CIVMEC LIMITED

(Company Registration No: 201011837H)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group	
		6 months ended	
	Note	31 December 2023 A$'000	31 December 2022 A$'000
Revenue	4	492,346	418,851
Cost of sales		(432,055)	(367,035)
Gross profit		60,291	51,816
Other income	5	1,976	486
Administrative expenses		(14,185)	(9,993)
Finance costs		(2,965)	(2,125)
Profit before income tax	5	45,117	40,184
Income tax expense	7	(13,224)	(11,918)
Profit for the period		31,893	28,266
Profit attributable to:			
Owners of the Company		31,894	28,248
Non-controlling interest		(1)	18
		31,893	28,266
Total comprehensive income attributable to:			
Owners of the Company		31,894	28,248
Non-controlling interest		(1)	18
		31,893	28,266
Earnings per share attributable to equity holders of the Company (cents per share):			
- Basic	8	6.29	5.60
- Diluted	8	6.23	5.51

B. Condensed interim statements of financial position

	Note	Group As at 31 December 2023 A$'000	Group As at 30 June 2023 A$'000	Company As at 31 December 2023 A$'000	Company As at 30 June 2023 A$'000
ASSETS					
Current assets					
Cash and cash equivalents		143,131	70,381	3	-
Trade and other receivables		33,447	108,243	48,955	33,117
Contract assets		129,560	100,093	-	-
Other current assets		1,920	2,274	27	-
		308,058	280,991	48,985	33,117
Non-current assets					
Investment in subsidiaries		-	-	8,324	8,324
Property, plant and equipment		481,958	476,302	-	-
Investment properties	11	17,753	17,184	-	-
Intangible assets		10	10	-	-
Deferred tax assets		555	47	56	30
		500,276	493,543	8,380	8,354
TOTAL ASSETS		808,334	774,534	57,365	41,471
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		116,838	117,671	1,560	2,494
Contract liabilities		55,994	44,706	-	-
Lease liabilities		6,331	6,816	-	-
Borrowings	13	-	8,000	-	-
Income tax payable		4,107	673	4,107	664
Provisions		13,998	16,175	-	-
		197,268	194,041	5,667	3,158
Non-current liabilities					
Lease liabilities		52,268	50,519	-	-
Borrowings	13	60,000	48,500	-	-
Provisions		2,642	2,411	-	-
Deferred tax liabilities		58,546	58,454	-	-
		173,456	159,884	-	-
TOTAL LIABILITIES		370,724	353,925	5,667	3,158
Capital and Reserves					
Share capital	14	29,918	29,807	29,918	29,807
Treasury shares		(10)	(10)	(10)	(10)
Asset revaluation reserve		129,577	129,577	-	-
Other reserves		11,722	11,497	8,110	7,885
Retained earnings		266,665	249,999	13,680	631
Total equity attributable to the Owners of the Company		437,872	420,870	51,698	38,313
Non-controlling interest		(262)	(261)	-	-
TOTAL EQUITY		437,610	420,609	51,698	38,313
TOTAL LIABILITIES AND EQUITY		808,334	774,534	57,365	41,471

C. Condensed interim statements of changes in equity

GROUP	Share capital A$'000	Treasury shares A$'000	Asset revaluation reserve A$'000	Merger reserve A$'000	Other reserves: Equity-settled employee benefits reserve A$'000	Other reserves A$'000	Retained earnings A$'000	Total A$'000	Non-controlling interest A$'000	Total A$'000
Balance as at 1 July 2023	29,807	(10)	129,577	7,578	3,642	277	249,999	420,870	(261)	420,609
Profit for the period	-	-	-	-	-	-	31,894	31,894	(1)	31,893
Other comprehensive income for the period:	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	31,894	31,894	(1)	31,893
Share options exercised: issuance of new ordinary shares	111	-	-	-	-	-	-	111	-	111
Recognition of share based payment	-	-	-	-	225	-	-	225	-	225
Dividends paid	-	-	-	-	-	-	(15,228)	(15,228)	-	(15,228)
Balance as at 31 December 2023	29,918	(10)	129,577	7,578	3,867	277	266,665	437,872	(262)	437,610
Balance as at 1 July 2022	29,807	(10)	117,477	7,578	3,715	277	212,549	371,393	(279)	371,114
Profit for the period	-	-	-	-	-	-	28,248	28,248	18	28,266
Other comprehensive income for the period:	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	28,248	28,248	18	28,266
Recognition of share based payment	-	-	-	-	505	-	-	505	-	505
Reclassification to cash-settled employee benefits	-	-	-	-	(582)	-	-	(582)	-	(582)
Dividends paid	-	-	-	-	-	-	(10,103)	(10,103)	-	(10,103)
Balance as at 31 December 2022	29,807	(10)	117,477	7,578	3,638	277	230,694	389,461	(261)	389,200

