



CIVMEC LIMITED

(Company Registration No: 201011837H)

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE
FOURTH QUARTER ENDED 30 JUNE 2018**

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

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

INCOME STATEMENT

	Group			Group		
	Q4	Q4	+ / (-)	12M	12	+ / (-)
	FY2018	FY2017	%	FY2018	FY2017	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Sales revenue	225,465	97,725	130.7	738,741	345,955	113.5
Cost of sales	(209,357)	(89,461)	133.6	(691,017)	(308,896)	123.7
Gross profit	*16,108	8,264	94.9	*47,724	37,059	28.8
Other income	2,018	223	804.9	8,708	2,215	293.2
Share in profit/(loss) of a joint venture	40	(5)	NM	263	(260)	NM
Administrative expenses	(5,277)	(7,494)	(29.6)	(18,537)	(26,893)	(31.1)
Finance costs	(1,088)	(764)	42.4	(4,272)	(2,575)	65.9
Profit before tax	11,800	222	5215.3	33,886	9,546	255.0
Income tax (expense)/benefit	(3,883)	639	NM	(8,382)	(1,326)	NM
Profit for the period	7,917	861	819.5	25,504	8,220	210.3
<u>Profit attributable to:</u>						
Owners of the Company	8,341	956	772.5	26,225	8,427	211.2
Non-controlling interest	(424)	(95)	39.6	(721)	(207)	248.3
	7,917	861	819.5	25,504	8,220	210.3
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	1.66	0.19		5.23	1.68	
• Diluted	1.66	0.19		5.23	1.68	

* Refer Note 8 for commentary

- 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

	Q4 FY2018 S\$'000	Group Q4 FY2017 S\$'000	+ / (-) %	12M FY2018 S\$'000	Group 12M FY2017 S\$'000	+ / (-) %
Profit for the period	7,917	861	819.5	25,504	8,220	210.3
<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	145	(1,563)	109.3	(8,547)	9,308	191.8
Total comprehensive income for the period	8,062	(702)	NM	16,957	17,528	(3.2)
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	8,486	(607)	NM	17,678	17,735	(0.2)
Non-controlling interest	(424)	(95)	346.3	(721)	(207)	(247.8)
	8,062	(702)	NM	16,957	17,528	(3.2)

NM: Not meaningful

Note

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

	<u>June 2018</u>	<u>June 2017</u>
A\$	1.0418	1.0370

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:

	Q4 FY2018 S\$'000	Group Q4 FY2017 S\$'000	+ / (-) %	12M FY2018 S\$'000	Group 12M FY2017 S\$'000	+ / (-) %
Gain/(loss) on disposal of property, plant and equipment	256	(121)	(311.6)	276	(119)	(331.9)
Interest income	127	50	154.0	366	280	30.7
Sundry revenue	1,635	174	839.6	8,066	1,935	316.8
Share in profit of a joint venture	40	(5)	NM	263	(260)	NM

B. Finance costs

	Q4 FY2018 S\$'000	Group Q4 FY2017 S\$'000	+ / (-) %	12M FY2018 S\$'000	Group 12M FY2017 S\$'000	+ / (-) %
Bank bills and bank guarantees	644	581	(10.8)	2,998	1,852	61.9
Trade finance	291	-	-	801	-	-
Finance leases	136	133	2.2	465	613	24.1
Others	17	50	(66.0)	8	110	(92.7)
Total Finance Costs	1,088	764		4,272	2,575	

C. Depreciation expenses

	Q4 FY2018 S\$'000	Group Q4 FY2017 S\$'000	+ / (-) %	12M FY2018 S\$'000	Group 12M FY2017 S\$'000	+ / (-) %
Included in Cost of sales	2,576	2,555	0.8	10,377	10,220	1.5
Included in Administrative expenses	155	116	33.6	461	522	(11.8)
Total Depreciation	2,731	2,671	2.2	10,838	10,742	0.9

