



CIVMEC LIMITED

(Company Registration No: 201011837H)

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE
FOURTH QUARTER ENDED 30 JUNE 2019**

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

INCOME STATEMENT

	Q4		+ / (-) %	Group		+ / (-) %
	FY2019	Q4 FY2018 Restated ¹		12M FY2019	12M FY2018 Restated ¹	
	A\$'000	A\$'000		A\$'000	A\$'000	
Sales revenue	73,391	216,487	(66.1)	488,511	702,415	(30.5)
Cost of sales	(68,022)	(204,589)	(66.8)	(462,978)	(664,009)	(30.3)
Gross profit	5,369	11,898	(54.9)	25,533	38,406	(33.5)
Other income	874	2,041	(57.2)	5,429	8,717	(37.7)
Administrative expenses	(3,671)	(5,229)	(29.8)	(16,688)	(17,863)	(6.6)
Other expenses	(277)	-		(277)	-	
Finance costs	(1,080)	(1,077)	0.3	(5,005)	(4,112)	21.7
Profit before tax	1,215	7,633	(84.1)	8,992	25,148	(64.2)
Income tax expense	(1,088)	(4,553)	(76.1)	(1,962)	(7,730)	(74.6)
Profit for the period	127	3,080	(95.9)	7,030	17,418	(59.6)
<u>Profit attributable to:</u>						
Owners of the Company	120	3,213	(96.3)	6,075	18,112	(66.5)
Non-controlling interest	7	(133)	(105.3)	955	(694)	(237.6)
	127	3,080	(95.9)	7,030	17,418	(59.6)
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	0.02	0.64		1.21	3.62	
• Diluted	0.02	0.64		1.21	3.62	

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

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd):

STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	Q4	Q4	+ / (-) %	12M	12M	+ / (-)
	FY2019	FY2018 Restated		FY2019	FY2018 Restated	
A\$'000	A\$'000		A\$'000	A\$'000		
Profit for the period	127	3,080	(95.9)	7,030	17,418	(59.6)
<u>Other comprehensive (loss)/income:</u>						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on re-translation from functional currency to presentation currency	-	35	(100.0)	(185)	93	(298.9)
Reclassification of translation reserve to the profit or loss account on deconsolidation	-	-		92	-	
Total comprehensive income for the period	127	3,115	(95.9)	6,937	17,511	(60.4)
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	120	3,248	(96.3)	5,982	18,205	(67.1)
Non-controlling interest	7	(133)	(105.3)	955	(694)	(237.6)
	127	3,115	(95.9)	6,937	17,511	(60.4)

1(a)(ii) **Notes to the Income Statement and Consolidated Statement of Comprehensive Income.**

A. Profit before income tax

The following items have been included in determining the profit before income tax:

	Group			Group		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2019	FY2018 Restated		FY2019	FY2018 Restated	
A\$'000	A\$'000	%	A\$'000	A\$'000	%	
(Loss)/Gain on disposal of property, plant and equipment	(55)	253	(121.7)	-	272	(100.0)
Gain on deconsolidation of a subsidiary	-	-		2,091	-	
Insurance recovery	267	1,467	(81.8)	1,764	7,219	(75.6)
Interest income	107	126	(15.1)	689	354	94.6
Fuel tax rebate	237	273	(13.2)	485	596	(18.6)
Share in profit of joint venture/associate	41	43	(4.7)	39	260	(85.0)
Net foreign exchange gain	95	-		95	-	
Sundry revenue	182	(121)	(250.4)	266	16	1562.5
Total Other Income	874	2,041	(57.2)	5,429	8,717	(37.7)

B. Finance costs

	Group			Group		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2019	FY2018 Restated		FY2019	FY2018 Restated	
A\$'000	A\$'000	%	A\$'000	A\$'000	%	
Bank bills and bank guarantees	738	934	(21.0)	4,153	3,657	13.6
Premium funding	67	7	857.1	106	7	1414.3
Finance leases	275	136	102.2	729	448	62.7
Others	-	-		17	-	
Total Finance Costs	1,080	1,077	0.3	5,005	4,112	21.7