C. Condensed interim statements of changes in equity

(continued)

COMPANY	Share capital A$'000	Treasury shares A$'000	← Merger reserve A$'000	Other reserves Equity-settled employee benefits reserve A$'000	Other reserves → A$'000	Retained earnings A$'000	Total A$'000
Balance as at 1 July 2023	29,807	(10)	7,578	3,642	(3,335)	631	38,313
Profit for the period	-	-	-	-	-	28,277	28,277
Other comprehensive income for the period:	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	28,277	28,277
Share options exercised: issuance of new ordinary shares	111	-	-	-	-	-	111
Recognition of share based payment	-	-	-	225	-	-	225
Dividends paid	-	-	-	-	-	(15,228)	(15,228)
Balance as at 31 December 2023	29,918	(10)	7,578	3,867	(3,335)	13,680	51,698
Balance as at 1 July 2022	29,807	(10)	7,578	3,715	(3,335)	782	38,537
Profit for the period	-	-	-	-	-	9,903	9,903
Other comprehensive income for the period:	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	9,903	9,903
Recognition of share based payment	-	-	-	505	-	-	505
Reclassification to cash-settled employee benefits	-	-	-	(582)	-	-	(582)
Dividends paid	-	-	-	-	-	(10,103)	(10,103)
Balance as at 31 December 2022	29,807	(10)	7,578	3,638	(3,335)	582	38,260

D. Condensed interim consolidated statement of cash flows

	Note	Group 6 months ended 31 December 2023 A$'000	Group 6 months ended 31 December 2022 A$'000
Cash Flows from Operating Activities		45,117	40,184
Profit before income tax			
Adjustment for:			
Depreciation of property, plant and equipment and investment properties – leasehold land	5	9,838	9,029
Gain on disposal of property, plant and equipment		(79)	(25)
Finance cost		4,687	3,756
Interest income		(1,786)	(285)
Expense arising on equity-settled share based payments		225	505
Foreign exchange differences		73	(28)
Operating cash flow before working capital changes		58,075	53,136
Changes in working capital:			
(Increase)/decrease in trade and other receivables		74,958	34,391
(Increase)/decrease in contract assets		(29,467)	19,726
(Increase)/decrease in other current assets		354	(1,031)
Increase/(decrease) in trade and other payables		(2,080)	(16,462)
Increase/(decrease) in contract liabilities		11,288	(5,184)
Increase/(decrease) in provisions		(1,946)	(461)
Cash generated from operations		111,182	84,115
Interest received		1,786	285
Finance cost paid		(3,433)	(2,813)
Income tax refund		1,781	1,215
Income taxes paid		(11,939)	(15,583)
Net cash generated from operating activities		99,377	67,219
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		96	27
Purchase of property, plant and equipment	10	(10,874)	(6,801)
Net cash used in investing activities		(10,778)	(6,774)
Cash Flows from Financing Activities			
Proceeds from borrowings		7,500	35,000
Repayment of borrowings		(4,000)	(59,000)
Repayment of principal lease liabilities		(4,232)	(4,377)
Proceeds from share options exercised		111	-
Dividend paid		(15,228)	(10,103)
Net cash used in financing activities		(15,849)	(38,480)
Net increase in cash and cash equivalents		72,750	21,965
Cash and cash equivalents at the beginning of the period		70,381	40,841
Cash and cash equivalents at the end of the period		143,131	62,806

E. Notes to the condensed interim consolidated financial statements

1 Company information

Civmec Limited (the "Company") is incorporated and domiciled in Singapore and its shares are publicly traded on the Singapore Exchange and the Australian Stock Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group). The primary activity of the Company is that of an investment holding company.

The principal activities of the Group 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.

Pending change of domicile of the head company of the Group

On 27 October 2023, the Company has entered into an implementation agreement with Civmec Australia Limited (the "NewCo") with the intention to change the domicile of the head company of the Group from the Company (domiciled in Singapore) to the NewCo (domiciled in Australia). The Change of Domicile will be achieved through a restructuring of the Company by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 of Singapore.

