



**CIVMEC LIMITED**

(Company Registration No: 201011837H)

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**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE  
FIRST QUARTER ENDED 30 SEPTEMBER 2016**

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

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

**INCOME STATEMENT**

	Group		
	Q1 FY2017 S\$'000	Q1 FY2016 S\$'000	
Sales revenue	104,646	143,840	(27.2)
Cost of sales	(89,281)	(126,334)	(29.3)
<b>Gross profit</b>	<b>15,365</b>	<b>17,506</b>	<b>(12.2)</b>
Other income	288	391	(26.2)
Share in loss in a joint venture	(675)	-	
Administrative expenses	(6,427)	(5,872)	9.5
Finance costs	(502)	(423)	18.6
<b>Profit before tax</b>	<b>8,049</b>	<b>11,602</b>	<b>(30.6)</b>
Income tax expense	(1,881)	(2,923)	(35.7)
<b>Profit for the period</b>	<b>6,168</b>	<b>8,679</b>	<b>(28.9)</b>
<u>Profit attributable to:</u>			
Owners of the Company	6,179	8,679	(28.8)
Non-controlling interest	(11)	-	
	<b>6,168</b>	<b>8,679</b>	<b>(28.9)</b>
Earnings per share attributable to equity holders of the Company (cents per share):			
• Basic	1.23	1.73	
• Diluted	1.23	1.73	



- 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		
	Q1 FY2017 S\$'000	Q1 FY2016 S\$'000	+ / (-) %
<b>Profit for the period</b>	6,168	8,679	(28.9)
<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	6,541	(5,446)	(220.2)
<b>Total comprehensive income for the period</b>	<u>12,709</u>	<u>3,233</u>	<b>293.3</b>
<u>Total comprehensive income attributable to:</u>			
Owners of the Company	12,720	3,233	293.6
Non-controlling interest	(11)	-	
	<u>12,709</u>	<u>3,233</u>	<b>293.3</b>

Note

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

	<u>September 2016</u>	<u>September 2015</u>
A\$	1.0286	1.0061



**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:

	Q1 FY2017 S\$'000	Group Q1 FY2016 S\$'000	+ / (-) %
Gain on disposal of property, plant and equipment	23	16	43.8
Interest income	59	114	(48.3)
Sundry revenue	206	255	(19.1)
Share in loss of a joint venture	(675)	-	

**B. Finance costs**

	Q1 FY2017 S\$'000	Group Q1 FY2016 S\$'000	+ / (-) %
Bank bills & guarantees	312	154	102.3
Finance leases	168	253	(33.4)
Others	22	16	35.0
<b>Total Finance Costs</b>	<b>502</b>	<b>423</b>	<b>18.6</b>

**C. Depreciation expenses**

	Q1 FY2017 S\$'000	Group Q1 FY2016 S\$'000	+ / (-) %
Included in Cost of sales	2,483	1,752	41.7
Included in Administrative expenses	143	151	(5.2)
<b>Total Depreciation</b>	<b>2,626</b>	<b>1,903</b>	<b>38.0</b>



