independent shareholders in separate resolutions for each such person – accordingly approval is being sought for the issue of Performance Rights to Mr Kevin James Deery.

(m) The Performance Rights will be issued to Mr Kevin James Deery no later than 12 months after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date.

(n) The terms of the Performance Rights are in accordance with the Civmec PRP subject to the key terms and conditions of the Performance Rights set out below.

The Performance Rights to be granted to Mr Kevin James Deery will vest based on the performance of Mr Kevin James Deery over a three (3) year performance period from 1 July 2022 to 30 June 2025.

The aggregate number of Performance Rights which shall vest in favour of Mr Kevin James Deery, will be based on the achievement of certain predetermined performance targets (which are based on absolute earnings per share ('aEPS')) as determined by the Remuneration Committee in accordance with the Civmec PRP. The vesting schedule is as follows:

Long Term Incentive Proportion Vesting – Number of Performance Rights to be vested, calculated as a percentage of the number of Performance Rights for each performance period	Absolute Earnings per Share
50%	Target – If the aEPS achieved is equal to 90% of the three-year average annual result
On a pro rata basis between 50% and 100%	Between Target and Stretch – If the aEPS achieved is more than 90% but not more than 110% of the three-year average annual result
100%	Stretch – If the aEPS achieved is more than 110% of three-year average annual result

Notice of Annual General Meeting

In addition:

- Upon satisfaction of the relevant vesting condition attached to a Performance Right, the Performance Right shall vest and will convert into 1 fully paid ordinary share in the capital of the Company.
- A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- The Performance Rights are not transferable.
- If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules at the time of reorganisation.
- The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- If the vesting condition attached to the relevant Performance Right has not been satisfied within the relevant time period set out above, the relevant Performance Rights will automatically lapse.

Notes:

i. Save for members which are nominee companies, a member of the Company shall not be entitled to appoint more than two proxies to attend and vote at the general meeting of the Company. A proxy need not be a member of the Company.

ii. Where a member appoints two proxies, they shall specify the proportion of their shares (expressed as a percentage of the whole) to be represented by ach proxy.

iii. Pursuant to Section 181 of the Companies Act 1967, any member (who is a Relevant Intermediary*) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

iv. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act 1967, to attend and vote for and on behalf of such corporation.

v. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 10:30am. on 25 October 2022), as certified by The Central Depository (Pte) Limited to the Company.

vi. An investor who holds shares under the Supplementary Retirement Scheme ('SRS Investor') who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10:30 am. on 18 October 2022). SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to the appointment of a proxy for the AGM.

vii. In the case of joint shareholders, all shareholders must sign the instrument appointment a proxy or proxies

viii. Voting by holders of CDIs: Holders of CHESS Depositary Interests over Shares ('CDIs') are entitled to attend the Annual General Meeting, provided that they cannot vote at the meeting, and if they wish to vote they must direct CHESS Depositary Nominees Pty Ltd ("CDN"), the holder of legal title of the CDIs, how to vote in advance of the meeting pursuant to the instructions set out in the accompanying voting instruction form. If you are a holder of CDIs, please sign and date the enclosed voting instruction form and return it in accordance with the instructions on your voting instruction form.

ix. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:

(a) be deposited at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898; or

(b) send electronic mail to agm@civmec.com.au enclosing signed PDF copy of the Proxy Form;

not less than seventy-two (72) hours before the time appointed for the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Notice of Annual General Meeting

RECORD DATE:

Subject to members' approval to the proposed final dividend at the forthcoming Annual General Meeting, the Register of Members and Share Transfer Books of Civmec Limited (the 'Company') will be closed on 9 December 2022, for the preparation of dividend warrants to the proposed tax exempt (Foreign Sourced) Final dividend of A$0.02 for the financial year ended 30 June 2022 ('Final Dividend').

Duly completed registrable transfers in respect of the shares in the Company received up to 5:00 p.m. on 8 December 2022 ('Record Date') by the Company's Singapore Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00 Singapore 068898 will be registered to determine Members' entitlements to the Final Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5:00 p.m. on the Record Date will be entitled to the Final Dividend.