Details of the proposed restructure are outlined on Company Announcements dated 27 October 2023 on Singapore Exchange ("SGX").

2 Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Australia dollars (AUD or A$), which is the functional currency of the Company. All financial information presented in Australia dollars have been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

E. Notes to the condensed interim consolidated financial statements (continued)

2 Basis of preparation (continued)

2.2 Use of judgements and estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Critical judgements in applying the Group's accounting policies

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Impairment of trade and other receivables and contract assets

The Group applies the simplified approach to provide for the ECL ("Expected Credit Losses") for all trade receivables and contract assets at an amount equal to the lifetime ECL. ECLs are a probability weighted estimate (based on the Group's historical experience) measured as the present value of all cash shortfalls on default financial assets considering both quantitative and qualitative information and analysis. Factors considered in individual assessment are geographical regions, payment history, past due status and term.

Construction contract revenue

Construction contract revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation ("PO") are excluded from the measure of progress and instead are expensed as incurred.

Construction contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that is highly probable that a significant reversal in the amount of the cumulative revenue will not occur.

In estimating the variable consideration for contract revenue, the Group uses the expected value amount method to estimate the transaction price. The expected value is the sum of probability-weighted amounts in a range of possible consideration amounts. Management has relied on historical experience and the work of experts, analysed by customers and nature of scope of work, from prior years.

Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price. For variations claims, management has determined that a portion of the estimated variable consideration is subject to the constraint as, based on past experience with the customers, it is highly probable that a significant reversal in the cumulative amount of revenue recognised will occur, and therefore will not be recognised as revenue.

E. Notes to the condensed interim consolidated financial statements (continued)

2 Basis of preparation (continued)

2.2 Use of judgements and estimates (continued)

(a) Critical judgements in applying the Group's accounting policies (continued)

Legal proceedings

The Group is exposed to the risk of claims and litigation which can arise for various reasons, including changes in scope of work, delay and disputes etc. Given the nature of the business, variation orders, additional works and prolongation costs are common. As some of these items could be subjective and hence contentious in nature, the Group may from time to time be involved in adjudication or legal processes.

In making its judgment as to whether it is probable that any such adjudication decisions or litigation will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal advisors and technical experts.

In making that overall judgment, management has included in its consideration the likely outcome of the claims. Although an adverse outcome of those claims could have a material adverse impact on the financial position of the Group, management have taken the view that such a material adverse outcome is very unlikely.

Impairment of property, plant and equipment and investment properties

The Group assesses impairment of property, plant and equipment and investment properties at each year end by evaluating conditions specific to the Group that may lead to impairment of assets. Adjustments are made when considered necessary.

Impairment assessment of property, plant and equipment and investment properties includes considering certain indications such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant under performance relative to the expected historical or future operating results and significant negative industry or economic trends.

Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease term is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of the leasehold land and buildings, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

E. Notes to the condensed interim consolidated financial statements (continued)

2 Basis of preparation (continued)

2.2 Use of judgements and estimates (continued)

(a) Critical judgements in applying the Group's accounting policies (continued)

Valuation of freehold land and buildings and investment properties

The Group carries its freehold land and building and investment properties at fair values which are determined by an independent real estate valuation expert using the highest-and-best use approach which is generally the sales comparison approach (i.e. the basis of market value). In arriving at the valuation figure, the valuer has taken into consideration the prevailing market conditions and differences between the freehold land and building and investment properties and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of the buildings, dates of transactions and other factors affecting their values. The most significant inputs in this valuation approach are the selling price per square meter and the usage of the properties. The estimates are based on local market conditions existing at the reporting date.

Fair values of buildings with no available market information are determined by the independent real estate valuation expert using the depreciated replacement cost method, which involves estimating the current replacement cost of the buildings and from which deductions are made to allow for depreciation due to age, condition and functional obsolescence. The replacement cost is then added to the land value to derive the fair value. The land value is determined based on the direct comparison method with transactions of comparable plots of land within the vicinity and elsewhere. In arriving at the valuation figure, the valuation expert has taken into consideration the prevailing market condition and differences between the freehold land and buildings and the comparable in terms of location, tenure, size, shape, design and layout, age and condition, dates of transactions and other factors affecting their values. The most significant inputs into this valuation approach are the estimated construction costs, depreciation rates and developer profit margin.