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

	Group		Company	
	As at 30 Sept 2016 S\$'000	As at 30 June 2016 S\$'000	As at 30 Sept 2016 S\$'000	As at 30 June 2016 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	34,818	39,788	274	42
Trade and other receivables	108,346	80,007	26,534	27,707
Other current assets	3,141	882	29	12
Current tax recoverable	5,776	5,475	7,567	5,475
	<u>152,081</u>	<u>126,152</u>	<u>34,404</u>	<u>33,236</u>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	7,895	7,590
Investments in joint venture	5,178	5,641	-	-
Trade and other receivables	2,241	6,648	-	-
Loans receivable	-	-	-	-
Property, plant and equipment	127,828	119,513	-	-
Intangible assets	10	10	-	-
Deferred tax assets	531	511	38	36
	<u>135,788</u>	<u>132,323</u>	<u>7,933</u>	<u>7,626</u>
<b>TOTAL ASSETS</b>	<b><u>287,869</u></b>	<b><u>258,475</u></b>	<b><u>42,337</u></b>	<b><u>40,862</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	68,077	57,230	264	128
Dividend payable	-	-	-	-
Borrowings	6,493	6,616	-	-
Provisions	5,833	5,940	-	-
	<u>80,404</u>	<u>69,786</u>	<u>264</u>	<u>128</u>
<b>Non-current liabilities</b>				
Borrowings	31,147	25,498	-	-
Provisions	2,913	2,494	-	-
Deferred tax liabilities	-	-	-	-
	<u>34,060</u>	<u>27,992</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>114,464</u></b>	<b><u>97,778</u></b>	<b><u>264</u></b>	<b><u>128</u></b>
<b>Capital and Reserves</b>				
Share capital	37,864	37,864	37,864	37,864
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(16,890)	(23,431)	(3,167)	(4,789)
Retained earnings	152,604	146,425	7,387	7,670
<b>Total Equity Attributable to Owners</b>	<b><u>173,567</u></b>	<b><u>160,847</u></b>	<b><u>42,073</u></b>	<b><u>40,734</u></b>
Non-controlling interest	(161)	(150)	-	-
<b>TOTAL EQUITY</b>	<b><u>173,406</u></b>	<b><u>160,697</u></b>	<b><u>42,073</u></b>	<b><u>40,734</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>287,869</u></b>	<b><u>258,475</u></b>	<b><u>42,337</u></b>	<b><u>40,862</u></b>

**Note**

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

	<u>Sept 2016</u>	<u>June 2016</u>
A\$	1.0418	1.0015



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

	Group As at 30 Sept 2016		Group 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	6,493	-	6,616	-
Amount repayable after one year	31,147	-	25,498	-

**Details of collaterals**

Finance leases:

The Group has S\$14.5 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 Sept 2016, the Group has drawn S\$22.2 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\$165.8 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.**

	<b>Group 3M FY2017 S\$'000</b>	<b>Group 3M FY2016 S\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	8,049	11,602
Adjustment for:		
Depreciation of property, plant and equipment	2,626	1,903
Loss/(Gain) on disposal of property, plant and equipment	23	(16)
Share of loss in joint venture	675	-
Share based payment	-	-
Finance cost	502	423
Interest income	(59)	(114)
Bad debts written off	-	-
Foreign exchange differences	12	(4)
Operating cash flow before working capital changes	<u>11,827</u>	<u>13,794</u>
Changes in working capital:		
Increase in trade receivables	(25,034)	(31,630)
Increase in other current assets	(2,196)	(1,668)
Increase in trade and other payables	13,257	14,468
Decrease in provisions	(26)	(263)
Cash generated from operations	<u>(2,171)</u>	<u>(5,299)</u>
Interest received	59	114
Finance cost paid	(460)	(423)
Income tax refund	4	1,165
Income taxes paid	(1,964)	(3,993)
Net cash used in operating activities	<u>(4,532)</u>	<u>(8,436)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	292	39
Purchase of property, plant and equipment	(6,418)	(2,579)
Investment in joint venture	-	-
Cash distribution from joint venture	-	-
Net cash used in investing activities	<u>(6,126)</u>	<u>(2,540)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	21,507	7,041
Repayment of borrowings	(17,339)	(6,778)
Capital contribution from minority interest	2	-
Dividend paid	-	-
Net cash generated by financing activities	<u>4,170</u>	<u>263</u>
Net decrease in cash and cash equivalents	(6,488)	(10,713)
Effects of currency translation on cash and cash equivalents	1,518	(1,239)
Cash and cash equivalents at the beginning of the financial period	39,788	37,643
Cash and cash equivalents at the end of the financial period	<u><u>34,818</u></u>	<u><u>25,691</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 S\$'000	Non- Controlling interest S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Merger reserve S\$'000	Translation reserve S\$'000	Option reserve S\$'000	Retained earnings 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 for the year: <i>Items that may be reclassified subsequently to profit or loss</i>									
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
Dividend 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 period	-	-	-	-	-	6,179	6,179	(11)	6,168
Other comprehensive income for the period: <i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	6,541	-	-	6,541	-	6,541
Total comprehensive income for the period	-	-	-	6,541	-	6,179	12,720	(11)	12,709
Balance as at 30 September 2016	37,864	(11)	9,010	(26,184)	284	152,604	173,567	(161)	173,406