C. Depreciation expenses

	Group			Group		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2019	FY2018 Restated		FY2019	FY2018 Restated	
A\$'000	A\$'000	%	A\$'000	A\$'000	%	
Included in Cost of sales	2,236	2,550	(12.3)	9,716	9,981	(2.7)
Included in Administrative expenses	67	152	(55.9)	298	444	(32.9)
Total Depreciation	2,303	2,702	(14.8)	10,015	10,425	(3.9)

1(b)(i) **Statement of Financial Position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

	As at 30 June 2019 A\$'000	Group As at 30 June 2018 Restated A\$'000	As at 1 July 2017 Restated A\$'000	As at 30 June 2019 A\$'000	Company As at 30 June 2018 A\$'000	As at 1 July 2017 A\$'000
ASSETS						
Current assets						
Cash and cash equivalents	40,662	23,369	22,712	6	5	24
Trade and other receivables	68,515	130,619	57,143	29,513	34,285	27,615
Contract asset	112,486	135,244	79,596	-	-	-
Other current asset	1,063	1,747	1,192	9	-	3
Income tax recoverable	4,024	5,313	7,769	4,042	-	4,249
	226,750	296,292	168,412	33,570	34,290	31,888
Non-current assets						
Investments in subsidiaries	-	-	-	7,579	7,579	7,579
Investments in joint venture	41	-	122	-	-	-
Trade and other receivables	-	-	153	-	-	-
Property, plant and equipment	201,004	143,711	128,524	-	-	-
Intangible assets	10	10	10	-	-	-
Deferred tax assets	1,930	2,520	1,097	395	16	11
	202,985	146,241	129,906	7,974	7,595	7,590
TOTAL ASSETS	429,735	442,533	298,318	41,544	41,885	39,478
LIABILITIES AND EQUITY						
Current liabilities						
Trade and other payables	58,027	127,692	71,169	174	136	145
Contract liabilities	68,849	23,178	4,064	-	-	-
Borrowings	8,610	43,275	4,983	-	-	-
Provisions	5,557	9,197	4,831	-	-	-
Income tax payable	-	-	-	-	1,356	-
	141,043	203,342	85,047	174	1,492	145
Non-current liabilities						
Borrowings	108,568	64,434	53,555	-	-	-
Provisions	4,634	3,935	2,955	-	-	-
Deferred tax liabilities	1,362	-	-	-	-	-
	114,564	68,369	56,510	-	-	-
TOTAL LIABILITIES	255,607	271,711	141,557	174	1,492	145
Capital and Reserves						
Share capital	29,807	29,807	29,807	29,807	29,807	29,807
Treasury shares	(10)	(10)	(10)	(10)	(10)	(10)
Other reserves	7,818	7,911	7,818	4,483	4,513	4,483
Retained earnings	136,591	134,147	119,485	7,090	6,083	5,053
Total Equity Attributable to Owners	174,206	171,855	157,100	41,370	40,393	39,333
Non-controlling interest	(78)	(1,033)	(339)	-	-	-
TOTAL EQUITY	174,128	170,822	156,761	41,370	40,393	39,333
TOTAL LIABILITIES AND EQUITY	429,735	442,533	298,318	41,544	41,885	39,478

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

	Group As at 30 June 2019		Group As at 30 June 2018	
	A\$'000	A\$'000	A\$'000 Restated	A\$'000 Restated
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	8,610	-	43,275	-
Amount repayable after one year	108,568	-	64,434	-
Total	117,178	-	107,709	-

Details of collaterals

Finance leases:

The Group has A\$19.2 million (June 2018: A\$13.4 million) of finance leases for vehicles, workshop equipment and office fit out from non-related parties. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term.

Banking facilities:

As at 30 June 2019, the Group has drawn A\$95.4 million (June 2018: A\$98.1 million) of its banking facilities.