(b) Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following:

Estimation of total contract costs for contracts

The Group has significant ongoing construction contracts as at 31 December 2023 that are non-cancellable. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant assumptions are used to estimate the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of provision for onerous contracts recognised. In making these estimates, management has relied on past experience and the work of specialists.

The Group includes incremental costs of fulfilling the contracts which are the cost of materials and labour required to construct the projects. In estimating the forecast costs, the management exercised judgement in considering costs that relate directly to the contracts.

E. Notes to the condensed interim consolidated financial statements (continued)

2 Basis of preparation (continued)

2.2 Use of judgements and estimates (continued)

(b) Key sources of estimation uncertainty (continued)

Estimation of useful lives of property, plant and equipment and investment properties – leasehold land

The useful lives of assets have been based on historical experience, lease terms and best available information for similar items in the industry. These estimations will affect the depreciation expense recognised in the financial year. There is no change in the estimated useful lives of plant and equipment and investment properties – leasehold land during the current financial period.

Income taxes

The Group has exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises receivables or liabilities on expected tax issues based on their best estimates of the likely taxes recoverable or due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group is organised into the following main business segments:

- Energy
- Resources
- Infrastructure, Marine & Defence

Although the Operations Management receives separate reports for each project in the Energy, Resources, and Infrastructure, Marine & Defence businesses, these have been aggregated into the respective reportable segments as they have similar long-term average gross margins.

E. Notes to the condensed interim consolidated financial statements (continued)

4 Segment and revenue information (continued)

4.1 Reportable segments

	Group 6 months ended 31 December 2023				Group 6 months ended 31 December 2022			
	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000
Revenue	20,369	418,896	53,081	492,346	17,307	344,655	56,889	418,851
Cost of sales (excluding depreciation)	(17,467)	(360,681)	(44,123)	(422,271)	(15,740)	(291,912)	(50,440)	(358,092)
Depreciation expense	(329)	(8,597)	(858)	(9,784)	(306)	(7,631)	(1,006)	(8,943)
Segment results	**2,573**	**49,618**	**8,100**	**60,291**	**1,261**	**45,112**	**5,443**	**51,816**
Other income				1,976				486
Unallocated costs								
Administrative expenses*				(14,131)				(9,907)
Depreciation in admin expense*				(54)				(86)
Finance costs				(2,965)				(2,125)
Profit before income tax				45,117				40,184
Income tax expense				(13,224)				(11,918)
Profit for the period				**31,893**				**28,266**

	As at 31 December 2023				As at 30 Jun 2023			
	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000
Segment assets:								
Intangible assets	-	10	-	10	-	10	-	10
Unallocated assets:								
Assets				805,849				772,203
Other current assets				1,920				2,274
Deferred tax assets				555				47
Total assets				**808,334**				**774,534**
Segment liabilities:								
Unallocated liabilities								
Liabilities				294,084				278,839
Borrowings				60,000				56,500
Provisions				16,640				18,586
Total liabilities				**370,724**				**353,925**

*Administrative expenses above exclude depreciation which is disclosed separately above.

E. Notes to the condensed interim consolidated financial statements (continued)

4 Segment and revenue information (continued)

4.2 Disaggregation of revenue

	Group 6 months ended 31 December 2023				Group 6 months ended 31 December 2022			
	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000	Energy A$'000	Resources A$'000	Infra-structure, Marine & Defence A$'000	Total A$'000
Types of goods or services:								
Construction contract	16,640	378,500	52,315	447,455	16,800	282,835	56,046	355,681
Rendering of services	3,729	39,554	766	44,049	507	60,911	843	62,261
Sales of goods	-	842	-	842	-	909	-	909
Total revenue	20,369	418,896	53,081	492,346	17,307	344,655	56,889	418,851
Timing of revenue recognition:								
At a point in time	-	842	766	1,608	-	909	843	1,752
Over time	20,369	418,054	52,315	490,738	17,307	343,746	56,046	417,099
Total revenue	20,369	418,896	53,081	492,346	17,307	344,655	56,889	418,851
Geographical information:								
Australia	20,369	418,896	53,081	492,346	17,307	344,655	56,889	418,851

