



**CIVMEC LIMITED**

(Company Registration No: 201011837H)

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**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE  
FOURTH QUARTER ENDED 30 JUNE 2015**

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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		
	Q4 FY2015 S\$'000	Q4 FY2014 S\$'000	+ / (-) %	12M FY2015 S\$'000	12M FY2014 S\$'000	+ / (-) %
Sales revenue	114,704	166,686	(31.2)	499,153	433,677	15.1
Cost of sales	(100,638)	(147,314)	(31.7)	(437,046)	(369,922)	18.1
Gross profit	<b>14,066</b>	<b>19,372</b>	<b>(27.4)</b>	<b>62,107</b>	<b>63,755</b>	<b>(2.6)</b>
Other income	179	425	(57.9)	933	2,534	(63.1)
Administrative expenses	(9,085)	(5,400)	68.2	(25,247)	(19,158)	31.8
Finance costs	(454)	(403)	12.7	(2,122)	(1,652)	28.5
<b>Profit before tax</b>	<b>4,706</b>	<b>13,994</b>	<b>(66.4)</b>	<b>35,671</b>	<b>45,479</b>	<b>(21.6)</b>
Income tax expense	1,842	(2,408)	(176.5)	(5,363)	(10,400)	(48.4)
<b>Profit for the period</b>	<b>6,548</b>	<b>11,586</b>	<b>(43.5)</b>	<b>30,308</b>	<b>35,079</b>	<b>(13.6)</b>
<u>Profit attributable to:</u>						
Owners of the Company	6,548	11,586	(43.5)	30,308	35,079	(13.6)
Non-controlling interest	0	0		0	0	
	<b>6,548</b>	<b>11,586</b>	<b>(43.5)</b>	<b>30,308</b>	<b>35,079</b>	<b>(13.6)</b>
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	1.31	2.32		6.05	7.01	
• Diluted	1.29	2.29		6.05	7.00	



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

**STATEMENT OF COMPREHENSIVE INCOME**

	Group			Group		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2015	FY2014	+ / (-)	FY2015	FY2014	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	<b>6,548</b>	<b>11,586</b>	<b>(43.5)</b>	<b>30,308</b>	<b>35,079</b>	<b>(13.6)</b>
<u>Other comprehensive income:</u>						
Exchange differences on re-translation from functional currency to presentation currency	(3,392)	1,645	(306.2)	(19,368)	2,305	(940.3)
<b>Total comprehensive income for the period</b>	<b>3,156</b>	<b>13,231</b>	<b>(76.1)</b>	<b>10,940</b>	<b>37,384</b>	<b>(70.7)</b>
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	3,156	13,231	(76.1)	10,940	37,384	(70.7)
Non-controlling interest	0	0		0	0	
	<b>3,156</b>	<b>13,231</b>	<b>(76.1)</b>	<b>10,940</b>	<b>37,384</b>	<b>(70.7)</b>

Note

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

	June 2015	June 2014
A\$	1.1010	1.1518



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

**A. Profit before income tax**

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

	Group			Group		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2015	FY2014		FY2015	FY2014	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gain/(Loss) on disposal of property, plant and equipment	(162)	(10)	1,520.6	(162)	(188)	(12.5)
Interest income on bank balances	58	115	(49.8)	400	652	(38.6)
Bad debts written-off	2,971	-		2,971	-	
Share in profit of joint venture	0	0		0	462	(100.0)
Gain on acquisition of subsidiary	0	0		0	1,058	(100.0)
Sundry revenue	253	351	(27.8)	508	362	40.4

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

**B. Finance costs**

	Group			Group		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2015	FY2014		FY2015	FY2014	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Bank bills	199	(14)	(1,519.5)	706	193	265.9
Finance leases	283	403	(29.6)	1,361	1,411	(3.5)
Others	(28)	14	(302.6)	55	48	14.2
<b>Total Finance Costs</b>	<b>454</b>	<b>403</b>	<b>12.6</b>	<b>2,122</b>	<b>1,652</b>	<b>28.5</b>

