



CIVMEC LIMITED

(Company Registration No: 201011837H)

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE
FOURTH QUARTER ENDED 30 JUNE 2017**



PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q3, 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 FY2017 S\$'000	Group Q4 FY2016 S\$'000	+ / (-) %	12M FY2017 S\$'000	Group 12M FY2016 S\$'000	+ / (-) %
Sales revenue	97,725	88,429	10.5	345,955	396,752	(12.8)
Cost of sales	(89,461)	(81,221)	10.1	(308,896)	(353,257)	(12.6)
Gross profit	8,264	7,208	14.6	37,059	43,495	(14.8)
Other income	223	42	431.7	2,215	1,181	87.6
Share in (loss)/profit of joint venture	(5)	758	(100.7)	(260)	3,890	(106.7)
Administrative expenses	(7,494)	(5,339)	40.4	(26,893)	(23,572)	14.1
Finance costs	(764)	(547)	39.6	(2,575)	(1,945)	32.4
Profit before tax	222	2,122	(89.5)	9,546	23,049	(58.6)
Income tax benefit/(expense)	639	(815)	(178.4)	(1,326)	(5,757)	(77.0)
Profit for the period/year	861	1,307	(34.0)	8,220	17,292	(52.5)
<u>Profit attributable to:</u>						
Owners of the Company	956	1,482	(35.4)	8,427	17,441	(51.7)
Non-controlling interest	(95)	(175)	(45.2)	(207)	(149)	39.2
	861	1,307	(34.0)	8,220	17,292	(52.5)
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	0.19	0.26		1.68	3.45	
• Diluted	0.19	0.26		1.68	3.45	



- 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 FY2017 S\$'000	Group Q4 FY2016 S\$'000	+ / (-) %	12M FY2017 S\$'000	Group 12M FY2016 S\$'000	+ / (-) %
Profit for the period/year	861	1,307	(34.0)	8,220	17,292	(52.5)
<u>Other comprehensive income:</u>						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on re-translation from functional currency to presentation currency	(1,563)	(5,408)	(71.1)	9,308	(4,854)	(291.8)
Total comprehensive income for the period/year	(702)	(4,101)	(82.9)	17,528	12,438	40.9
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	(607)	(3,926)	(84.5)	17,735	12,587	40.9
Non-controlling interest	(95)	(175)	(45.2)	(207)	(149)	39.2
	(702)	(4,101)	(82.8)	17,528	12,438	40.9

Note

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

	<u>June</u> <u>2017</u>	<u>June</u> <u>2016</u>
A\$	1.0370	1.0095

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 FY2017 S\$'000	Group Q4 FY2016 S\$'000	+ / (-) %	12M FY2017 S\$'000	Group 12M FY2016 S\$'000	+ / (-) %
Loss on disposal of property, plant and equipment	(121)	(162)	(25.3)	(119)	(128)	(6.8)
Interest income	50	82	(38.5)	280	516	(45.7)
Sundry revenue	174	114	52.7	1,935	665	191.0
Bad Debt Written Off	-	3	(100.0)	-	3	(100.0)
Share in (loss)/profit of joint venture	(5)	758	(100.7)	(260)	3,890	(106.7)

B. Finance costs

	Q4 FY2017 S\$'000	Group Q4 FY2016 S\$'000	+ / (-) %	12M FY2017 S\$'000	Group 12M FY2016 S\$'000	+ / (-) %
Bank bills and bank guarantees	581	289	100.5	1,852	947	95.5
Finance leases	133	188	(29.1)	613	855	(28.3)
Others	50	70	(27.4)	110	143	(22.7)
Total Finance Costs	764	547	39.6	2,575	1,945	32.4

C. Depreciation expenses

	Q4 FY2017 S\$'000	Group Q4 FY2016 S\$'000	+ / (-) %	12M FY2017 S\$'000	Group 12M FY2016 S\$'000	+ / (-) %
Included in Cost of sales	2,555	2,346	8.9	10,220	8,342	22.5
Included in Administrative expenses	116	146	(20.5)	522	610	(14.4)
Total Depreciation	2,671	2,492	7.2	10,742	8,952	20.0

