



**CIVMEC LIMITED**

(Company Registration No: 201011837H)

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**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE  
THIRD QUARTER ENDED 31 MARCH 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			Group		
	Q3 FY2016 S\$'000	Q3 FY2015 S\$'000	+ / (-) %	9M FY2016 S\$'000	9M FY2015 S\$'000	+ / (-) %
Sales revenue	72,956	87,860	(17.0)	308,323	384,449	(19.8)
Cost of sales	(65,966)	(76,124)	(13.3)	(272,036)	(336,408)	(19.1)
Gross profit	<b>6,990</b>	<b>11,736</b>	<b>(40.4)</b>	<b>36,287</b>	<b>48,041</b>	<b>(24.5)</b>
Other income	295	253	16.6	1,139	755	50.9
Share of profit in joint venture	2,023	-		3,132	-	
Administrative expenses	(5,820)	(4,911)	18.5	(18,233)	(16,163)	12.8
Finance costs	(509)	(411)	23.8	(1,398)	(1,668)	(16.2)
<b>Profit before tax</b>	<b>2,979</b>	<b>6,667</b>	<b>(55.3)</b>	<b>20,927</b>	<b>30,965</b>	<b>(32.4)</b>
Income tax expense	(462)	(1,347)	(65.7)	(4,942)	(7,205)	(31.4)
<b>Profit for the period</b>	<b>2,517</b>	<b>5,320</b>	<b>(52.7)</b>	<b>15,985</b>	<b>23,760</b>	<b>(32.7)</b>
<u>Profit attributable to:</u>						
Owners of the Company	2,455	5,320	(53.9)	15,959	23,760	(32.8)
Non-controlling interest	62	-		26	-	
	<b>2,517</b>	<b>5,320</b>	<b>(52.7)</b>	<b>15,985</b>	<b>23,760</b>	<b>(32.7)</b>
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	0.50	1.06		3.19	4.74	
• Diluted	0.50	1.05		3.19	4.69	



- 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		
	Q3 FY2016 S\$'000	Q3 FY2015 S\$'000	+ / (-) %	9M FY2016 S\$'000	9M FY2015 S\$'000	+ / (-) %
<b>Profit for the period</b>	2,517	5,320	(52.7)	15,985	23,760	(32.7)
<u>Other comprehensive income:</u>						
Exchange differences on re-translation from functional currency to presentation currency	559	(3,105)	(118.0)	554	(15,976)	(103.5)
<b>Total comprehensive income for the period</b>	<b>3,076</b>	<b>2,215</b>	<b>38.9</b>	<b>16,539</b>	<b>7,784</b>	<b>112.5</b>
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	3,014	2,215	36.1	16,513	7,784	112.1
Non-controlling interest	62	-		26	-	
	<b>3,076</b>	<b>2,215</b>	<b>38.9</b>	<b>16,539</b>	<b>7,784</b>	<b>112.5</b>

Note

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

	March 2016	March 2015
A\$	1.0067	1.1191



**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		
	Q3	Q3	+ / (-)	9M	9M	+ / (-)
	FY2016	FY2015		FY2016	FY2015	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
(Loss)/Gain on disposal of property, plant and equipment	(33)	82	(140.2)	34	(1)	(3,500.0)
Interest income on bank balances	115	53	117.0	434	342	26.9
Share of profit in joint venture	2,023	-		3,132	-	
Sundry revenue	93	103	(9.7)	551	255	116.1

**1(a)(ii) Notes to Consolidated Statement of Comprehensive Income (cont'd).**

**B. Finance costs**

	Group			Group		
	Q3	Q3	+ / (-)	9M	9M	+ / (-)
	FY2016	FY2015		FY2016	FY2015	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Bank bills	265	84	215.5	658	507	29.8
Finance leases	209	314	(33.4)	667	1,078	(38.1)
Others	35	13	169.2	73	83	(12.0)
<b>Total Finance Costs</b>	<b>509</b>	<b>411</b>	<b>23.8</b>	<b>1,398</b>	<b>1,668</b>	<b>(16.2)</b>