**C. Depreciation expenses**

	Group			Group		
	Q4	Q4	+ / (-)	12M	12M	+ / (-)
	FY2015	FY2014		FY2015	FY2014	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Included in Cost of sales	1,804	1,962	(8.1)	7,331	6,153	19.2
Included in Administrative expenses	168	178	(5.8)	689	495	39.0
<b>Total Depreciation</b>	<b>1,972</b>	<b>2,140</b>	<b>(7.9)</b>	<b>8,020</b>	<b>6,648</b>	<b>20.6</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 June 2015 S\$'000	As at 30 June 2014 S\$'000	As at 30 June 2015 S\$'000	As at 30 June 2014 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Trade and other receivables	108,466	143,324	4,446	8,571
Other current assets	162	65	13	0
Cash and cash equivalents	37,643	32,557	104	186
Current tax recoverable	11,610	0	2,591	0
	<u>157,881</u>	<u>175,946</u>	<u>7,154</u>	<u>8,757</u>
<b>Non-Current Assets</b>				
Investment in subsidiaries	0	0	7,836	8,916
Loans receivable	0	0	33,510	35,648
Property, plant and equipment	98,017	108,312	0	0
Intangible assets	10	13	0	0
Deferred tax assets	191	5,303	0	18
	<u>98,218</u>	<u>113,628</u>	<u>41,346</u>	<u>44,582</u>
<b>TOTAL ASSETS</b>	<b><u>256,099</u></b>	<b><u>289,574</u></b>	<b><u>48,500</u></b>	<b><u>53,339</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	70,967	82,446	186	156
Borrowings	12,683	30,584	0	0
Payable to related parties	0	0	3,619	2,492
Current income tax liability	0	2,485	0	106
Provisions	5,972	6,713	0	0
	<u>89,622</u>	<u>122,228</u>	<u>3,805</u>	<u>2,754</u>
<b>Non-Current Liabilities</b>				
Borrowings	12,718	20,459	0	0
Deferred income tax liability	0	620	1,128	537
Provisions	1,993	1,996	0	0
	<u>14,711</u>	<u>23,075</u>	<u>1,128</u>	<u>537</u>
<b>TOTAL LIABILITIES</b>	<b><u>104,333</u></b>	<b><u>145,303</u></b>	<b><u>4,933</u></b>	<b><u>3,291</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	(18,577)	734	(184)	5,879
Retained earnings	132,491	105,685	5,898	6,316
<b>Total Equity Attributable to Owners</b>	<b><u>151,767</u></b>	<b><u>144,272</u></b>	<b><u>43,567</u></b>	<b><u>50,048</u></b>
Non-controlling interest	(1)	(1)	-	-
<b>TOTAL EQUITY</b>	<b><u>151,766</u></b>	<b><u>144,271</u></b>	<b><u>43,567</u></b>	<b><u>50,048</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>256,099</u></b>	<b><u>289,574</u></b>	<b><u>48,500</u></b>	<b><u>53,339</u></b>

Note

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

	June 2015	June 2014
A\$	1.034	1.176



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

	Group		Group	
	As at 30 June 2015		As at 30 June 2014	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	12,683	-	30,584	-
Amount repayable after one year	12,718	-	20,459	-

**Details of collaterals**

Finance leases:

The Group has S\$20.2 million (FY2014: S\$29.2 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 30 June 2015, the Group has drawn S\$5.2 million (FY2014: S\$21.8 million) of its commercial bill facility.

Finance leases and Bank bills are secured by:

- First registered real property mortgage by Civmec Holdings Pty Ltd over the leasehold interest in the Commercial property located at 16 Nautical Drive, Henderson WA 6166.
- First registered real property mortgage by Civmec Holdings Pty Ltd over the leasehold interest in the Commercial property located at 2 & 8 Stuart Drive, Henderson WA 6166.
- First registered fixed and floating charge over the assets and undertaking of Civmec Construction & Engineering Pty Ltd and Civmec Holdings Pty Ltd.
- Unlimited guarantee and indemnity given by Civmec Holdings Pty Ltd and Civmec Ltd.
- Consent to Mortgage of Lease over Commercial property located at Lot 804 (16) Nautical Drive, Henderson WA 6166 given by Western Australian Land Authority.
- Unlimited guarantee and indemnity given by the Company.