The Proposed Final Dividend, if approved at the forthcoming Annual General Meeting, will be paid on 19 December 2022.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agent or service providers) for the purpose of the processing, administration and analysis of the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the 'Purposes'), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

SCHEDULE – SUMMARY OF CIVMEC PRP:

The key terms of the Civmec PRP are as follows:

(a) Eligibility

Key Senior Executives (including Controlling Shareholders and Associates of such Controlling Shareholders, each as defined in the Listing Manual) who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time, will be eligible to participate in the Civmec PRP.

Subject to the absolute discretion of the Committee, Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Civmec PRP, provided that (i) the participation of each Controlling Shareholder or his Associate, and (ii) the actual number and terms of the Performance Rights to be granted to them have been approved by independent Shareholders in separate resolutions for each such person.

Non-Executive Directors shall not be eligible to participate in the Civmec PRP.

(b) Performance Rights

Performance Rights represent the right of a Participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets are met and/or after expiry of the prescribed vesting period(s) (where applicable), in accordance with the rules of the Civmec PRP.

A Performance Right shall be personal to the Participant to whom it is granted and, prior to the delivery to the Participant of the Award Shares, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.

(c) Participants

The selection of a Participant and the number of Award Shares to be granted to a Participant in accordance with the Civmec PRP shall be determined at the discretion of the Committee, which may take into account such criteria as it considers fit, including (but not limited to) his rank, job performance, creativity, innovativeness, entrepreneurship, resourcefulness, years of service and potential for future development, his contribution to the success and development of the Group and the degree of difficulty of fulfilling the performance condition(s) within the performance period.

(d) Details of Performance Rights

The Committee shall decide, in relation to each Performance Right to be granted to a Participant:

(i) the Award Date;

(ii) the performance condition(s) and relevant performance period;

(iii) the number of Performance Rights which shall vest on the performance condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;

(iv) the vesting date(s);

(v) the vesting period(s), if any; and

(vi) whether:

(1) the Award Shares shall be delivered within the prescribed automatic timeline stipulated in the Civmec PRP; or

(2) the Participant has the ability to elect to choose a deferred timeline whereby the Company shall deliver the Award Shares to the Participant, subject to the following:

(a) such election must be made by the Participant and notified to the Company prior to expiration of the Relevant Period; and

(b) in the event that no election is made by the Participant in respect of a vested Performance Right prior to the expiration of the Relevant Period, the Company shall deliver the aggregate number of Award Shares underlying the aggregate corresponding number of vested Performance Rights within [14] calendar days from the expiration of the Relevant Period;

(vii) the time and circumstances when Performance Rights lapse, provided that once vested, the Performance Rights shall not lapse; and

(viii) any other condition which the Committee may determine in relation to that Performance Right.

(e) Timing

The Committee may grant Performance Rights at any time during the period when the Civmec PRP is in force. An Award Letter confirming the Performance Right and specifying, inter alia, the Award Date, the number of Award Shares, the prescribed performance condition(s), the performance period during which the prescribed performance condition(s) is/are to be attained or fulfilled, the extent to which the Award Shares will vest on satisfaction of the prescribed performance condition(s), the vesting date(s) and the vesting period(s) (if any) will be sent to each Participant as soon as is reasonably practicable after the grant of a Performance Right.

(f) Events Prior to Vesting

Special provisions for the vesting and lapsing of Performance Rights apply in certain circumstances including the following:

(i) the Participant ceasing to be in the employment of the Group for any reason whatsoever (other than as specified in paragraphs (vi), (vii) and (viii) below);

(ii) the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Performance Right;

(iii) the misconduct on the part of a Participant as determined by the Committee in its discretion;

(iv) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency;

(v) any breach of the rules of the Civmec PRP by the Participant;

(vi) the retirement of the Participant;

(vii) the Participant ceasing to be in the employment of the Group by reason of retirement, or ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee) or death, or redundancy, or any other reason approved in writing by the Committee; or

(viii) the Participant ceasing to be in the employment of the Group by reason of:

(1) the company by which he is employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;

(2) (where applicable) the Participant's transfer of employment between members of the Group; or

(3) any other event approved by the Committee.