**C. Depreciation expenses**

	Group			Group		
	Q3	Q3	+ / (-)	9M	9M	+ / (-)
	FY2016	FY2015		FY2016	FY2015	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Included in Cost of sales	2,308	1,829	26.2	5,996	5,527	8.5
Included in Administrative expenses	164	172	(4.7)	464	521	(10.9)
<b>Total Depreciation</b>	<b>2,472</b>	<b>2,001</b>	<b>23.5</b>	<b>6,460</b>	<b>6,048</b>	<b>6.8</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 31 Mar 2016 S\$'000	As at 30 June 2015 S\$'000	As at 31 Mar 2016 S\$'000	As at 30 June 2015 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Trade and other receivables	95,935	108,466	9,398	4,446
Other current assets	1,772	162	26	13
Cash and cash equivalents	17,150	37,643	66	104
Current tax recoverable	8,428	11,610	-	2,591
	<u>123,285</u>	<u>157,881</u>	<u>9,490</u>	<u>7,154</u>
<b>Non-Current Assets</b>				
Investment in subsidiaries	-	-	7,846	7,836
Investment in joint venture	13,359	-	-	-
Loans receivable	-	-	33,530	33,510
Property, plant and equipment	122,900	98,017	-	-
Intangible assets	10	10	-	-
Deferred tax assets	191	191	-	-
	<u>136,460</u>	<u>98,218</u>	<u>41,376</u>	<u>41,346</u>
<b>TOTAL ASSETS</b>	<b><u>259,745</u></b>	<b><u>256,099</u></b>	<b><u>50,866</u></b>	<b><u>48,500</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	48,277	70,967	158	186
Borrowings	28,040	12,683	-	-
Payable to related parties	-	-	1,411	3,619
Current tax liabilities	-	-	3,987	-
Employee benefit provisions	4,671	5,972	-	-
	<u>80,988</u>	<u>89,622</u>	<u>5,556</u>	<u>3,805</u>
<b>Non-Current Liabilities</b>				
Borrowings	11,014	12,718	-	-
Deferred income tax liability	-	-	1,128	1,128
Employee benefit provisions	2,945	1,993	-	-
	<u>13,959</u>	<u>14,711</u>	<u>1,128</u>	<u>1,128</u>
<b>TOTAL LIABILITIES</b>	<b><u>94,947</u></b>	<b><u>104,333</u></b>	<b><u>6,684</u></b>	<b><u>4,933</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	(18,023)	(18,577)	(100)	(184)
Retained earnings	144,943	132,491	6,429	5,898
<b>Total Equity Attributable to Owners</b>	<b><u>164,773</u></b>	<b><u>151,767</u></b>	<b><u>44,182</u></b>	<b><u>43,567</u></b>
Non-controlling interest	25	(1)	-	-
<b>TOTAL EQUITY</b>	<b><u>164,798</u></b>	<b><u>151,766</u></b>	<b><u>44,182</u></b>	<b><u>43,567</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>259,745</u></b>	<b><u>256,099</u></b>	<b><u>50,866</u></b>	<b><u>48,500</u></b>



Note

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

	<u>March 2016</u>	<u>June 2015</u>
A\$	1.0353	1.0340

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

	<b>Group</b>		<b>Group</b>	
	<b>As at 31 March 2016</b>		<b>As at 30 June 2015</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	28,040	-	12,683	-
Amount repayable after one year	11,014	-	12,718	-

**Details of collaterals**

Finance leases:

The Group has S\$18.3 million (FY2015: S\$20.2 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 bill:

As at 31 March 2016, the Group has drawn S\$20.7 million (FY2015: S\$5.2 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 Dealers Association ("ISDA") Agreement – Australian Entities
- International Swap Dealers Association ("ISDA") Agreement – Singapore Entities

Total unutilised facilities amount to approximately S\$96.8 million.