Total unutilised facilities amount to approximately S\$95.7 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 12M FY2015 S\$'000	Group 12M FY2014 S\$'000
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	35,671	45,479
Adjustments for:		
Depreciation of property, plant and equipment	8,020	6,648
Loss on disposal of property, plant and equipment	162	389
Share of profit in joint venture	0	(462)
Gain on acquisition of subsidiary	0	(1,058)
Equity-settled share based payment	57	227
Finance cost	2,122	1,652
Interest income	(400)	(652)
Foreign exchange differences	57	870
Bad debts written off	2,971	0
Operating cash flow before working capital changes	48,660	53,093
Changes in working capital:		
Decrease/(Increase) in trade receivables	15,180	(51,124)
Increase in other current assets	(69)	115
(Decrease)/Increase in trade and other payables	(11,589)	30,937
Increase in provisions	331	4,081
Cash generated from operations	62,513	37,102
Interest received	400	652
Finance cost paid	(2,122)	(1,652)
Income tax refund	3,014	3,014
Income taxes paid	(18,848)	(13,261)
Net cash generated from operating activities	44,957	25,855
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	1,239	482
Purchase of property, plant and equipment	(12,302)	(37,915)
Net cash of acquired subsidiary	0	3,298
Net cash used in investing activities	(11,063)	(34,135)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	13,112	35,514
Repayment of borrowings	(33,833)	(14,815)
Dividend paid	(3,502)	(3,507)
Purchase of treasury shares	0	(948)
Treasury shares reissued	0	936
Net cash used in financing activities	(24,223)	17,180
Net increase in cash and cash equivalents	9,671	8,900
Effects of currency translation on cash and cash equivalents	(4,585)	549
Cash and cash equivalents at the beginning of the period	32,557	23,108
Cash and cash equivalents at the end of the period	37,643	32,557



**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			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 01 July 2013	37,864	-	9,010	(10,808)	-	74,113	(1)	110,178
Profit for the year	-	-	-	-	-	35,079	-	35,079
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	-	-	-	2,305	-	-	-	2,305
Total comprehensive income for the year	-	(948)	-	2,305	-	35,079	-	37,384
Share repurchased during the year	-	937	-	-	-	-	-	(948)
Share granted via employee share scheme	-	-	-	-	227	-	-	937
Share based payment	-	-	-	-	-	227	-	227
Dividends paid	-	-	-	-	-	(3,507)	-	(3,507)
Balance as at 30 June 2014	37,864	(11)	9,010	(8,503)	227	105,685	(1)	144,271
Balance as at 01 July 2014	37,864	(11)	9,010	(8,503)	227	105,685	(1)	144,271
Profit for the period	-	-	-	-	-	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)
Total comprehensive income for the period	-	-	-	(19,368)	-	30,308	-	10,940
Share based payment	-	-	-	-	57	-	-	57
Dividends paid during the period	-	-	-	-	-	(3,502)	-	(3,502)
Balance as at 30 June 2015	37,864	(11)	9,010	(27,871)	284	132,491	(1)	151,766





**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	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				
Balance as at 01 July 2013	37,864	-	9,010	(4,070)	-	4,761	47,565	-	47,565
Profit for the year	-	-	-	-	-	5,062	5,062	-	5,062
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	-	-	-	712	-	-	712	-	712
Total comprehensive income for the year	-	(948)	-	712	-	5,062	5,774	-	5,774
Share repurchased during the year	-	937	-	-	-	-	(948)	-	(948)
Share granted via employee share scheme	-	-	-	-	227	-	937	-	937
Share based payment	-	-	-	-	-	-	227	-	227
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2014	37,864	(11)	9,010	(3,358)	227	6,316	50,048	-	50,048
Balance as at 01 July 2014	37,864	(11)	9,010	(3,358)	227	6,316	50,048	-	50,048
Profit for the period	-	-	-	-	-	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 period	-	-	-	(6,120)	-	3,084	(3,036)	-	(3,036)
Share based payment	-	-	-	-	57	-	57	-	57
Dividends paid during the period	-	-	-	-	-	(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



- 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 2015.