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 2017 S\$'000	As at 30 June 2016 S\$'000	As at 30 June 2017 S\$'000	As at 30 June 2016 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	24,044	39,788	25	42
Trade and other receivables	157,273	80,007	29,233	27,707
Other current assets	1,262	882	4	12
Current tax recoverable	4,470	5,475	4,498	5,475
	<u>187,049</u>	<u>126,152</u>	<u>33,760</u>	<u>33,236</u>
Non-current assets				
Investments in subsidiaries	-	-	8,023	7,590
Investments in joint venture	129	5,641	-	-
Trade and other receivables	162	6,648	-	-
Property, plant and equipment	136,063	119,513	-	-
Intangible assets	11	10	-	-
Deferred tax assets	1,162	511	12	36
	<u>137,527</u>	<u>132,323</u>	<u>8,035</u>	<u>7,626</u>
TOTAL ASSETS	<u>324,576</u>	<u>258,475</u>	<u>41,795</u>	<u>40,862</u>
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	79,643	57,230	155	128
Borrowings	5,275	6,616	-	-
Provisions	5,115	5,940	-	-
	<u>90,033</u>	<u>69,786</u>	<u>155</u>	<u>128</u>
Non-current liabilities				
Borrowings	56,696	25,498	-	-
Provisions	3,129	2,494	-	-
	<u>59,825</u>	<u>27,992</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>149,858</u>	<u>97,778</u>	<u>155</u>	<u>128</u>
Capital and Reserves				
Share capital	37,864	37,864	37,864	37,864
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(14,123)	(23,431)	(2,464)	(4,789)
Retained earnings	151,345	146,425	6,251	7,670
Total Equity Attributable to Owners	<u>175,075</u>	<u>160,847</u>	<u>41,640</u>	<u>40,734</u>
Non-controlling interest	(357)	(150)	-	-
TOTAL EQUITY	<u>174,718</u>	<u>160,697</u>	<u>41,640</u>	<u>40,734</u>
TOTAL LIABILITIES AND EQUITY	<u>324,576</u>	<u>258,475</u>	<u>41,795</u>	<u>40,862</u>

Note

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

	<u>June 2017</u>	<u>June 2016</u>
A\$	1.0587	1.0015

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

	Group		Group	
	As at 30 June 2017		As at 30 June 2016	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	5,275	-	6,616	-
Amount repayable after one year	56,696	-	25,498	-

Details of collaterals

Finance leases:

The Group has S\$11.4 million (June 2016: S\$14.6 million) of finance leases for motor vehicles, workshop equipment and office fit out from non-related parties. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term.

Bank bills:

As at 30 June 2017, the Group has drawn S\$50.1 million (June 2016: S\$16.3 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\$91.0 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 FY2017 S\$'000	Group 12M FY2016 S\$'000
Cash Flows from Operating Activities		
Profit before income tax	9,546	23,049
Adjustment for:		
Depreciation of property, plant and equipment	10,742	8,952
Loss on disposal of property, plant and equipment	119	128
Share in loss/(profit) of joint venture	260	(3,890)
Finance cost	2,575	1,945
Interest income	(280)	(516)
Foreign exchange differences	(30)	10
Bad debts written off	-	3
Operating cash flow before working capital changes	<u>22,932</u>	<u>29,681</u>
Changes in working capital:		
(Increase)/Decrease in trade and other receivables	(69,378)	18,551
Increase in other current assets	(323)	(730)
Increase/(Decrease) in trade and other payables	23,524	(11,613)
(Decrease)/Increase in provisions	(658)	725
Cash (used in)/generated from operations	<u>(23,903)</u>	<u>36,614</u>
Interest received	280	516
Finance cost paid	(2,474)	(1,937)
Income tax refund	4,550	10,574
Income taxes paid	(5,211)	(10,841)
Net cash (used in)/generated from operating activities	<u>(26,758)</u>	<u>34,926</u>
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	377	499
Purchase of property, plant and equipment	(20,642)	(34,316)
Investment in joint venture	(3,631)	(9,893)
Cash distribution from joint venture	9,070	8,076
Net cash used in investing activities	<u>(14,826)</u>	<u>(35,634)</u>
Cash Flows from Financing Activities		
Proceeds from borrowings	58,314	58,731
Repayment of borrowings	(30,847)	(51,161)
Dividends paid	(3,507)	(3,507)
Net cash generated from financing activities	<u>23,960</u>	<u>4,063</u>
Net (decrease)/increase in cash and cash equivalents	(17,624)	3,355
Effects of currency translation on cash and cash equivalents	1,880	(1,210)
Cash and cash equivalents at the beginning of the financial year	39,788	37,643
Cash and cash equivalents at the end of the financial year	<u>24,044</u>	<u>39,788</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	Share 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 2015	37,864	(11)	9,010	(27,871)	284	132,491	151,767	(1)	151,766
Profit for the year	-	-	-	-	-	17,441	17,441	(149)	17,292
Other comprehensive income:									
Items that may be reclassified subsequently to profit or loss									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(4,854)	-	-	(4,854)	-	(4,854)
Total comprehensive income for the year	-	-	-	(4,854)	-	17,441	12,587	(149)	12,438
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2016	37,864	(11)	9,010	(32,725)	284	146,425	160,847	(150)	160,697
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:									
Items that may be reclassified subsequently to profit or loss									
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