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 9M FY2016 S\$'000	Group 9M FY2015 S\$'000
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	20,927	30,965
Adjustments for:		
Depreciation of property, plant and equipment	6,460	6,048
(Gain)/Loss on disposal of property, plant and equipment	(34)	1
Share of profit in joint venture	(3,132)	-
Equity-settled share based payment	-	57
Finance cost	1,398	1,668
Interest income	(434)	(342)
Exchange translation differences	4	(5,718)
Operating cash flow before working capital changes	25,189	32,679
Changes in working capital:		
Decrease in trade receivables	12,349	36,037
Increase in other current assets	(1,569)	(568)
Decrease in trade and other payables	(22,249)	(35,226)
Decrease in provisions	(349)	(673)
Cash generated from operations	13,371	32,249
Interest received	434	342
Finance cost paid	(1,358)	(1,668)
Income tax refund	7,937	3,063
Income taxes paid	(9,760)	(15,396)
Net cash generated by operating activities	10,624	18,590
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	295	346
Purchase of property, plant and equipment	(30,820)	(9,377)
Investment in joint venture	(9,890)	-
Net cash used in investing activities	(40,415)	(9,031)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	43,929	11,955
Repayment of borrowings	(30,652)	(27,214)
Dividend paid	(3,507)	(3,502)
Net cash generated by/(used in) financing activities	9,770	(18,761)
Net decrease in cash and cash equivalents	(20,021)	(9,202)
Effects of currency translation on cash and cash equivalents	(472)	(2,869)
Cash and cash equivalents at the beginning of the period	37,643	32,557
Cash and cash equivalents at the end of the period	17,150	20,486



**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	Share capital S\$'000	Treasury shares S\$'000	Other Reserves				Retained earnings S\$'000	Total S\$'000	Non- Controlling Interest S\$'000	Total equity S\$'000
			Merger reserve S\$'000	Translation reserve S\$'000	Option reserve S\$'000					
Balance as at 01 July 2014	37,864	(11)	9,010	(8,503)	227	105,685	144,272	(1)	144,271	
Profit for the year	-	-	-	-	-	30,308	30,308	-	30,308	
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	-	-	-	(19,368)	-	-	(19,368)	-	(19,368)	
Total comprehensive income for the year	-	-	-	(19,368)	-	30,308	10,940	-	10,940	
Share based payment	-	-	-	-	57	-	57	-	57	
Dividends paid	-	-	-	-	-	(3,502)	(3,502)	-	(3,502)	
Balance as at 30 June 2015	37,864	(11)	9,010	(27,871)	284	132,491	151,767	(1)	151,766	
Balance as at 01 July 2015	37,864	(11)	9,010	(27,871)	284	132,491	151,767	(1)	151,766	
Profit for the period	-	-	-	-	-	15,959	15,959	26	15,985	
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	-	-	-	554	-	-	554	-	554	
Total comprehensive income for the period	-	-	-	554	-	15,959	16,513	26	16,539	
Dividends paid during the period	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)	
Balance as at 31 March 2016	37,864	(11)	9,010	(27,317)	284	144,943	164,773	25	164,798	





**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 (cont'd).**

COMPANY	Share capital S\$'000	Treasury shares S\$'000	Merger reserve S\$'000	Other Reserves			Retained earnings S\$'000	Total S\$'000	Non- Controlling Interest S\$'000	Total equity S\$'000
				Translating reserve S\$'000	Option reserve S\$'000	Translation reserve S\$'000				
Balance as at 01 July 2014	37,864	(11)	9,010	(3,358)	227	6,316	50,048	-	50,048	
Profit for the year	-	-	-	-	-	3,084	3,084	-	3,084	
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	-	-	-	(6,120)	-	-	(6,120)	-	(6,120)	
Total comprehensive income for the year	-	-	-	(6,120)	-	3,084	(3,036)	-	(3,036)	
Share based payment	-	-	-	-	57	-	57	-	57	
Dividends paid	-	-	-	-	-	(3,502)	(3,502)	-	(3,502)	
Balance as at 30 June 2015	37,864	(11)	9,010	(9,478)	284	5,898	43,567	-	43,567	
Balance as at 01 July 2015	37,864	(11)	9,010	(9,478)	284	5,898	43,567	-	43,567	
Profit for the period	-	-	-	-	-	4,038	4,038	-	4,038	
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	-	-	-	84	-	-	84	-	84	
Total comprehensive income for the period	-	-	-	84	-	4,038	4,122	-	4,122	
Dividends paid during the period	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)	
Balance as at 31 March 2016	37,864	(11)	9,010	(9,394)	284	6,429	44,182	-	44,182	

- 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 December 2015.

As at 31 March 2016, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2015: 15,000).