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

- General Security Deed – Civmec Holdings Pty Ltd with unsecured guarantee from Civmec Limited in relation to the Senior Secured Note
- Interlocking Guarantee & Indemnity supported by:
 - General Security Deed – Civmec Construction & Engineering Pty Ltd
 - General Security Deed – Civmec Limited
 - General Security Deed – Civmec Construction & Engineering Singapore Pte Ltd
 - Second-ranking General Security Deed – Civmec Holdings (subordinated to the security provided for the notes facility)
- Interlocking Group Master Asset Finance Agreement
- International Swap Dealer Association ("ISDA") Agreement – Australian Entities
- International Swap Dealers Association ("ISDA") Agreement – Singapore Entities

Total unutilised facilities amount to approximately A\$161.8 million, including bond facilities.

1(c) Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 12M FY2019 A\$'000	Group 12M FY2018 Restated A\$'000
Cash Flows from Operating Activities		
Profit before income tax	8,992	25,148
Adjustment for:		
Depreciation of property, plant and equipment	10,015	10,425
Loss/(Gain) on disposal of property, plant and equipment	277	(272)
Share of profit of a joint venture	(41)	(217)
Share of loss of an associate	2	-
Gain on deconsolidation	(2,091)	-
Finance cost	5,005	4,112
Interest income	(689)	(354)
Foreign exchange differences	(97)	78
Operating cash flow before working capital changes	<u>21,373</u>	<u>38,920</u>
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	62,748	(73,351)
Decrease/(increase) in contract assets	22,758	(55,648)
Decrease/(increase) in other current assets	684	(555)
(Decrease)/Increase in trade and other payables	(68,702)	53,649
Increase in contract liabilities	45,671	19,114
(Decrease)/Increase in provisions	(2,940)	5,345
Cash generated from/(used in) operations	<u>81,592</u>	<u>(12,526)</u>
Interest received	617	354
Finance cost paid	(4,627)	(3,611)
Income tax refund	7,346	3,882
Income taxes paid	(6,067)	(7,827)
Net cash generated from/(used in) operating activities	<u>78,861</u>	<u>(19,728)</u>
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	641	1,605
Purchase of property, plant and equipment	(68,227)	(26,954)
Proceeds from related party loan	182	-
Cash distribution from joint venture	-	432
Net cash used in investing activities	<u>(67,404)</u>	<u>(24,917)</u>
Cash Flows from Financing Activities		
Proceeds from borrowings	345,599	397,359
Repayment of borrowings	(336,132)	(348,606)
Dividends paid	(3,631)	(3,451)
Net cash generated from financing activities	<u>5,836</u>	<u>45,302</u>
Net increase in cash and cash equivalents	17,293	657
Cash and cash equivalents at the beginning of the financial period	23,369	22,712
Cash and cash equivalents at the end of the financial period	<u>40,662</u>	<u>23,369</u>

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

Statement of Changes in Equity - GROUP

GROUP	Share capital A\$'000	Treasury shares A\$'000	Merger reserve A\$'000	Other Reserves		Retained earnings A\$'000	Total A\$'000	Non- Controlling interest A\$'000	Total equity A\$'000
				Translation reserve A\$'000	Option reserve A\$'000				
At 1 July 2017, restated	29,807	(10)	7,578	-	240	119,485	157,100	(339)	156,761
Profit for the year	-	-	-	-	-	18,113	18,113	(694)	17,419
Other comprehensive income:									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	93	-	-	93	-	93
Total comprehensive income for the year	-	-	-	93	-	18,113	18,206	(694)	17,512
Dividends paid	-	-	-	-	-	(3,451)	(3,451)	-	(3,451)
Balance as at 30 June 2018	29,807	(10)	7,578	93	240	134,147	171,855	(1,033)	170,822
As 1 July 2018, restated	29,807	(10)	7,578	93	240	134,147	171,855	(1,033)	170,822
Profit for the period	-	-	-	-	-	6,075	6,075	955	7,030
Other comprehensive income:									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(185)	-	-	(185)	-	(185)
Elimination of non-controlling interest on deconsolidation	-	-	-	92	-	-	92	-	92
Total comprehensive income for the period	-	-	-	(93)	-	6,075	5,982	955	6,937
Dividends paid	-	-	-	-	-	(3,631)	(3,631)	-	(3,631)
Balance as at 30 June 2019	29,807	(10)	7,578	-	240	136,591	174,206	(78)	174,128