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	Share 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 2015	37,864	(11)	9,010	(9,478)	284	-	5,898	43,567	-	43,567
Profit for the year	-	-	-	-	-	-	5,279	5,279	-	5,279
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	-	-	-	(1,264)	-	-	-	(1,264)	-	(1,264)
Total comprehensive income for the year	-	-	-	(1,264)	-	-	5,279	4,015	-	4,015
Dividends paid	-	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Waiver of interest receivable from a subsidiary	-	-	-	-	-	(3,341)	-	(3,341)	-	(3,341)
Balance as at 30 June 2016	37,864	(11)	9,010	(10,742)	284	(3,341)	7,670	40,734	-	40,734
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

- 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 2017.

As at 30 June 2017, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2016: 15,000).

The Company has no outstanding convertibles as at 30 June 2017 and 30 June 2016.

As at 30 June 2017 there were outstanding options for 4,500,000 (30 June 2016: 5,000,000) 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 2017	30 June 2016
	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 2017, 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 and reviewed by the 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 2016.

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 FY2017 S\$'000	Q4 FY2016 S\$'000	12M FY2017 S\$'000	12M FY2016 S\$'000
Profit after taxation	956	1,482	8,427	17,441
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	0.19	0.30	1.68	3.45
• Diluted	0.19	0.30	1.68	3.45

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 outstanding shares.

As at 30 June 2017, 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 2017 S\$'000	As at 30 June 2016 S\$'000	As at 30 June 2017 S\$'000	As at 30 June 2016 S\$'000
Net assets	175,075	160,847	41,640	40,734
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	34.95	32.11	8.31	8.13

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 2017 of 500,985,000 (30 June 2016: 500,985,000) and excludes treasury shares of 15,000 (30 June 2016: 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 FY2017 vs Q3 FY2017

Revenue for the three months ended 30 June 2017 ("Q4 FY2017") increased 31.8% to S\$97.7 million from S\$74.1 million for the three months ended 31 March 2017 ("Q3 FY2017") as recent project awards commenced in the period.

Gross profit increased 18.2% to S\$8.3 million from S\$7.0 million in Q3 FY2017 although gross margin declined slightly to 8.4% from 9.4% as mobilisation costs in relation to new projects were incurred.

Administration expenses increased in Q4 FY2017 to S\$7.5 million from S\$5.6 million in Q3 FY2017 as tendering costs associated with large projects secured were recognised.

Net profit attributable to shareholders in Q4 FY2017 increased 7.1% to S\$862,000 from S\$805,000 in Q3 FY2017.

Q4 FY2017 vs Q4 FY2016

Compared to the three months ended 30 June 2016 ("Q4 FY2016") revenue for Q4 FY2017 increased 10.5% to S\$97.7 million from S\$88.4 million. Gross profit increased to S\$8.3 million in Q4 FY2017 from S\$7.2 million in Q4 FY2016. Gross profit margin increased to 8.4% from 8.1% in the comparative period.

Administrative expenses for Q4 FY2017 increased to S\$7.5 million from S\$5.4 million in Q4 FY2016 with the increase reflecting the Group's investment in securing large EPC projects.