The Company has no outstanding convertibles as at 31 March 2016 and 30 June 2015.

As at 31 March 2016 there were outstanding options for 5,200,000 (30 June 2015: 6,000,000) unissued ordinary shares under the employee share option scheme. No options had vested or were exercisable during the quarter ended 31 March 2016.

- 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>31 March 2016</b>	<b>30 June 2015</b>
	<u>No. of shares</u>	<u>No. of shares</u>
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	<u>15,000</u>	<u>15,000</u>
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 31 March 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 or 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 2015.

**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.**

	Q3 FY2016 S\$'000	Q3 FY2015 S\$'000	9 Mths 2016 S\$'000	9 Mths 2015 S\$'000
Profit after taxation	2,517	5,320	15,985	23,760
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	506,985,000	500,985,000	506,985,000
Earnings per ordinary share (S\$ cents)				
• Basic	0.50	1.06	3.19	4.74
• Diluted	0.50	1.05	3.19	4.69

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 31 March 2016, the diluted earnings per share is the same as per the basic earnings per share as it does not include the effect of 5,200,000 unissued ordinary shares granted under the CESOS. The effect of the inclusion 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 31 Mar 2016 S\$'000	As at 30 June 2015 S\$'000	As at 31 Mar 2016 S\$'000	As at 30 June 2015 S\$'000
Net assets	164,744	151,767	44,182	43,567
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	32.89	30.29	8.82	8.69

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 31 March 2016 of 500,985,000 (30 June 2015: 500,985,000) and excludes treasury shares of 15,000 (30 June 2015: 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**

**Q3 FY2016 vs Q2 FY2016**

Revenue for the quarter ended 31 March 2016 ("Q3 FY2016") was S\$73.0 million compared to S\$91.5 million for the three months ended 31 December 2015 ("Q2 FY2016") as projects continued to wind down to completion.

Gross profit for Q3 FY2016 was S\$7.0 million compared to S\$11.8 million in Q2 FY2016 as a result of the lower revenue achieved during the period. Consequently, gross margin was 9.6% of revenue in Q3 FY2016 compared to 12.9% in Q2 FY2016.

Administrative expenses for Q3 FY2016 declined 11.0% to S\$5.8 million from S\$6.5 million in Q2 FY2016 as overhead costs are continually reviewed against current workload and strategic objectives.

As a result of the lower revenue in the period net profit for Q3 FY2016 attributable to shareholders was S\$2.5 million compared to 7.4% from S\$4.8 million in Q2 FY2016. Net profit margin was 3.5% compared to 5.2% in Q2 FY2016.

**Q3 FY2016 vs Q3 FY2015**

Compared to the three months ended 31 March 2015 ("Q3 FY2015") revenue for Q3 FY2016 reduced 17.0% to S\$73.0 million from S\$87.9 million in Q3 FY2015. This is partly attributable to a 10% decline between the Australian dollar and Singapore dollar in the comparative period. In line with the lower revenue the Q3 FY2016 gross profit declined to S\$7.0 million from S\$11.7 million from a year earlier.

Administration expenses for Q3 FY2015 increased 18.5% to S\$5.8 million up from S\$4.9 million in Q3 FY2015 as the Group continues to invest in future growth and diversification of the business.

Net profit attributable to shareholders declined 52.7% to S\$2.5 million in Q3 FY2016 from S\$5.3 million in Q3 FY2015, impacted by the lower revenue and 10% decline in exchange rate between the Australian dollar and Singapore dollar in the comparative periods. Net profit margin for the period was 3.5% compared to 6.1% in Q3 FY2015.

**9M FY2016 vs 9M FY2015**

For the nine months ended 31 March 2016 ("9M FY2016"), revenue declined 19.8% to S\$308.3 million from S\$384.4 million, partly as a result of a 10% decline in currency translation.

Gross profit for 9M FY2016 was S\$36.3 million, down from S\$48.0 million in 9M FY2015 with gross profit margin at 11.8% down from 12.5% in the comparative period. Despite this decline gross margins are in line with industry standards.

Joint venture income of S\$3.1 million is related to profit received from the Sedgman Civmec joint venture.