As at 30 June 2015, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2014: 15,000).

The Company has no outstanding convertibles as at 30 June 2015 and 30 June 2014.

As at 30 June 2015 there were outstanding options for 6,000,000 (30 June 2014: 6,000,000) unissued ordinary shares under the employee share option scheme. No options had vested or were exercisable during the quarter ended 30 June 2015.

- 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 June 2015</b>	<b>30 June 2014</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 June 2015, the Company held 15,000 of its issued shares as treasury shares.

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

The figures have been 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 2014.

**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 FY2015 S\$'000	Q4 FY2014 S\$'000	12 Mths 2015 S\$'000	12 Mths 2014 S\$'000
Profit after taxation	6,548	11,586	30,308	35,079
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	499,799,176	500,985,000	500,408,885
• Diluted	500,985,000	507,000,000	500,985,000	500,956,277
Earnings per ordinary share (S\$ cents)				
• Basic	1.31	2.32	6.05	7.01
• Diluted	1.29	2.29	6.05	7.00

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 30/6/2014, diluted 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 shares and options.

As at 30/6/2015, the diluted earnings per share is the same as basic earnings per share as it does not include the effect of 6,000,000 unissued ordinary shares granted under CESOS. The effect is anti-dilutive.

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

	GROUP		COMPANY	
	As at 30 June 2015 S\$'000	As at 30 June 2014 S\$'000	As at 30 June 2015 S\$'000	As at 30 June 2014 S\$'000
Net assets	151,766	144,271	43,567	50,048
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	30.29	28.79	8.69	9.99

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 2015 of 500,985,000 (30 June 2014: 500,985,000) and excludes treasury shares of 15,000 (30 June 2014: 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 FY2015 vs Q3 FY2015**

Revenue for the quarter ended 30 June 2015 ("Q4 FY2015") increased 30.5% to S\$114.7 million from S\$87.9 million for the three months ended 31 March 2015 ("Q3 FY2015"), aided by contributions from contracts secured in the second half of FY2015.

Gross profit for Q4 FY2015 rose to S\$14.1 million from S\$11.7 million in Q3 FY2015 on the back of the increased revenue, although gross margin slipped to 12.3% from 13.4% over the comparative periods. The reduced profit margin was partly a result of the Group undertaking larger projects, which typically command lower margins.

Net profit for Q4 FY2015 attributable to shareholders rose to S\$6.5 million from S\$5.3 million in Q3 FY2015.

**Q4 FY2015 vs Q4 FY2014**

Compared to the three months ended 30 June 2014 ("Q4 FY2014") revenue for Q4 FY2015 fell 31.2% to S\$114.7 million. This led to a lower gross profit of S\$14.1 million, down 27.4% from a year earlier.

Administrative expenses for Q4 FY2015 increased to S\$9.1 million from S\$5.4 million in Q4 FY2014 mainly due to a S\$2.9 million bad debt written off for a client that had commenced administrative proceedings.

Q4 FY2015 net profit attributable to shareholders declined to S\$6.5 million from S\$11.6 million in Q4 FY2014, impacted by lower revenue and the one-off S\$2.9 million (before tax) bad debt. Net profit margin for the quarter fell to 5.7% from 6.9% for Q4 FY2014. Excluding the write-off, net profit margin for Q4 FY2015 would have risen to 8.4%.

**FY2015 vs FY2014**

For the 12 months ended 30 June 2015 ("FY2015"), revenue rose 15.1% to a record S\$499.2 million from S\$433.7 million in FY2014, reflecting the new contracts secured by the Group.

Gross profit for FY2015 came to S\$62.1 million, down 2.6% from S\$63.7 million in FY2014, as profit margin moved to 12.4% from 14.7% the previous year. The decline was mainly due to the increased number of larger-scale projects, which typically command lower margins undertaken by the Group.

Administrative expenses for FY2015 increased 31.8% to S\$25.2 million from S\$19.1 million. The bad debt impacted this number and the Group incurred higher staff costs due to new roles created for expansion activities which better position the Group to tender for new projects. Excluding the bad debt administrative expenses have remained stable as a percentage of revenue.