Upon the occurrence of any of the events specified in paragraphs (i), (ii), (iii), (iv) and (v) above, a Performance Right then held by a Participant shall, as provided in the rules of the Civmec PRP and to the extent not yet vested, lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in paragraphs (vi), (vii) and (viii) above, the Committee may, in its discretion, determine whether a Performance Right then held by such Participant, to the extent not yet vested, shall lapse or that all or any part of such Performance Right shall be vested. If the Committee determines that a Performance Right (to the extent not yet vested) shall lapse, then such Performance Right shall lapse without any claim whatsoever against the Company. If the Committee determines that a certain number of, or all Performance Rights shall be vested, the aggregate number of Award Shares underlying that aggregate number of vested Performance Rights shall be delivered to the Participant within the prescribed automatic timeline stipulated in the Civmec PRP.

In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the prescribed performance condition(s) has/have been satisfied.

(g) Size and Duration

The total number of Award Shares which may be delivered pursuant to Performance Rights granted under the Civmec PRP on any date, when added to:

(i) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares delivered and/or to be delivered, pursuant to Performance Rights granted under the Civmec PRP; and

(ii) the number of new Shares allotted and issued and/or to be allotted and issued and issued Shares delivered and/or to be delivered, in respect of any other options or grants under share option schemes or share schemes adopted by the Company for the time being in force, as the case may be, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (or such other limit as may be prescribed by the SGX-ST) of the Company on the date preceding the date of grant of the relevant Performance Right.

The maximum limit of 15% will provide for sufficient Shares to support the use of Performance Rights in the Company's overall long-term incentive and compensation strategy. In addition, it will provide the Company with the means and flexibility to grant Performance Rights as incentive tools in a meaningful and effective manner to encourage staff retention and to align Participants' interests more closely with those of Shareholders.

Furthermore, the aggregate number of Award Shares available to Controlling Shareholders and their Associates shall not exceed 25% of all Award Shares available under the Civmec PRP, and the number of Award Shares available to each Controlling Shareholder or his Associate shall not exceed 10% of all Awards Shares available under the Civmec PRP.

The Civmec PRP shall continue in force at the absolute discretion of the Committee, subject to a maximum of 10 years commencing from the date it is adopted by the Company in general meeting, provided always that the Civmec PRP may continue beyond this stipulated period with the approval of Shareholders in general meeting and relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Civmec PRP, any Performance Rights granted to Participants prior to such expiry or termination, whether such Performance Rights have been vested (whether fully or partially) or not, will continue to remain valid.

(h) Operation

Subject to the prevailing legislation and the Listing Manual, the Company will have the flexibility to deliver Award Shares to Participants by way of:

(a) an issue of new Shares; and/or

(b) the delivery of existing Shares (including treasury shares).

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the vesting of a Performance Right, shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank pari passu with other existing Shares then in issue.

The Committee shall have the discretion to determine whether the performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee may make reference to the audited results of the Company or the Group (as the case may be), taking into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the Committee shall have the right to amend the performance condition if the Committee decides that a changed performance target would be a fairer measure of performance from the Company's perspective.