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.**

	Group		Company	
	As at 30 June 2018 S\$'000	As at 30 June 2017 S\$'000	As at 30 June 2018 S\$'000	As at 30 June 2017 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	23,590	24,044	5	25
Trade and other receivables	290,846	157,273	34,610	29,233
Other current assets	1,764	1,262	-	4
Current tax recoverable	-	4,470	-	4,498
	<u>316,200</u>	<u>187,049</u>	<u>34,615</u>	<u>33,760</u>
Non-current assets				
Investments in subsidiaries	-	-	7,650	8,023
Investments in joint venture	-	129	-	-
Trade and other receivables	-	162	-	-
Property, plant and equipment	145,072	136,063	-	-
Intangible assets	11	11	-	-
Deferred tax assets	2,543	1,162	16	12
	<u>147,626</u>	<u>137,527</u>	<u>7,666</u>	<u>8,035</u>
TOTAL ASSETS	<u>463,826</u>	<u>324,576</u>	<u>42,281</u>	<u>41,795</u>
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	152,297	79,643	136	155
Borrowings	43,685	5,275	-	-
Income tax payable	1,376	-	1,369	-
Provisions	9,284	5,115	-	-
	<u>206,642</u>	<u>90,033</u>	<u>1,505</u>	<u>155</u>
Non-current liabilities				
Borrowings	65,044	56,696	-	-
Provisions	3,972	3,129	-	-
	<u>69,016</u>	<u>59,825</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>275,658</u>	<u>149,858</u>	<u>1,505</u>	<u>155</u>
Capital and Reserves				
Share capital	37,864	37,864	37,864	37,864
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(22,670)	(14,123)	(3,249)	(2,464)
Retained earnings	174,063	151,345	6,173	6,251
Total Equity Attributable to Owners	<u>189,246</u>	<u>175,075</u>	<u>40,777</u>	<u>41,640</u>
Non-controlling interest	(1,078)	(357)	-	-
TOTAL EQUITY	<u>188,168</u>	<u>174,718</u>	<u>40,777</u>	<u>41,640</u>
TOTAL LIABILITIES AND EQUITY	<u>463,826</u>	<u>324,576</u>	<u>42,281</u>	<u>41,795</u>

Note

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

	<u>June 2018</u>	<u>June 2017</u>
A\$	1.0095	1.0587



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

	Group		Group	
	As at 30 June 2018		As at 30 June 2017	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	43,685	-	5,275	-
Amount repayable after one year	65,044	-	56,696	-

Details of collaterals

Finance leases:

The Group has S\$13.5 million (June 2017: S\$11.4 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.

Bank bills:

As at 30 June 2018, the Group has drawn S\$56.2 million (June 2017: S\$50.1 million) of its commercial bill facility.

The banking facilities for the Civmec Group are secured by:

- Interlocking Guarantee & Indemnity supported by:
 - General Security Deed – Civmec Construction & Engineering Pty Ltd and Civmec Holdings Pty Ltd
 - General Security Deed – Civmec Limited
 - General Security Deed – Civmec Construction & Engineering Singapore Pte Ltd
- Interlocking Group Master Asset Finance Agreement
- International Swap Dealer Association (“ISDA”) Agreement – Australian Entities
- International Swap Dealers Association (“ISDA”) Agreement – Singapore Entities