As a result of the Group forming a tax consolidated group for income tax purposes, there has been an uplift in the value of tax asset written down. In addition, the Group also claimed a research and development tax offset, which resulted in an effective tax rate for the Group of 15.5% for FY2015 (FY2014: 22.8%). This tax adjustment was recognised in Q4 FY2015.

As a result of the above, net profit for FY2015 attributable to shareholders declined 13.6% to S\$30.3 million for S\$35.1 million in FY2014.

The Group's FY2015 total comprehensive income included unrealised foreign exchange losses of S\$19.2 million arising from the weakening of the Australian dollar (the Group's functional currency) against the Singapore dollar (the Group's reporting currency).

In A\$ terms, the Group achieved record growth in revenue of 20.9% at A\$453.4 million with NPAT of A\$27.5 million.

## **B Statement of Financial Position**

Total shareholders' equity increased 5.2% to S\$151.7 million as at 30 June 2015 compared to S\$144.3 million as at 30 June 2014, despite the weaker A\$ which impacted reserves by S\$19.2 million.

Trade and other receivables as well as trade and other payables declined in FY2015 compared to FY2014 but remained within expectations, in view of the various stages of completion for current projects.

Current assets to current liabilities ratio increased to 1.78 in FY2015 from 1.44 in FY2014. Cash and cash equivalents increased to S\$37.6 million as at 30 June 2015 compared to S\$32.5 million at the end of June 2014.

Non-current assets stood at \$98.2 million as at 30 June 2015 compared to S\$113.6 million as at 30 June 2014, predominantly due to a decrease in the value of property plant & equipment of S\$10.2 million – attributable to the effects of currency translation.

The current tax asset of S\$11.6 million (FY2014: S\$2.5 million current tax liability) represents the amount of income tax refundable for the current and prior financial periods.

The Group is due to receive income tax refunds attributable to (i) amendments of prior year income tax returns, (ii) processing of current and prior year research and development tax offset claims and (iii) lodgement of its current year income tax return.

The net deferred tax asset of S\$0.2 million (FY2014: S\$4.7 million deferred tax asset) is due to the Group reassessing and recalculating the tax effective life of its fixed assets during the current income year.

The Group anticipates the tax effective life of fixed assets to continue to be depreciating at an accelerated rate.

During the year under review, S\$33.8 million of borrowings were repaid, de-risking and strengthening the Group's balance sheet. As at 30 June 2015, the Group had net cash of \$12.2 million.

**C Statement of Cash Flows**

Operating cash flow before working capital changes stood at S\$48.7million (FY2014: S\$53.1 million) while net cash generated from operating activities stood at S\$44.9 million (FY2014: S\$25.9 million).

This increase is attributable to working capital fluctuations in trade receivables and trade payables.

Cash proceeds of S\$33.8 million were in FY2015 to repay debt, resulting in an overall reduction in borrowings of 58.5%.

**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.**

As a provider of multi-disciplinary construction and engineering services to the resources, oil & gas and infrastructure sectors, Civmec is invariably exposed to fluctuations in commodity and energy prices. But despite the downturn in the resources and oil & gas industries, the Group is still winning new contracts as it has been expanding its capabilities to take on more complex and higher-value projects. As announced on 2 June 2015, Civmec secured A\$68 million worth of contracts from several leading companies, including Rio Tinto and GE Oil & Gas.

In the period under review, the Group set up a refractory division to install linings that can withstand extreme high temperatures and conditions. Civmec has secured two refractory contracts, underscoring clients' confidence in the Group's ability to deliver highly specialised services.

The Group is making progress following its diversification into the public infrastructure sector in Australia. As public infrastructure spending in the country rises, Civmec has increased opportunities to tender for work, particularly on the East Coast of Australia. In the year under review, Civmec won contracts including a major contract for fabrication and site erection of steelwork for the new Perth Stadium and civil works for Elizabeth Quay, a waterfront development in Perth that will connect Swan River to the city's central business district.