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

Statement of Changes in Equity – Company

COMPANY	Other Reserves							Total equity A\$'000
	Share capital A\$'000	Treasury shares A\$'000	Merger reserve A\$'000	Translation reserve A\$'000	Option reserve A\$'000	Other reserve A\$'000	Retained earnings A\$'000	
Balance as at 1 July 2017	29,807	(10)	7,578	-	240	(3,335)	5,053	39,333
Profit for the year	-	-	-	-	-	-	4,480	4,480
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss</i>								
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	30	-	-	-	30
Total comprehensive income for the year	-	-	-	30	-	-	4,480	4,510
Dividends paid	-	-	-	-	-	-	(3,450)	(3,450)
Balance as at 30 June 2018	29,807	(10)	7,578	30	240	(3,335)	6,083	40,393
Balance as at 1 July 2018	29,807	(10)	7,578	30	240	(3,335)	6,083	40,393
Profit for the period							4,638	4,638
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss</i>								
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(30)	-	-	-	(30)
Total comprehensive income for the period	-	-	-	-	-	-	4,638	4,608
Dividends paid	-	-	-	-	-	-	(3,631)	(3,631)
Balance as at 30 June 2019	29,807	(10)	7,578	-	240	(3,335)	7,090	41,370

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

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

As at 30 June 2019, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2018: 15,000).

The Company has no outstanding convertibles as at 30 June 2019 and 30 June 2018.

As at 30 June 2019 there were outstanding options for 4,000,000 (30 June 2018: 4,000,000) unissued ordinary shares under the employee share option scheme.

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

	30 June 2019	30 June 2018
	No. of shares	No. of shares
Balance of shares at beginning of period	501,000,000	501,000,000
Total number of shares as at end of the period	501,000,000	501,000,000
Total shares held as treasury shares	15,000	15,000
Total number of shares as at end of period, net of Treasury shares	500,985,000	500,985,000

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on. As at 30 June 2019, the Company held 15,000 of its issued shares as treasury shares.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have been reviewed by our auditors.

- 3. Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not Applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

As required by the listing rules of the Singapore Exchange, the Group has applied Singapore Financial Reporting Standards (International) ("SFRS(I)") with effect from 1 July 2018. The Group's financial statements

for the year ending 30 June 2019 will be prepared in accordance with SFRS(I), issued by the Accounting Standards Council.

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

- SFRS(I) 1 First-time adoption of SFRS(I)
- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) 9 Financial Instruments

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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

a) Application of SFRS(I) 1

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

b) Change in presentation currency to Australian dollars

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

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

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

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

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

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

GROUP	12 months ended 30 June 2018		
	As previously reported A\$'000	SFRS(I) 15 Adjustments A\$'000	As Restated A\$'000
INCOME STATEMENT			
Revenue	712,850	(10,435)	702,415
Tax expense	(10,860)	3,130	(7,730)
COMPREHENSIVE INCOME STATEMENT			
Profit for the period after tax	24,723	(7,305)	17,418
CASH FLOW STATEMENT			
Profit before taxation	29,702	(7,305)	22,397
Changes in working capital	(5,221)	(7,305)	(12,526)

GROUP	As at 30 June 2018		
	As previously reported A\$'000	SFRS(I) 15 Adjustments A\$'000	As Restated A\$'000
STATEMENT OF FINANCIAL POSITION			
Current assets			
Income tax recoverable	-	5,313	5,313
Trade and other receivables	136,766	(6,147)	130,619
Contract assets	151,352	(16,108)	135,244
Current liabilities			
Trade and other payables	127,692	-	127,692
Income tax payable	1,363	(1,363)	-
Contract liabilities	23,178	-	23,178
Capital and reserves			
Retained earnings	149,726	(15,579)	134,147