The net profit attributable to shareholders for the nine months ended 31 March 2016 was S\$16.0 million on the back of the lower revenue and currency conversion.

## **B Statement of Financial Position**

Total shareholders' equity increased to S\$164.8 million as at 31 March 2016 compared to S\$151.8 million as at 30 June 2015 with the impact from currency translation minimal over the nine months to date of FY2016.

Both trade and other receivables and trade and other payables have continued to decline since 30 June 2015 to S\$95.9 million and S\$48.3 million respectively as projects near completion. The current assets to current liabilities ratio decreased to 1.52 (FY2015: 1.76). Cash and cash equivalents decreased to S\$17.2 million as at 31 March 2016 compared to S\$37.6 million as at 30 June 2015 as a result of some Q3 FY2016 debtor receipts being received early in Q4 FY2016. S\$13.4 million is invested in the Sedgman Civmec joint venture which is expected to be returned to the Group over the next six months.

Non-current assets increased to S\$136.5 million as at 31 March 2016 compared to S\$98.2 million as at 30 June 2015 with the increase predominantly relating to the Forgacs property, plant and equipment acquisition for S\$21.5 million and further investment into the Sedgman Civmec joint venture which is currently completing the BHP Jimblebar contract.

The current tax asset of S\$8.4 million (FY2015: S\$11.6 million) has reduced during the period as income tax refunds were recovered with S\$7.9 million received as at the end of Q3 FY2016.

Overall borrowings increased in the period to S\$39.1 million from S\$25.4 million as at 30 June 2015 as funds were drawn down and utilised for the Forgacs acquisition.

## **C Statement of Cash Flows**

Cash generated from operating activities for the nine months to 31 March 2016 was positive with S\$10.6 million generated, however this has been impacted since last quarter with approximately S\$16.0 million of cash proceeds from operations received in early April 2016. This is reflected in the increase in trade receivables on last quarter ("Q2 FY2016").

The Group's cashflow has also been impacted with S\$9.9 million in cash invested in the Sedgman Civmec joint venture in the period to 31 March 2016 for working capital requirements.

Cash proceeds of S\$30.7 million have been utilised during FY2016 to repay debt however during the March quarter ("Q3 FY2016") S\$19.0 million proceeds from borrowings was received which were used to fund the Forgacs acquisition.

As at 31 March 2016 the Group has S\$17.2 million in cash and cash equivalents (S\$37.6 million as at 30 June 2015).

## **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 multi-disciplinary construction and engineering services provider to the oil and gas, metals and minerals, infrastructure and defence markets. The diversification of service offerings and the sectors in which we operate has placed the Group in an excellent position to capitalise on growth opportunities.

The Forzac's shipyard facilities acquired in February are currently being developed further to incorporate the innovations, efficiencies and capabilities that have been developed at the Group's Henderson facility and have provided an excellent launching base for our East Coast operations with work currently being completed at the Tomago site.

Following recent Federal Government announcements regarding Naval acquisition projects we have refined our strategy to enter the defence sector. With our inherent capabilities and the flexibility provided by having facilities on both the East and West coasts we are well positioned to win work in the major ship and submarine construction and maintenance projects.

At the end of March 2016 the Group's order book is approximately S\$186 million (including share of joint venture revenue) with tendering activity positive with opportunities being pursued across all sectors in which the Group operates. In particular, we are seeing strong demand for our services in the infrastructure sector in New South Wales with a number of fabrication and precast tenders in progress.

Despite challenging market conditions Civmec is focused on achieving sustainable growth and are optimistic that the strategic decisions made over the past year will provide opportunities for the business to differentiate itself in the markets it operates and deliver value to our clients in the future.

To achieve long term sustainability, the company has invested time and significant funds in key growth markets and on future opportunities. Initiatives such as increased business development activities, entry into the defence sector, the acquisition of Forzacs and our continual focus on systems improvement are all areas where the company determined an investment needed to be made well in advance of any return being achieved. The Group is confident that the effort spent in the short term will reap rewards in the foreseeable future and provide the business with a solid platform for sustainable growth.

Barring any unforeseen circumstances, the Group expects to remain profitable for the 2016 financial year.

**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**

A dividend has not been declared nor recommended.

**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 31 March 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  
13 May 2016