Total unutilised facilities amount to approximately S\$106.5 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 FY2018 S\$'000	Group 12M FY2017 S\$'000
Cash Flows from Operating Activities		
Profit before income tax	33,886	9,546
Adjustment for:		
Depreciation of property, plant and equipment	10,838	10,742
(Gain)/Loss on disposal of property, plant and equipment	(276)	119
Share in profit/(loss) of a joint venture	(263)	260
Finance cost	4,272	2,575
Interest income	(366)	(280)
Foreign exchange differences	173	(30)
Operating cash flow before working capital changes	<u>48,264</u>	<u>22,932</u>
Changes in working capital:		
Increase in trade and other receivables	(145,087)	(69,378)
Increase in other current assets	(578)	(323)
Increase/(Decrease) in trade and other payables	78,695	23,524
Increase/(Decrease) in provisions	5,562	(658)
Cash generated from operations	<u>(13,144)</u>	<u>(23,903)</u>
Interest received	366	280
Finance cost paid	3,750	(2,474)
Income tax refund	-	4,550
Income taxes paid	(4,105)	(5,211)
Net cash used in operating activities	<u>(20,633)</u>	<u>(26,758)</u>
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	1,670	377
Purchase of property, plant and equipment	(28,046)	(20,642)
Investment in joint venture	-	(3,631)
Cash distribution from joint venture	450	9,070
Net cash used in investing activities	<u>(25,926)</u>	<u>(14,826)</u>
Cash Flows from Financing Activities		
Proceeds from borrowings	413,458	58,314
Repayment of borrowings	(362,729)	(30,847)
Dividends paid	(3,507)	(3,507)
Net cash generated from financing activities	<u>47,222</u>	<u>23,960</u>
Net increase/(decrease) in cash and cash equivalents	663	(17,624)
Effects of currency translation on cash and cash equivalents	(1,117)	1,880
Cash and cash equivalents at the beginning of the financial period	<u>24,044</u>	<u>39,788</u>
Cash and cash equivalents at the end of the financial period	<u><u>23,590</u></u>	<u><u>24,044</u></u>

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

GROUP	Other Reserves						Total	Non-Controlling interest	Total equity
	Share capital	Treasury shares	Merger reserve	Translation reserve	Option reserve	Retained earnings			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 01 July 2016	37,864	(11)	9,010	(32,725)	284	146,425	160,847	(150)	160,697
Profit for the year	-	-	-	-	-	8,427	8,427	(207)	8,220
Other comprehensive income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	9,308	-	-	9,308	-	9,308
Total comprehensive income for the year	-	-	-	9,308	-	8,427	17,735	(207)	17,528
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2017	37,864	(11)	9,010	(23,417)	284	151,345	175,075	(357)	174,718
Balance as at 01 July 2017	37,864	(11)	9,010	(23,417)	284	151,345	175,075	(357)	174,718
Profit for the period	-	-	-	-	-	26,225	26,225	(721)	25,504
Other comprehensive income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(8,547)	-	-	(8,547)	-	(8,547)
Total comprehensive income for the period	-	-	-	(8,547)	-	26,225	17,678	(721)	16,957
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2018	37,864	(11)	9,010	(31,964)	284	174,063	189,246	(1,078)	188,168



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

COMPANY	Other Reserves						Retained earnings	Total	Non-Controlling interest	Total equity
	Share capital	Treasury shares	Merger reserve	Translation reserve	Option reserve	Other reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 01 July 2016	37,864	(11)	9,010	(10,742)	284	(3,341)	7,670	40,734	-	40,734
Profit for the year	-	-	-	-	-	-	2,088	2,088	-	2,088
Other comprehensive income:										
<i>Items that may be reclassified subsequently to profit or loss</i>										
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	2,325	-	-	-	2,325	-	2,325
Total comprehensive income for the year	-	-	-	2,325	-	-	2,088	4,413	-	4,413
Dividends paid	-	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2017	37,864	(11)	9,010	(8,417)	284	(3,341)	6,251	41,640	-	41,640
Balance as at 01 July 2017	37,864	(11)	9,010	(8,417)	284	(3,341)	6,251	41,640	-	41,640
Profit for the period	-	-	-	-	-	-	3,429	3,429	-	3,429
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	-	-	-	(785)	-	-	-	(785)	-	(785)
Total comprehensive income for the period	-	-	-	(785)	-	-	3,429	2,644	-	2,644
Dividends paid	-	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2018	37,864	(11)	9,010	(9,202)	284	(3,341)	6,173	40,777	-	40,777

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

There was no change in the issued and paid up capital of the Company since the previous quarter ended 31 March 2018.