Income tax expense in the quarter includes an adjustment for research & development incentives in relation to a prior year.

Net profit attributable to shareholders declined 34.0% to S\$862,000 in Q4 FY2017 from S\$1.3 million in Q4 FY2016 primarily due to the increase in administrative expenses.

FY2017 vs FY2016

For the 12 months ended 30 June 2017 ("FY2017"), revenue declined 12.8% to S\$346.0 million from S\$396.7 million for the previous year ("FY2016") as a result of prior delays earlier in the year in the securing and commencement of new projects.

With the lower revenue, gross profit for FY2017 came to S\$37.0 million, down 14.8% from S\$43.5 million in FY2016, however gross margin remained steady at 10.7% compared to 10.9% in FY2016.

Administrative expenses for FY2017 increased 14.1% to S\$26.9 million from S\$23.6 million in FY2016 reflecting the Group's commitment to future growth and positioning the business to execute large EPC projects.

The Group's effective tax rate decreased to 14.0% from 25% the previous year, resulting in lower income tax expense of S\$1.3 million for FY2017 from S\$5.8 million in FY2016. This was a result of prior year over and under adjustments and research and development tax incentive claims.

Taking into account the above, net profit attributable to shareholders for FY2017 amounted to S\$8.2 million, down from S\$17.3 million in FY2016.

The Group's FY2017 total comprehensive income of S\$17.5 million included unrealised foreign exchange gains of S\$9.3 million due to increases in the translation of currency.

B. Statement of Financial Position

Total shareholders' equity increased 8.7% to S\$174.7 million as at 30 June 2017 from S\$160.7 million as at 30 June 2016.

Trade and other receivables increased to S\$157.4 million as at 30 June 2017 from S\$86.7 million in June 2016. The increase can be attributed to an increase in work-in-progress as projects ramp up and to the delay in finalisation of variations on projects nearing completion.

Trade and other payables increased to S\$79.6 million from S\$57.2 million in June 2016 reflecting the increase in project activity.

The current assets to current liabilities ratio increased significantly to 2.08 in FY2017 from 1.80 in FY2016 due to the increase in trade receivables.

Cash and cash equivalents decreased to S\$24.0 million as at 30 June 2017 from S\$39.8 million as at 30 June 2016, predominantly impacted by the significant increase in trade and other receivables.

Non-current assets increased to S\$137.5 million as at 30 June 2017 compared to S\$132.3 million as at 30 June 2016. This is a result of the Group's capital expenditure in its Newcastle facility.

The current tax asset of S\$4.5 million (FY2016: S\$5.5 million) represents income tax which will be recovered from taxation authorities in relation to prior income years.

Overall borrowings increased to S\$62.0 million as at 30 June 2017 from S\$32.1 million as at 30 June 2016 as funds were utilised for working capital requirements and capital expenditure associated with the development of the facilities in Newcastle and Henderson.

C. Statement of Cash Flows

Operating cashflow before working capital changes was S\$22.9 million in FY2017 compared to S\$29.6 million in FY 2016. Net cashflow from operations was negative, at S\$26.7 million, impacted by the delay in cash receipts and extended payment terms from clients.

The Group received S\$9.1 million in cash distribution from a joint venture project in FY2017 representing repayment of the investment in the joint venture.

The Group used S\$20.6 million in capital expenditure which is predominantly related to the development of the site and capabilities in Newcastle and Henderson.

Cash proceeds of S\$30.8 million were utilised in FY2017 to repay debt. Proceeds from bank borrowings in FY2017 amount to S\$58.3 million and these were predominantly used for further improvements at the Newcastle and Henderson facilities and to assist in working capital fluctuations.

As at 30 June 2017, the Group's cash and cash equivalents decreased to S\$24.0 million from S\$39.8 million as at 30 June 2016.

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 which the Group operates and any known factors or events that may affect the Group in the next reporting and the next 12 months.

Civmec is a provider of multi-disciplinary construction and engineering services to the oil and gas, metals and minerals, infrastructure and defence markets. The Group's diversification of service offerings and business sectors in recent years has placed the Group in a strong position to capitalise on growth opportunities.

Australia is seeing an increase in investment activity in the metals and minerals sectors including the gold and lithium sectors. This, combined with the well documented infrastructure boom on the East coast, has resulted in strong tendering activity and significant opportunities for the company.