Notice of Annual General Meeting

In this Schedule, the following definitions apply unless otherwise stated:

Associate:	Associate shall bear the same meaning as set out in the Listing Manual.
Award Date:	The date on which the Performance Right is granted pursuant to the Civmec PRP.
Award Letter:	A letter in such form as the Committee shall approve confirming a Performance Right granted to a Participant.
Award Shares:	Means a fully paid Ordinary Share in the capital of the Company.
Board:	The board of Directors of the Company from time to time.
CDP:	The Central Depository (Pte) Limited.
Companies Act:	The Companies Act 1967.
Controlling Shareholder:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the Company. The SGX-ST may determine that a person who satisfies the aforesaid is not a Controlling Shareholder; or (b) in fact exercises control over the Company.
Civmec PRP:	The Civmec Key Senior Executives Performance Rights Plan.
Committee:	A committee comprising Directors duly authorised and appointed by the Board of Directors to administer the Civmec PRP.
Directors:	The directors of the Company for the time being.
Executive Director:	A Director who performs an executive function.
Group:	The Company and its subsidiaries.
Key Senior Executive:	Means: (a) the Executive Chairman; (b) the Chief Executive Officer ('CEO'); (c) Executives who report directly to the CEO; and (d) selected other individuals, being employees of any member of the Group holding the rank of senior manager (or such other equivalent rank which may from time to time be determined by the Committee) and above, who do not fall within the ambit of paragraphs (a) to (c) above, who have been selected to participate in the Civmec PRP.
Listing Manual:	The listing manual of the SGX-ST.
Non-Executive Director:	A Director, other than an Executive Director, and 'Non-Executive Directors' shall be construed accordingly.
Participant:	A Key Senior Executive who has been granted a Performance Right or Performance Rights
Performance Right:	A right to one Share granted under, and which shall be subject to the satisfaction of performance conditions in accordance with, the rules of the Civmec PRP and 'Performance Rights' shall be construed accordingly.
Relevant Period:	In relation to a Performance Right, a period of ten (10) years from the Award Date.
Shareholders:	Registered holders of Shares except that where the registered holder is CDP, the term 'Shareholders' shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares.
Shares:	Issued ordinary shares of the Company.
Subsidiary holdings:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.
% or per cent:	Per centum or percentage.

Disclosure of Information on Directors Seeking Re-Election

James Finbarr Fitzgerald, Patrick John Tallon, Kevin James Deery, Chong Teck Sin, Wong Fook Choy Sunny and Douglas Owen Chester are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 October 2022 ('AGM') (collectively, the 'Retiring Directors' and each a 'Retiring Director').

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	James Finbarr Fitzgerald	Patrick John Tallon	Kevin James Deery	Chong Teck Sin	Wong Fook Choy Sunny	Douglas Owen Chester
Date of Appointment	27 March 2012	27 March 2012	27 March 2012	27 March 2012	27 March 2012	2 November 2012
Date of last re-appointment	29 October 2021	29 October 2021	29 October 2021	29 October 2021	29 October 2021	29 October 2021
Age	58	52	51	67	66	70
Country of principal residence	Australia	Australia	Australia	Singapore	Singapore	Australia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Refer to Report on Corporate Governance (Board Membership) included in this Annual Report (pages 70 to 73).					
Whether appointment is executive, and if so, the area of responsibility	Refer to overview of Board of Directors included in this Annual Report (pages 52 and 53).					
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Chief Executive Officer	Chief Operating Officer / acting Chief Financial Officer	Lead Independent Director • Audit Committee Chairman • Nominating Committee Member • Remuneration Committee Member Risks and Conflicts Committee Chairman	Independent Director • Audit Committee Member • Nominating Committee Member • Remuneration Committee Chairman • Risks and Conflicts Committee Member	Independent Director • Audit Committee Member • Nominating Committee Chairman • Remuneration Committee Member Risks and Conflicts Committee Member
Professional qualifications	Refer to overview of Board of Directors included in this Annual Report (pages 52 and 53).					
Working experience and occupation(s) during the past 10 years	Refer to overview of Board of Directors included in this Annual Report (pages 52 and 53).					
Shareholding interest in the listed issuer and its subsidiaries	97,720,806	97,620,806	14,118,250	Nil	Nil	70,000
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None	None	None	None
Conflict of Interest (including any competing business)	None	None	None	None	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years) Present	Refer to Report on Corporate Governance (Board Membership) included in this Annual Report (pages 70 to 73).					