As at 30 June 2018, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2017: 15,000).

The Company has no outstanding convertibles as at 30 June 2018 and 30 June 2017.

As at 30 June 2018 there were outstanding options for 4,000,000 (30 June 2017: 4,500,000) unissued ordinary shares under the employee share option scheme.

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

	30 June 2018	30 June 2017
	No. of shares	No. of shares
Balance of shares at beginning of period	501,000,000	501,000,000
Total number of shares as at end of the period	501,000,000	501,000,000
Total shares held as treasury shares	15,000	15,000
Total number of shares as at end of period, net of Treasury shares	500,985,000	500,985,000

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on. As at 30 June 2018, the Company held 15,000 of its issued shares as treasury shares.

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

The figures have not been audited or reviewed by our auditors.

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the most recent audited financial statements for the year ended 30 June 2018.

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

Not Applicable.

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

	Q4 FY2018 S\$'000	Q4 FY2017 S\$'000	12M 2018 S\$'000	12M 2017 S\$'000
Profit after taxation	8,341	956	26,225	8,427
Pre-invitation Share Capital	501,000,000	501,000,000	501,000,000	501,000,000
Weighted average number of shares				
• Basic	500,985,000	500,985,000	500,985,000	500,985,000
• Diluted	500,985,000	500,985,000	500,985,000	500,985,000
Earnings per ordinary share (S\$ cents)				
• Basic	1.66	0.19	5.23	1.68
• Diluted	1.66	0.19	5.23	1.68

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 2018, the diluted earnings per share is the same as basic earnings per share as it does not include the effect of 4,500,000 unissued ordinary shares granted under CESOS. The effect is anti-dilutive.

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

	GROUP		COMPANY	
	As at 30 June 2018 S\$'000	As at 30 June 2017 S\$'000	As at 30 June 2018 S\$'000	As at 30 June 2017 S\$'000
Net assets	189,246	175,075	40,777	41,640
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	37.77	34.95	8.14	8.31

Net asset value per share is calculated by dividing the net assets attributable to the equity holders of the Company by the number of issued shares as at 30 June 2018 of 500,985,000 (30 June 2017: 500,985,000) and excludes treasury shares of 15,000 (30 June 2017: 15,000).

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

A. Statement of Comprehensive Income

Q4 FY2018 vs Q3 FY2018

Revenue for the three months ended 30 June 2018 ("Q4 FY2018") increased 16.6% to S\$225.5 million from S\$193.3 million for the three months ended 31 March 2018 ("Q3 FY2018") as the level of activity on projects increased.

Gross profit for Q4 FY2018 increased to S\$16.1 million from S\$13.0 million in Q3 FY2018. Gross profit margin increased in Q4 FY2018 to 7.2% up from 6.7% in Q3 FY2018.

Net profit attributable to shareholders increased 10.2% to S\$7.9 million in Q4 FY2018 from S\$7.2 million in Q3 FY2018.

Q4 FY2018 vs Q4 FY2017

Revenue for Q4 FY2018 increased 130.7% to S\$225.5 million from S\$97.7 million for the three months ended 31 March 2017 ("Q3 FY2017") lifted by higher contributions from existing contracts as projects previously secured came on line during the period.

Gross profit rose to S\$16.1 million for Q4 FY2018, up 94.9% from S\$8.3 million a year ago largely due to the higher revenue. Gross margin decreased to 7.1% from 8.6% over the comparative period. This margin has been impacted by an insurance claim received in the period being recorded in other income and by the reallocation of tendering and human resource costs to operational divisions. Excluding the effects of these reallocations, gross profit for Q4 FY2018 would have risen to S\$19.1 million (8.5%).

Administrative expenses for Q4 FY2018 decreased 29.6% to S\$5.3 million from S\$7.5 million in Q4 FY2017 predominantly as a result of the reallocation of relevant expenses to costs of goods sold.

