



CIVMEC LIMITED

(Company Registration Number 201011837H)

Property Valuation Increases Asset Values by A\$110.5 million

PERTH, 18th August 2020 – Australian-based **Civmec Limited** (“**Civmec**” or the “**Group**”) wishes to announce the preliminary, unaudited results of valuations undertaken on the Group’s land and building assets.

Over the past 10 years Civmec has built significant facilities in Henderson Western Australia and since 2016 has enhanced the Company’s Newcastle New South Wales facilities. The majority of this work was carried out by Civmec’s in house multi-disciplined workforce. Under this delivery model the Company avoided imposing overhead and profit recovery on to the construction costs. In previous years Civmec has reported the value of these assets on the balance sheet at their depreciated cost.

With the completion of the new Assembly and Sustainment Hall (Western Australia) the Group has now had valuation reports completed for all land and buildings by an independent accredited valuer in accordance with Singapore Financial Reporting Standard (International) (SFRS) (I) 13) and the International Financial Reporting Standard (IFRS 13).

The result of these valuations is that the land and buildings have been assessed as having a fair value of A\$320.5 million, whereas their depreciated cost value is A\$210.0 million. The effect on the balance sheet of the revaluation reserve is a net increase of A\$78.5 million when the deferred tax liability of A\$33.6 million arising from the valuation increase is considered.

If freehold land and buildings were stated on the depreciated cost basis, the amounts would be as follows at 30 June 2020:

		A\$'000
Freehold land	Cost	\$16,254
Buildings	Cost	\$209,330
Accumulated depreciation		\$15,595
Net book amount		\$209,989



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The Balance sheet adjustment based on the valuations is as follows

	A\$'000
Loss to be recognized in profit or loss on valuation less than book value	\$1,611
Increase in Valuation from carrying value of land and property	\$112,125
Deferred tax liability	(\$33,638)
Net asset revaluation reserve adjustment	\$78,487
Increase in net asset value per ordinary share	15.7 cents

This adjustment will be recognized in Other Comprehensive Income in the 30 June 2020 accounts. The final value is currently subject to audit.

Full year results for the financial year ending 30 June 2020 will be announced on Thursday 27 August 2020.

This announcement was authorized for release to the SGX and ASX by the Board.

*****End of Release*****

About Civmec Limited

Civmec is an integrated, multi-disciplinary construction and engineering services provider to the Oil & Gas, Metals & Minerals, Infrastructure and Marine & Defence sectors. Headquartered in Henderson, Western Australia, Civmec has regional offices in Newcastle (New South Wales, Australia) and Gladstone (Queensland, Australia). The company is listed on the SGX (Singapore) and the ASX (Australia). Its core capabilities include heavy engineering, shipbuilding, modularisation, SMP (structural, mechanical, piping), EIC (electrical, instrumentation and control), precast concrete, site civil works, industrial insulation, maintenance, surface treatment, refractory and access solutions.

For more information, please visit our website at www.civmec.com.au