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

d) Change in accounting for the R&D tax offset

The Group has adopted the split approach to recognise the excess of the research and development (R&D) tax incentives over the statutory rate as a form of government grant when there is reasonable assurance it will be received, and any attached conditions will be complied with. As the grant relates to R&D expenditure already incurred it is recognised in the income statement in the period it became receivable as a reduction to cost of sales. Comparative periods have restated to reflect the change in accounting policy.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Q4 FY2019 A\$'000	Q4 FY2018 A\$'000 Restated	12M FY2019 A\$'000	12M FY2018 A\$'000 Restated
Profit after taxation attributable to owners*	120	3,213	6,075	18,112
Pre-invitation Share Capital	501,000,000	501,000,000	501,000,000	501,000,000
Weighted average number of shares				
• Basic	500,985,000	500,985,000	500,985,000	500,985,000
• Diluted	500,985,000	500,985,000	500,985,000	500,985,000
Earnings per ordinary share (A\$ cents)				
• Basic	0.02	0.64	1.21	3.62
• Diluted	0.02	0.64	1.21	3.62

*Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the company, by the average number of outstanding shares. As at 30 June 2019, the diluted earnings per share is the same as basic earnings per share as it does not include the effect of 4,000,000 unissued ordinary shares granted under CESOS. The effect is anti-dilutive.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 30 June 2019 A\$'000	As at 30 June 2018 A\$'000 Restated	As at 30 June 2019 A\$'000	As at 30 June 2018 A\$'000
Net assets attributable to owners	174,206	171,855	41,070	40,393
Net asset value per ordinary share based on issued share capital at the end of the respective periods (A\$ cents)	34.77	34.30	8.20	8.06

Net asset value per share is calculated by dividing the net assets attributable to the equity holders of the Company by the number of issued shares as at 30 June 2019 of 500,985,000 (30 June 2018:500,985,000) and excludes treasury shares of 15,000 (30 June 2018:15,000).

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

A. Statement of Comprehensive Income

Q4 FY2019 vs Q3 FY2019

Revenue for the three months ended 30 June 2019 ("Q4 FY2019") decreased 8.4% to A\$73.4 million from A\$80.1 million for the three months ended 31 March 2019 ("Q3 FY2019") due to projects completing in the period and timing of commencement of new projects.

Gross profit for Q4 FY2019 increased by 0.4% to A\$5.4 million from A\$5.3 million in Q3 FY2019.

Administrative expenses for the three months ended 30 June 2019 ("Q4 FY2019") decreased by 16.0% to A\$3.7 million from A\$4.4 million ("Q3 FY2019") in line with the revenue decline.

Net profit attributable to shareholders decreased to A\$127k in Q4 FY2019 from A\$141k in Q3 FY2019.

Q4 FY2019 vs Q4 FY2018

Revenue for the three months ended 30 June 2019 ("Q4 FY2019") decreased 66.1% to A\$73.4 million from A\$216.5 million for the three months ended 30 June 2018 ("Q4 FY2018") due to projects completing in the period and timing of commencement of new projects.

Gross profit for Q4 FY2019 decreased by 54.9% to A\$5.4 million from A\$11.9 million in Q4 FY2018 in line with the decrease in revenue.

Administrative expenses for the three months ended 30 June 2019 ("Q4 FY2019") decreased by 29.8% to A\$3.7 million from A\$5.2 million ("Q4 FY2018") in line with the decline in revenue.

Net profit attributable to shareholders decreased 95.9% to A\$127k in Q4 FY2019 from A\$3.1 million in Q4 FY2018, as a result of the decline in revenue.

FY2019 vs FY2018

For the twelve months ended 30 June 2019 ("FY2019") revenue decreased 30.5% to A\$488.5 million from A\$702.4 million for the previous year ("FY2018") as projects were completed during the year.

Gross profit for FY2019 decreased by 33.5% to A\$25.3 million from A\$38.4 million in FY2018 in line with decreased revenue.

Finance costs for FY2019 increased by 21.7% to A\$5.0 million from A\$4.1 million in FY2018 due to interest costs associated with working capital lines.

Net profit attributable to shareholders decreased 59.6% to A\$7.0 million in FY2019 from A\$17.4 million in FY2018 as a result of lower revenue and recognising cost overruns on some near completed EPC projects in the period.

B. Statement of Financial Position

Total shareholders' equity increased to A\$174.2 million as at 30 June 2019 from A\$171.9 million as at 30 June 2018.