Net profit attributable to shareholders increased by 819.5% to S\$7.9 million in Q4 FY2018 from S\$0.9 million in Q4 FY2017.

FY2018 Vs FY2017

For the 12 months ended 30 June 2018 ("FY2018"), revenue increased 113.5% to S\$738.7 million from S\$346.0 million for the previous year ("FY2017") as projects previously secured came on line during the period. This is the highest revenue the Group has reported to date.

Gross profit for FY2018 was S\$47.7 million, up 28.8% from S\$37.0 million in FY2017 as a result of the increased revenue. On face value, the gross margin decreased to 6.5% in FY2018 from 10.7% in FY2017, mainly due to proceeds from an insurance claim being recorded in other income and the reallocation of tendering and human resource costs to operational divisions. However, excluding the effects of the reallocations, gross profit for FY2018 would have risen to S\$63.7 million.

Administration expenses for FY2018 decreased 31.8% to S\$18.5 million from S\$26.5 million in FY2017 predominantly as a result of the reallocation of expenses to costs of goods sold.

Net profit attributable to shareholders increased to S\$25.5 million in FY2018 from S\$8.2 million in FY2017.

B. Statement of Financial Position

Total shareholders' equity increased to S\$188.1 million as at 30 June 2018 from S\$174.7 million as at 30 June 2017.

Trade and other receivables rose to S\$290.8 million as at 30 June 2018 from S\$157.3 million as at 30 June 2017, attributable to an increase in revenue and milestone payment terms on some projects.

Trade and other payables increased to S\$152.3 million from S\$79.6 million as at 30 June 2017 reflecting the increase in project activity.

Cash and cash equivalents as at 30 June 2018 was S\$23.6 million.

Non-current assets increased to S\$147.6 million as at 30 June 2018 from S\$137.5 million as at 30 June 2017, as a result of the Group's continued investment in its Henderson and Newcastle facilities.

Overall long-term borrowings increased to S\$65.0 million as at 30 June 2018 from S\$56.7 million as at 30 June 2017 as funds were deployed for capital investment.

C. Statement of Cash Flows

Operating cashflow before working capital changes was S\$48.3 million in FY2018 compared to S\$22.9 million in 2017. Net cashflow from operating activities was negative, at S\$20.6 million, impacted by the milestone payment terms on some projects and extended payment terms from clients.

The Group used S\$28.0 million in capital expenditure, predominantly related to the development of the facilities in Henderson and Newcastle.

The Group generated S\$47.2 million net cash from financing activities to assist in working capital fluctuations.

Net cash proceeds from borrowings of S\$50.7 million were used to assist in working capital fluctuations.

As at 30 June 2018 the Group's cash and cash equivalents were S\$23.6 million down marginally from S\$24.0 million as at 30 June 2017.

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

Not Applicable.

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

Civmec is an integrated multi-disciplinary heavy engineering and construction provider to the Oil & Gas, Metals & Minerals, Infrastructure and Marine & Defence sectors. The Group's strategy to diversify its service offering and market sectors, and its investment in additional facilities and people to grow its capability, has positioned it well to realise future opportunities.

The Group's order book as at 30 June 2018 was S\$706.6 million.

Going forward, the Group's focus will continue to be on securing direct contracts, including under EPC, Design & Construct (D&C), Alliance and other delivery models, in addition to further developing its vertically integrated model and self-performance capability to support the delivery of major projects.

On the basis of strong relationships established across its core operating sectors, the Group is well positioned to capitalise on the further development and expansion of existing plants and associated infrastructure and major new greenfield projects as they come to market in the Oil & Gas and Metals & Minerals sectors.

In the Infrastructure sector, the Group will continue to expand the reach of its core capabilities in the fabrication, supply and installation of steel and precast concrete, including focusing on the opportunity presented by the significant investment in transport infrastructure (road and rail) over the next decade across Australia.