Disclosure of Information on Directors Seeking Re-Election

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is 'yes', full details must be given.

	James Finbarr Fitzgerald	Patrick John Tallon	Kevin James Deery	Chong Teck Sin	Wong Fook Choy Sunny	Douglas Owen Chester
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No	No
c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business	No	No	No	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	James Finbarr Fitzgerald	Patrick John Tallon	Kevin James Deery	Chong Teck Sin	Wong Fook Choy Sunny	Douglas Owen Chester
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No	No
Disclosure applicable to the appointment of Director only						
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N/A	N/A	N/A	N/A	N/A	N/A

Corporate Registry

30 June 2022

Board of Directors

Mr James Finbarr Fitzgerald
(Executive Chairman)

Mr Patrick John Tallon
(Chief Executive Officer)

Mr Kevin James Deery
(Chief Operating Officer)

Mr Chong Teck Sin
(Lead Independent Director)

Mr Wong Fook Choy Sunny
(Independent Director)

Mr Douglas Owen Chester
(Independent Director)

Audit Committee

Mr Chong Teck Sin
(Chairman)

Mr Douglas Owen Chester
Mr Wong Fook Choy Sunny

Remuneration Committee

Mr Wong Fook Choy Sunny
(Chairman)

Mr Douglas Owen Chester
Mr Chong Teck Sin

Nominating Committee

Mr Douglas Owen Chester
(Chairman)

Mr Wong Fook Choy Sunny
Mr Chong Teck Sin

Risks & Conflicts Committee

Mr Chong Teck Sin
(Chairman)

Mr Douglas Owen Chester
Mr Wong Fook Choy Sunny

Company Secretaries

Ms Chan Lai Yin

Registered Office

80 Robinson Road, #02-00
Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 4399

Principal Office and Contact Details

16 Nautical Drive,
Henderson WA 6166
Australia
Tel: (61) 8 9437 6288
Fax: (61) 8 9437 6388

Share Registrar and Share Transfer Agent

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte Ltd)
80 Robinson Road, #02-00
Singapore 068898

Computershare
Level 11
172 St Georges Terrace
Perth WA 6000
Australia

Auditor

Moore Stephens LLP
10 Anson Road, #29-15 International Plaza
Singapore 079903

Partner in Charge: Christopher Bruce Johnson
(Appointed since the financial year ended 30 June 2021)

Principal Banker

National Australia Bank
Level 14
100 St Georges Terrace
Perth WA 6000
Australia

Corporate Website

http://www.civmec.com.au

Proxy Form

2022 Annual General Meeting

Company Registration No. 201011837H
(Incorporated in the Republic of Singapore)

DETACH HERE

CIVMEC LIMITED

Company Registration No. 201011837H
(Incorporated in the Republic of Singapore)

Proxy Form

2022 Annual General Meeting

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/ SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 October 2022.

*I/We (name):

NRIC/Passport No./Co. Registration No.:

of (Address):

being *a member/members of Civmec Limited (the 'Company'), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
		No. of Shares	%
Address:			

and/or:

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
		No. of Shares	%
Address:			

or failing him/her, the Chairman (the 'Chair') of the Annual General Meeting of the Company (the 'Annual General Meeting') as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore on Friday, 28 October 2022 at 10:30 a.m. and at any adjournment thereof.

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2022 Annual General Meeting

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CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES WHERE THE CHAIR IS APPOINTED AS THE PROXY

The Chair intends to vote undirected proxies where the Chair has been appointed as the proxy in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX and SGX-T announcement will be made immediately disclosing the reasons for the change.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Annual General Meeting and at any adjournment thereof.

Voting will be conducted by poll.