As previously announced, the Group is pursuing opportunities in Australia's defence sector and in this regard, Civmec has set up a subsidiary, Civmec DLG Pty Ltd, to provide engineering and construction services.

Having now established a foothold in the Eastern States of Australia, the Group intends to strengthen this foothold whilst continuing to further expand its geographical reach both in Australia and worldwide.

The Group's order book remains healthy, at approximately S\$250 million as at 30 June 2015. The Group continues its strong tendering activity, leveraging its diverse capabilities and service offerings. Its innovative project delivery methodologies have resulted in Civmec being pre-qualified for varied tendering opportunities.

Civmec is focused on continual improvement of internal efficiencies to reduce costs. The Group's balance sheet has been further de-risked and strengthened in Q4FY2015, providing Civmec the capacity to pursue and capitalise on opportunities as they arise.

Barring unforeseen circumstances the Group expects to be profitable for the coming 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	501,000,000

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	501,000,000

**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).**

Not applicable

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



	2015			2014		
	Oil & Gas S\$'000	Mining and Others S\$'000	Total S\$'000	Oil & Gas S\$'000	Mining and Others S\$'000	Total S\$'000
Revenue – external sales	146,819	352,334	499,153	130,444	303,233	433,677
Cost of sales (excluding depreciation)	(134,686)	(295,029)	(429,715)	(107,410)	(256,359)	(363,769)
Depreciation expense	(2,292)	(5,039)	(7,331)	(1,231)	(4,922)	(6,153)
<b>Segment results</b>	<b>9,841</b>	<b>52,266</b>	<b>62,107</b>	<b>21,803</b>	<b>41,952</b>	<b>63,755</b>
Unallocated costs			(22,113)			(18,769)
Bad Debt	(2,971)	-	(2,971)			-
Other Income			933			1,014
Negative goodwill			-			1,058
Share in profit of joint venture	-	-	-	462	-	462
Finance costs			(2,122)			(1,652)
Other expenses			(162)			(389)
Profit before income tax			35,671			45,479
Income tax expenses			(5,363)			(10,400)
<b>Net profit for the year</b>			<b>30,308</b>			<b>35,079</b>
<b>Segment assets:</b>						
Intangible assets	-	10	10	-	13	13
Unallocated assets:						
Assets			255,736			284,193
Other current assets			162			65
Deferred tax assets			191			5,303
<b>Total assets</b>			<b>256,099</b>			<b>289,574</b>
<b>Segment liabilities:</b>						
Unallocated liabilities:						
Liabilities			70,967			82,446
Borrowings			25,401			51,043
Current tax liabilities			-			2,485
Deferred tax liabilities			-			620
Provisions			7,965			8,709
<b>Total liabilities</b>			<b>104,333</b>			<b>145,303</b>
Other segment information						
Capital expenditures during the year			12,302			39,017

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.



Revenue for the Mining and Other sector rose by 16.2% to S\$352.3 million (FY2014: S\$303.2 million) due to increased activity in this sector during FY2015 with gross profit for this sector increasing 24.6% to S\$52.3 million (FY2014: S\$42.0 million).

Revenue for the Oil & Gas sector increased 12.5% to S\$146.8 million (FY2014: S\$130.4 million) reflecting an increase in the number of contracts undertaken in this sector during the period. However gross profit for the sector decreased 54.8% due to an increase in the proportion of larger, higher value projects.

**17. A breakdown of sales as follows:**

	Group		% increase/ (decrease)
	FY2015	FY2014	
	<u>S\$'000</u>	<u>S\$'000</u>	
(a) Sales reported for first half year	296,589	149,945	97.8
(b) Operating profit after tax before deducting non-controlling interest reported for first half year	18,440	14,258	29.3
(c) Sales reported for second half year	202,564	283,732	(28.6)
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	11,868	20,821	(43.0)

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

	<b>FY2015</b>	<b>FY2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>
(a) Ordinary	3,502	3,507
(b) Preference	-	-
(c) Total	3,502	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).

**ON BEHALF OF THE BOARD**



James Finbarr Fitzgerald  
 Executive Chairman

20 August 2015