E. Notes to the condensed interim consolidated financial statements (continued)

5 Profit before income tax

5.1 Significant items

	Group 6 months ended 31 December 2023 A$'000	Group 6 months ended 31 December 2022 A$'000
Other income		
Insurance recoveries	4	8
Fuel tax rebate	86	56
Interest income	1,786	285
Gain on disposal of property, plant and equipment	79	25
Subsidies and incentives	18	84
Net foreign exchange gain	-	28
Sundry revenue	3	-
	1,976	486
Depreciation of property, plant and equipment and investment properties – leasehold land		
Included in cost of sales	9,784	8,943
Included in administrative expenses	54	86
	9,838	9,029
Finance costs		
Corporate market loan and line fees	2,415	1,573
Trade finances	-	102
Lease liabilities	407	406
Other finance costs	143	44
	2,965	2,125
Included in cost of sales:		
Lease liabilities	1,722	1,631
Total finance costs	4,687	3,756

E. Notes to the condensed interim consolidated financial statements (continued)

6 Related party transactions

The Group's main related parties are as follows:

Entities exercising control over the Group

The largest shareholders are James Finbarr Fitzgerald and Olive Theresa Fitzgerald (acting as trustees for the JF & OT Fitzgerald Family Trust) (19.25%) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust) (19.23%). Patrick John Tallon is a beneficiary of the Kariong Investment Trust.

Key Management Personnel

Any person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

Remuneration paid to key management personnel is as follows:

	Group	
	6 months ended	
	31 December 2023 A$'000	31 December 2022 A$'000
Directors' remuneration		
- Salaries and other related costs	1,819	1,708
- Directors' fees	163	142
- Share-based payment: cash-settled	1,308	917
- Benefits including defined contribution plans	71	68
Other key management personnel		
- Salaries and other related costs	1,793	1,821
- Benefits including defined contribution plans	108	116
	5,262	4,772

E. Notes to the condensed interim consolidated financial statements (continued)

6 Related party transactions (continued)

Directors' interest in employee share benefit plans

At the end of the reporting date, the total number of outstanding share options and performance rights that were issued/allocated to the directors and key management personnel under existing employee benefit schemes is given below:

	Group	
	As at	
	31 December 2023 No.	30 June 2023 No.
Share options		
Key management personnel	-	1,000,000
Performance rights		
Directors	1,057,000	2,774,000
Key management personnel	2,512,000	2,999,000

Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There was no transaction with related parties during the current period.

7 Income tax expense

The Group calculates the period income tax expense using the currently enacted tax rates that are applicable to the total earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended	
	31 December 2023 A$'000	31 December 2022 A$'000
Current income tax expense	13,640	10,702
Deferred income tax expense relating to origination and reversal of temporary differences	(416)	1,216
Total income tax expense	13,224	11,918

E. Notes to the condensed interim consolidated financial statements (continued)

8 Earnings per share

	Group	
	6 months ended	
	31 December 2023	31 December 2022
Profit attributable to owners of the Company (A$'000)	31,894	28,248
Weighted average number of shares		
- Basic	506,778,467	504,242,859
- Diluted	512,067,467	512,192,859
Earnings per ordinary share (A$ cents)		
- Basic	6.29	5.60
- Diluted	6.23	5.51

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 ordinary shares outstanding during the financial period.

As at 31 December 2023, the diluted earnings per share includes the effect of 5,289,000 unissued ordinary shares granted under CPRP due to the performance targets are likely to be met. The effect of the inclusion is dilutive (30 June 2023: 7,950,000, dilutive).

9 Net asset value

	Group		Company	
	As at		As at	
	31 December 2023 A$'000	30 June 2023 A$'000	31 December 2023 A$'000	30 June 2023 A$'000
Net assets attributable to owners	437,872	420,870	51,698	38,313
Net asset value per ordinary share based on issued share capital at the end of the respective periods (A$ cents)	86.26	83.32	10.18	7.58

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 December 2023 of 507,591,000 (30 June 2023: 505,117,000) and excludes treasury shares of 15,000 (30 June 2023:15,000).

E. Notes to the condensed interim consolidated financial statements (continued)

10 Property, plant and equipment

During the six months ended 31 December 2023, the Group acquired assets amounting to A$10,874,000 (31 December 2022: A$6,801,000).