*Please delete accordingly

No.	Ordinary Resolutions	For#	Against#	Abstain#
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 30 June 2022 together with the Directors' Statement and Independent Auditors' Report thereon.			
2.	Approval of payment of a tax exempt (foreign sourced) Final Dividend of 2.0 Australian cents per ordinary share for the financial year ended 30 June 2022.			
3.	Approval of the payment of Directors' fees of S$257,000 for the financial year ending 30 June 2023 to be paid quarterly in arrears.			
4.	For the purposes of ASX Listing Rule 10.17, to approve the increase in payment of non-executive Directors' fees of S$8,000 (i.e. aggregate of S$265,000) for the financial year ending 30 June 2023, to be paid quarterly in arrears.			
5.	Re-election of Mr James Finbarr Fitzgerald as a Director of the Company.			
6.	Re-election of Mr Patrick John Tallon as a Director of the Company.			
7.	Re-election of Mr Kevin James Deery as a Director of the Company.			
8.	Re-election of Mr Chong Teck Sin as a Director of the Company.			
9.	Re-election of Mr Wong Fook Choy Sunny as a Director of the Company.			
10.	Re-election of Mr Douglas Owen Chester as a Director of the Company.			
11.	Approval of Mr Chong Teck Sin's continued appointment as an Independent Non-Executive Director by shareholders (excluding Directors, Chief Executive Officer and their associates).			
12.	Approval of Mr Wong Fook Choy Sunny's continued appointment as an Independent Non-Executive Director by shareholders (excluding Directors, Chief Executive Officer and their associates).			
13.	Approval of Mr Douglas Owen Chester's continued appointment as an Independent Non-Executive Director by shareholders (excluding Directors, Chief Executive Officer and their associates).			
14.	Re-appointment of Messrs Moore Stephens LLP as the Auditor.			
15.	Authority to allot and issue shares.			
16.	Grant of Performance Rights to Mr Kevin James Deery, a Director of the Company, under the Civmec Key Senior Executives Performance Rights Plan.			

Dated this day of October 2022

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/Common Seal

* Delete accordingly
\# If you wish to exercise all your votes 'For' or 'Against' the relevant resolution, please indicate with an 'X' within the box provided. Alternatively, if you wish to exercise your votes both 'For' and 'Against' the relevant resolution, please insert the relevant number of shares in the box provided. If you mark the "Abstain" box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Proxy Form

2022 Annual General Meeting

IMPORTANT. PLEASE READ NOTES BELOW.

Notes :

a. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

b. Save for members which are nominee companies, a member of the Company shall not be entitled to appoint more than two proxies to attend and vote at the general meeting of the Company. A proxy need not be a member of the Company.

c. Where a member appoints two proxies, they shall specify the proportion of their shares (expressed as a percentage of the whole) to be represented by each proxy.

d. Pursuant to Section 181 of the Companies Act 1967, any member (who is a Relevant Intermediary*) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

e. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act 1967, to attend and vote for and on behalf of such corporation.

f. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 10:30am. on 25 October 2022), as certified by The Central Depository (Pte) Limited to the Company.

g. An investor who holds shares under the Supplementary Retirement Scheme ('SRS Investor') who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10:30 am. on 18 October 2022). SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to the appointment of a proxy for the AGM.

h. In the case of joint shareholders, all shareholders must sign the instrument appointment a proxy or proxies

i. Voting by holders of CDIs: Holders of CHESS Depositary Interests over Shares ('CDIs') are entitled to attend the Annual General Meeting, provided that they cannot vote at the meeting, and if they wish to vote they must direct CHESS Depositary Nominees Pty Ltd ('CDN'), the holder of legal title of the CDIs, how to vote in advance of the meeting pursuant to the instructions set out in the accompanying voting instruction form. If you are a holder of CDIs, please sign and date the enclosed voting instruction form and return it in accordance with the instructions on your voting instruction form.

j. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:

   (a) be deposited at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898; or

   (b) send electronic mail to agm@civmec.com.au enclosing signed PDF copy of the Proxy Form;

   not less than seventy-two (72) hours before the time appointed for the AGM.

k. By submitting an instrument appointing a proxy or proxies and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 October 2022.

CIVMEC

civmec.com.au