Civmec's investment in a new state-of-the-art shipbuilding and maintenance facility at its Henderson headquarters, demonstrates how the company can unlock value from its existing operations. The Australian Government has identified Henderson as one of two suitable locations in Australia for the continuous build of naval ships and vessel maintenance. It is on this basis, along with increasing capacity to support its traditional operating sectors, that the decision to invest in the new facility was made. The award of the Royal Australian Navy's Offshore Patrol Vessel (OPV) program in April 2018, in contract with Luerksen Australia, represents a significant step forward in establishing capability in this sector.

The Group's long-term maintenance contracts continue to build solid client relationships and provide a sustainable and consistent revenue stream for the business. With an ever-increasing client and resource base, it is believed this area of the business will continue to deliver on the solid opportunities pipeline going forward.

Barring unforeseen circumstances, the Group expects to be profitable in the financial year ending 30 June 2019.

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 announced 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 period ended 30 June 2018 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.

	2018				2017			
	Oil and Gas	Metals and Minerals	Infra-structure	Total	Oil and Gas	Metals and Minerals	Infra-structure	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue – external sales	144,252	450,865	143,624	738,741	54,016	191,356	100,583	345,955
Cost of sales (excluding depreciation)	(128,209)	(415,225)	(137,206)	(681,641)	(38,929)	(161,373)	(98,374)	(298,676)
Depreciation expense	(1,955)	(6,330)	(2,092)	(10,377)	(2,121)	(5,688)	(2,411)	(10,220)
Segment results	14,088	29,310	4,326	47,724	12,966	24,295	(202)	37,059
Unallocated costs								(26,252)
Bad debt								-
Other income: Recovery of bad debt				-	65	-	-	65
Other income				8,708	-	-	-	2,150
Share in profit/(loss) of a joint venture		263		263	-	(260)	-	(260)
Finance costs				(4,272)				(2,575)
Administrative expenses				(18,076)				(26,252)
Depreciation in admin expenses				(461)				(522)
Other expenses				-				(119)
Profit before income tax				33,886				9,546
Income tax expense				(8,382)				(1,326)
Net profit for the year				25,504				8,220
Segment assets:								
Intangible assets		11		11	-	11	-	11
Unallocated assets:								
Assets				459,508				322,142
Other current assets				1,764				1,261
Deferred tax assets				2,543				1,162
Total assets				463,826				324,576
Segment liabilities:								
Unallocated liabilities								
Liabilities				152,297				79,643
Borrowings				108,729				61,971
Provisions				13,256				8,244
Income Tax Payable				1,376				
Total liabilities				275,658				149,858
Other segment information								
Capital expenditures during the year				28,046				20,642

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 increased 135.6% to S\$450.9 million (FY2017: S\$191.4 million) reflecting the increase in work secured in the segment.

Gross profit for the sector in FY2018 was S\$29.3 million an increase from S\$24.3 million in FY2017 reflecting the increase in activity in the sector.

Revenue for the Oil & gas sector increased 167.1% to S\$144.3 million (FY2017: S\$54.0 million) with the increase in revenue reflecting an improvement in the level of activity in the sector. Gross profit in the sector increased to S\$14.1 million in FY2018 from S\$12.9 million in FY2017.

Revenue for the Infrastructure sector increased 42.8% to S\$143.6 million (FY2017: S\$100.6 million) as major infrastructure projects were completed. Gross profit contribution for the sector in FY2018 was S\$4.3 million) up from (S\$202k) in FY2017.

17. A breakdown of sales as follows:

	Group FY2018	FY2017	% increase/ (decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	
(a) Sales reported for first half year	319,995	174,094	83.8
(b) Operating profit after tax before deducting non-controlling interest reported for first half year	10,398	6,554	58.7
(c) Sales reported for second half year	418,746	171,861	143.4
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	15,106	1,666	806.7

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

	FY2018 S\$'000	FY2017 S\$'000
(a) Ordinary	3,507	3,507
(b) Preference	-	-
(c) Total	3,507	3,507

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 2018