Trade and other receivables & contract assets decreased to A\$181.0 million as at 30 June 2019 from A\$265.9 million as at 30 June 2018 as projects completed.

Trade and other payables & Contract liabilities decreased to A\$126.9 million as at 30 June 2019 from A\$150.9 million as at 30 June 2018 due to the decline in project activity.

Cash and cash equivalents as at 30 June 2019 was A\$40.6 million up from A\$23.4 million as at 30 June 2018 as a result of the positive cashflow from operations.

Non-current assets increased to A\$203.0 million as at 30 June 2019 from A\$146.2 million as at 30 June 2018, as a result of the Group's continued investment in its Henderson and Newcastle facilities.

Short-term borrowings reduced significantly during the period to A\$8.6 million from A\$43.3 million as at 30 June 2018 due to reduced reliance on working capital facilities as the Group had strong operating cashflow during the period.

Overall long-term borrowings increased to A\$108.5 million as at 30 June 2019 from A\$64.4 million as at 30 June 2018 as funds were deployed for capital investment.

C. Statement of Cash Flows for FY2019

Operating cashflow before working capital changes was A\$21.4 million in FY2019 compared to A\$38.9 million in FY2018. Net cashflow generated from operations in FY2019 was positive at A\$78.9 million up from (\$19.7 million) in FY2018 as projects completed and new projects were awarded.

The Group used A\$68.2 million in capital expenditure, predominantly related to the development of the facilities in Henderson and Newcastle.

The Group generated A\$5.8 million net cash from financing activities to assist in funding capital infrastructure and working capital fluctuations.

As at 30 June 2019 the Group's cash and cash equivalents were A\$40.6 million up from A\$23.4 million as at 30 June 2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in the Group operates and any known factors or events that may affect the Group in the next reporting and the next 12 months.

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

The Group's order book as at 30 June 2019 was \$819 million.

Going forward, the Group will continue to deliver on its strategy of establishing consistent and recurring revenue streams and capitalising on major expansion project opportunities with key clients.

This includes the further growth of its specialised shutdown and maintenance service offering, with the requirement to maintain new plants in the Oil & Gas and Metals & Minerals sectors across Australia providing a significant future opportunities pipeline.

Delivery of the Royal Australian Navy's Offshore Patrol Vessel program will be ongoing until 2029, providing a sustained revenue stream over this period. The Federal Government's commitment to undertake its minor naval vessel continuous build program and sustainment of these vessels at Henderson will provide further construction and through-life support opportunities in the Marine & Defence sector going forward. With the completion of its new world-class assembly and maintenance hall during FY2020, the Group is well positioned to capitalise on these opportunities.

The Group will continue to capitalise on new construction and expansion projects in energy and resources, leveraging its multi-disciplinary, self-performance capability to provide partial or total delivery solutions. In the Oil & Gas sector, further investment in LNG is anticipated, including expansion, sustainment projects and life extension developments for existing plants, in addition to new developments. In particular, subsea activity is expected to continue to grow to support both new and recently constructed projects. Given the Group's past experience and specialist capability to support the delivery of subsea projects, it is well positioned to optimise opportunities as they come to market. With growing investment, it is anticipated further opportunities in iron ore will come to market in the short to medium term, enabling the Group to leverage its core disciplines to provide a single, vertically integrated, turnkey solution for its client base.

Civmec's focus remains on providing quality, value-for-money engineering solutions for its clients, whilst maintaining a disciplined approach to capital and overhead management, to maximise shareholders' returns.

Barring unforeseen circumstances, the Group expects to be profitable in the financial year ending 30 June 2020.

11. Dividend

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

Yes, subject to approval by shareholders

Name of Dividend	First and Final (Foreign Sourced)
Dividend Type	Cash
Dividend Amount per Share	0.7 Singapore Cent
Tax Rate	Tax Exempt
Number of Shares	500,985,000

Note: For Australian tax resident shareholders the dividend payable is fully franked.