As a result, the Group's order book has significantly increased and now stands at S\$610 million (August 2017), compared with S\$155 million at the end of the last financial year. Based on current timing of projects commencing, the majority of this order book will be realised in FY2018.

The Group has continued with its development plans of its facilities on the East and West coasts of Australia in line with our strategy to grow, gain greater market share and take advantage of the increased opportunities.

Civmec remains committed to further advancing the long-term growth strategy and broadening of revenue sources.

Barring any unforeseen circumstances, the Group expects to be profitable in the current financial year.

11. Dividend

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

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. 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.

	2017				2016			
	Oil and Gas S\$'000	Metals and Minerals S\$'000	Infra-structure S\$'000	Total S\$'000	Oil and Gas S\$'000	Metals and Minerals S\$'000	Infra-structure S\$'000	Total S\$'000
Revenue – external sales	54,016	191,356	100,583	345,955	90,670	170,040	136,042	396,752
Cost of sales (excluding depreciation)	(38,929)	(161,373)	(98,374)	(298,676)	(81,164)	(140,545)	(123,206)	(344,915)
Depreciation expense	(2,121)	(5,688)	(2,411)	(10,220)	(1,908)	(3,597)	(2,837)	(8,342)
Segment results	12,966	24,295	(202)	37,059	7,598	25,898	9,999	43,495
Unallocated costs				(26,774)				(23,439)
Bad debt				-	(3)	-	-	(3)
Other income: Recovery of bad debt	65	-	-	65	-	-	-	-
Other income	-	-	-	2,150	-	-	-	1,181
Share in (loss) profit of a joint venture	-	(260)	-	(260)	-	3,890	-	3,890
Finance costs				(2,575)				(1,945)
Other expenses				(119)				(130)
Profit before income tax				9,546				23,049
Income tax expense				(1,326)				(5,757)
Net profit for the year				8,220				17,292
Segment assets:								
Intangible assets	-	11	-	11	-	10	-	10
Unallocated assets:								
Assets				322,142				257,072
Other current assets				1,261				882
Deferred tax assets				1,162				511
Total assets				324,576				258,475
Segment liabilities:								
Unallocated liabilities								
Liabilities				79,643				57,230
Borrowings				61,971				32,114
Provisions				8,244				8,434
Total liabilities				149,858				97,778

Other segment information

Capital expenditures during the year

20,642

34,316

15. 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 12.5% to S\$191.4 million (FY2016: S\$170.0 million) reflecting the increase in work secured in the segment. Based on the current projects secured it is anticipated that this sector revenue will increase further in FY18.

Gross profit for the sector in FY2017 was S\$24.3 million down slightly from S\$25.9 million in FY2016 as a result of the mix of contracts secured such as EPC and maintenance contracts.

Revenue for the Oil & gas sector declined 40.4% to S\$54.0 million (FY2016: S\$90.7 million) reflecting the significant downturn in the oil and gas sector as major capital investment projects completed. Despite the downturn in the revenue gross profit in the sector increased 70.7% to S\$13.0 million in FY2017 from S\$7.6 million in FY2016. Gross profit margin increased to 24.0% in FY2017 from 8.4% in FY2016. Market conditions in the oil and gas sector are not expected to change in FY18 and will continue to be challenging.

Revenue for the Infrastructure sector declined 26.1% to S\$100.6 million (FY2016: S\$136.0 million) as major infrastructure projects secured in prior years completed. Gross profit contribution for the sector in FY2017 was (S\$202k) down from S\$10.0 million in FY2016 reflecting the competitive market conditions in this sector.

16. A breakdown of sales as follows:

	Group		
	FY2017	FY2016	% increase/ (decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	
(a) Sales reported for first half year	174,094	235,367	(26.0)
(b) Operating profit after tax before deducting non-controlling interest reported for first half year	6,554	13,468	(51.3)
(c) Sales reported for second half year	171,861	161,385	6.5
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	1,666	3,824	(56.4)

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

	FY2017	FY2016
	S\$'000	S\$'000
(a) Ordinary	3,507	3,507
(b) Preference	-	-
(c) Total	3,507	3,507

18. 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).

19. 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

22 August 2017