**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 S\$'000	Total S\$'000	Non-Controlling interest S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Merger reserve S\$'000	Translation reserve S\$'000	Option reserve S\$'000	Other reserve 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 period	-	-	-	-	-	-	(283)	(283)	-	(283)
Other comprehensive income for the period <i>Items that may be reclassified subsequently to profit or loss</i>										
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	1,622	-	-	-	1,622	-	1,622
Total comprehensive income for the period	37,864	(11)	9,010	(9,120)	284	(3,341)	7,387	42,073	-	42,073
Balance as at 30 September 2016	37,864	(11)	9,010	(9,120)	284	(3,341)	7,387	42,073	-	42,073



- 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 share capital of the Company since the previous financial year ended June 30 2016.

As at 30 September 2016, 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 September 2016 and 30 June 2016.

As at 30 September 2016 there were outstanding options for 5,000,000 (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.**

	<b>30 Sept 2016</b>	<b>30 June 2016</b>
	No. of shares	No. of shares
Balance of shares at beginning of period	501,000,000	501,000,000
Total number of shares as at end of the period	501,000,000	501,000,000
Total shares held as treasury shares	15,000	15,000
Total number of shares as at end of period, net of Treasury shares	<u>500,985,000</u>	<u>500,985,000</u>

- 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 September 2016, 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.**

	Q1 FY2017 S\$'000	Q1 FY2016 S\$'000	3M FY2017 S\$'000	3M FY2016 S\$'000
Profit after taxation	6,168	8,679	6,168	8,679
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	500,352,162	500,985,000	500,352,162
• Diluted	500,985,000	501,642,756	500,985,000	501,642,756
Earnings per ordinary share (S\$ cents)				
• Basic	1.23	1.73	1.23	1.73
• Diluted	1.23	1.73	1.23	1.73

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 September 2016, the diluted earnings per share is the same as the basic earnings per share as it does not include the effect of 5,000,000 unissued ordinary shares granted under the 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 Sept 2016 S\$'000	As at 30 June 2016 S\$'000	As at 30 Sept 2016 S\$'000	As at 30 June 2016 S\$'000
Net assets	173,567	160,847	42,073	40,734
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	34.65	32.11	8.40	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 September 2016 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**

**Q1 FY2017 vs Q4 FY2016**

Revenue for the three months ended 30 September 2016 ("Q1 FY2017") increased 18.3% to S\$104.6 million from S\$88.4 million for the three months ended 30 June 2016 ("Q4 FY2016") as the Group completed a number of significant projects during the quarter.

Gross profit for Q1 FY2017 rose 113.1% to S\$15.4 million from S\$7.2 million in Q4 FY2016 with a significant increase in gross profit margin to 14.7% from 8.2%.

Administrative expenses for Q1 FY2017 increased 20.4% to S\$6.4 million from S\$5.3 million in Q4 FY2016 due to the increase in tendering activity which will provide long term benefits to the Group.

Net profit attributable to shareholders in Q1 FY2017 increased to S\$6.2 million from S\$1.5 million in Q4 FY2016 on the back of the higher revenue and gross margin.

**Q1 FY2017 vs Q1 FY2016**

Revenue for Q1 FY2017 declined 27.2% to S\$104.6 million from S\$143.8 million for the three months ended 30 September 2015 ("Q1 FY2016").

Despite the lower revenue gross profit margin increased to 14.7% from 12.2%. Gross profit for Q1 FY2017 amounted to S\$15.4 million compared to S\$17.5 million for Q1 FY2016.

Administrative expenses increased to S\$6.4 million in Q1 FY2017 from S\$5.9 million in Q1 FY2016.

Net profit attributable to shareholders declined 28.8% to S\$6.2 million in Q1 FY2017 from S\$8.7 million in Q1 FY2016.

Total comprehensive income for the period was S\$12.7 million compared to S\$3.2 million in Q1 FY2016 due to the strengthening Australian dollar against the Singapore dollar.

**B. Statement of Financial Position**

Total shareholders' equity increased 7.9% to S\$173.4 million as at 30 September 2016 from S\$160.7 million as at 30 June 2016.