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

Name of Dividend	First and Final (Foreign Sourced)
Dividend Type	Cash
Dividend Amount per Share	0.7 Singapore Cent
Tax Rate	Tax Exempt
Number of Shares	500,985,000

c) Date payable

The proposed first and final dividend is subject to approval by shareholders in the forthcoming Annual General Meeting. The payment date will be made known in due course.

d) Books closure date

To be determined and announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect

Not Applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

No general mandate has been obtained for interested persons transactions.

There were no IPT transactions for the period.

14. Negative confirmation pursuant to Rule 705(5).

To the best of our knowledge, nothing has come to the attention of the Board which may render the financial results for the year ended 30 June 2019 to be false or misleading in any material aspect.

15. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuers most recently audited financial statements, with comparative information for immediately preceding year.

	2019				2018			
	Oil and Gas A\$'000	Metals and Minerals A\$'000	Infra-Structure and Defence A\$'000	Total A\$'000	Oil and Gas A\$'000	Metals and Minerals A\$'000	Infra-Structure and Defence A\$'000	Total A\$'000
Revenue – external sales	66,545	357,085	64,881	488,511	131,077	429,584	141,754	702,415
Cost of sales (excluding depreciation)	(60,459)	(332,772)	(60,031)	(453,262)	(123,718)	(397,911)	(132,399)	(654,028)
Depreciation expense	(1,629)	(7,057)	(1,030)	(9,716)	(1,877)	(6,095)	(2,009)	(9,981)
Segment results	4,457	17,256	3,820	25,533	5,482	25,578	7,346	38,406
Other income	-	-	-	3,298	-	-	-	8,457
Gain on deconsolidation of a subsidiary	-	-	-	2,091	-	-	-	-
Share in profit/(loss) of joint venture	41	(2)	-	39	-	260	-	260
Unallocated costs								
Finance costs				(5,005)				(4,112)
Administrative expenses				(16,388)				(17,413)
Depreciation in admin expenses				(299)				(450)
Other expenses				(277)				-
Profit before income tax				8,992				25,148
Income tax expense				(1,962)				(7,730)
Net profit for the year				7,030				17,418
Segment assets:								
Intangible assets	-	10	-	10	-	10	-	10
Unallocated assets:								
Assets				426,732				438,256
Other current assets				1,063				1,747
Deferred tax assets				1,930				2,520
Total assets				429,735				442,533
Segment liabilities:								
Unallocated liabilities								
Liabilities				128,238				150,870
Borrowings				117,178				107,709
Provisions				10,191				13,132
Total liabilities				255,607				271,711
Other segment information								
Capital expenditures during the year				68,227				26,954

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Reported revenue for the Metals and Minerals sector decreased 16.9% to A\$357.1 million (FY2018: A\$429.6 million) as projects completed during the period and timing of new projects commencing.

Gross profit for the sector in FY2019 was A\$17.3 million down from A\$25.6 million in FY2018 reflecting the decline in revenue during the period.

Revenue for the Oil & Gas sector decreased 49.2% to A\$66.5 million (FY2018: A\$131.0 million) with the decrease in revenue reflecting reduced market activity in the sector. Gross profit in the sector decreased to A\$4.5 million in FY2019 from A\$5.5 million in FY2018.

Revenue for the Infrastructure & Defence sector decreased 54.2% to A\$64.9 million (FY2018: A\$141.7 million) as major infrastructure projects were completed. Gross profit contribution for the sector in FY2019 was A\$3.8 million down from A\$7.3 million in FY2018.

17. A breakdown of sales as follows:

	Group FY2019	FY2018	% increase/ (decrease)
	<u>A\$'000</u>	<u>A\$'000</u>	
(a) Sales reported for first half year	335,030	299,588	11.8
(b) Operating profit after tax before deducting non-controlling interest reported for first half year	6,763	7,382	(8.4)
(c) Sales reported for second half year	153,481	402,827	(61.9)
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	267	10,036	(100.3)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	FY2019 A\$'000	FY2018 A\$'000
(a) Ordinary	3,631	3,451
(b) Preference	-	-
(c) Total	3,631	3,451

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that there is no such person occupying a managerial position in the Company and its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10).

20. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

ON BEHALF OF THE BOARD



James Finbarr Fitzgerald
 Executive Chairman

28 August 2019