Both trade and other receivables and trade and other payables increased since 30 June 2016 to S\$108.3 million and S\$68.1 million, respectively, reflecting the increase in revenue in Q1 FY2017 over Q4 FY2016.

The current assets to current liabilities ratio increased slightly to 1.89 in FY2017 from 1.80 in FY2016. Cash and cash equivalents decreased slightly to S\$34.8 million as at 30 September 2016 compared to S\$39.8 million as at 30 June 2016.

The Group's investment in the Sedgman Civmec joint venture was S\$5.2 million as at the end of the September 2016 quarter.

Non-current assets increased to S\$135.8 million as at 30 September 2016 from S\$132.3 million as at 30 June 2016 with the increase in property, plant and equipment being predominantly a result of an increase in the Australian dollar against the Singapore dollar.

Overall borrowings increased to S\$37.6 million as at 30 September 2016 from S\$32.1 million as at 30 June 2016 as funds were utilised for capital expenditure associated with the development of the property in Newcastle.

**C Statement of Cash Flows**

Operating cashflow before working capital changes for the quarter was S\$11.8 million compared to S\$13.8 million in Q1 FY2016. Net cashflow generated from operations was negative, at S\$4.5 million. However, the Group received certain receipts from clients after the end of Q1 FY2017.

The Group received no cash distribution from the Sedgman Civmec joint venture in Q1 FY2017, although most of the S\$5.2 million invested in the joint venture at the end of September 2016 is expected to be received in the next quarter as the project reaches completion.

The Group used S\$6.4 million cash during the quarter in relation to capital expenditure, plant and equipment for the development of the site and capabilities in Newcastle.

Cash proceeds of S\$17.3 million were used during Q1 FY2017 to repay bank borrowings. Proceeds from bank borrowings during the quarter amounted to S\$21.5 million.

As at 30 September 2016 the Group's cash and cash equivalents decreased to S\$34.8 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, which has a healthy balance sheet, is in a strong position to capitalise on growth opportunities as it is able to offer a diverse range of services to various sectors.

The Group is making progress on the development of the facility in Newcastle. When fully developed, the facility will replicate the capabilities of the Group's Henderson facility in Western Australia.

The Group has already secured a number of fabrication and precast concrete contracts on the east coast of Australia. These projects will be serviced from the facility in Newcastle.

Tendering activity in Australia's metals and minerals as well as infrastructure is buoyant. More than S\$1billion worth of tenders were submitted in Q1 FY2017. The Group is hopeful of securing work for some of these tenders.

The Group's order book currently (8 November 2016) stands at approximately S\$288.0 million which is a significant increase on Q4 FY2016 (S\$155.2 million). The benefits of this increase in the order book will commence to flow through in 2H FY2017.

Although Australia's resources and oil & gas sectors capital expenditure has reduced from the peak levels in the recent past, the market potential remains very positive. Overall capital spending for the next 10 years across the sectors Civmec operates in is forecast to reach approximately S\$800 billion. The Group will continue to focus on offering innovative and cost saving initiatives to all clients.

Civmec remains committed to advancing its long-term growth strategy and diversification of revenue sources. The Group will continue to strengthen its position in growing its market share in Australia's infrastructure and defence sectors. Long-term tendering outlook in the defence sector is positive and the Group will continue to engage with stakeholders involved in the future Naval Defence Acquisition programs. The Group will also actively explore business opportunities abroad, now that we have established entities in Uganda and Papua New Guinea.

Barring unforeseen circumstances, the Group expects to be profitable in the current financial year ending 30 June 2017.

**11. Dividend**

- a) **Any dividend declared for the current financial period reported on?**  
Not applicable.
- b) **Any dividend declared for the corresponding period of the immediately preceding financial year?**  
Not applicable.
- c) **Date payable**  
Not applicable.
- d) **Books closure date**  
Not applicable.

**12. If no dividend has been declared/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 unaudited financial results for the period ended 30 September 2016 to be false or misleading in any material aspect.

- 15. Confirmation pursuant to Rule 720(1) of the Listing Manual**

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

#### **ON BEHALF OF THE BOARD**

James Finbarr Fitzgerald  
Executive Chairman  
8 November 2016