At the balance sheet date, the details of the Group's freehold land and buildings are as follows:

Location	Description/Existing use	Tenure
2-8 Stuart Drive, Henderson, Western Australia	Land and buildings / Operational readiness and logistics support facility	Freehold
16 Nautical Drive, Henderson, Western Australia	Buildings on leasehold land / Undercover waterfront, Manufacturing, Modularisation and Maintenance Facility	Leasehold land leases: i. 34-year lease from August 2010, with further 35 years option ii. 30-year lease from March 2014, with further 35 years option iii. 28-year lease from December 2016, with further 45 years option
35-39 Old Punt Road, Tomago, New South Wales	Land and buildings / Manufacturing facility and modular assembly laydown area	Freehold
Lot 324 & Lot 325 Hedland Junction, Wedgefield, Port Hedland	Land and buildings / Manufacturing workshop and office facility. This property is currently classified under Asset under construction.	Freehold
10 Eucla Close, South Hedland, Western Australia	Land and buildings / Accommodation support	Freehold

Freehold land and buildings carried at fair value

The fair value of the freehold land and buildings of the Group was carried out by Asset Valuation Advisory. The fair value is determined by the valuer on the highest and best use approach of each asset. Such valuation was determined using the Sales Comparison approach (to market-type properties), Hypothetical Development approach, Income Capitalisation approach and Depreciated Replacement Cost ("DRC") approach (to non-market-type properties). The fair value has been derived through a mix of Level 2 inputs where applicable and Level 3 inputs where the Valuer has deemed Level 2 inputs to be not applicable. No revaluation is performed during the period.

E. Notes to the condensed interim consolidated financial statements (continued)

10 Property, plant and equipment (continued)

The carrying amount of property, plant and equipment that are pledged for security are as follows:

Description	Borrowings	Group As at 31 December 2023 A$'000	Group As at 30 June 2023 A$'000
Leased plant and equipment	Lease liabilities	35,957	35,250
Remaining property, plant and equipment	Corporate market loan, multi-option	446,001	441,052
		481,958	476,302

11 Investment properties

	Buildings A$'000	Leasehold land A$'000	Total A$'000
31 December 2023			
Cost or valuation			
At the beginning of the period	15,260	2,006	17,266
Addition – ROU	-	591	591
At 31 December 2023	15,260	2,597	17,857
Accumulated depreciation			
At 1 July 2023	-	(82)	(82)
Depreciation for the period	-	(22)	(22)
At 31 December 2023	-	(104)	(104)
Net carrying amount			
At 31 December 2023	15,260	2,493	17,753

E. Notes to the condensed interim consolidated financial statements (continued)

11 Investment properties (continued)

	Buildings A$'000	Leasehold land A$'000	Total A$'000
30 June 2023			
Cost or valuation			
At 1 July 2022	14,840	2,006	16,846
Revaluation increase – recognised in profit or loss	420	-	420
At 30 June 2023	15,260	2,006	17,266
Accumulated depreciation			
At 1 July 2022	-	(41)	(41)
Depreciation for the year	-	(41)	(41)
At 30 June 2023	-	(82)	(82)
Net carrying amount			
At 30 June 2023	15,260	1,924	17,184

Buildings carried at fair value

The fair value revaluation of the buildings was carried out by Asset Valuation Advisory. The fair value is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy due to its specialised nature which is not readily traded in the marketplace.

At the balance sheet date, the investment properties held by the Group is as follows:

Location	Description/Existing use	Tenure
1 Welding Pass, Henderson, Western Australia	Buildings on leasehold land / Submarine rescue facility	Leasehold land leases: 28-year lease from April 2020, with further 22 years option Leasehold land sub-lease: 26-year and 4 month lease from July 2021, with 2 options to renew for a further 3 years each

No revaluation is performed during the period. The fair value measurement for the investment property of A$15,260,000 (30 June 2023: 15,260,000) remained as a level 3 fair value based on the inputs to the valuation technique used.

E. Notes to the condensed interim consolidated financial statements (continued)

11 Investment properties (continued)

Leasehold land carried at cost

The asset is depreciated on a straight-line basis over its lease term. The depreciation rate used is 2%.

(a) Investment property is leased to non-related parties under operating leases.

Amounts recognised in profit or loss for investment properties

	Group 6 months ended 31 December 2023 A$'000	Group 6 months ended 31 December 2022 A$'000
Rental income	175	335
Direct operating expenses from investment property that generated rental income	(149)	(143)

(b) The carrying amount of investment properties that are pledged for security is as follows:

Description	Borrowings	Group As at 31 December 2023 A$'000	Group As at 30 June 2023 A$'000
Investment properties	Corporate market loan, multi-option	17,753	17,184

E. Notes to the condensed interim consolidated financial statements (continued)

12 Investment in subsidiaries

During the current financial period, Civmec Mala PNG Ltd (88% held by Civmec Construction and Engineering Pty Ltd) was de-registered and Civmec Construction and Engineering Uganda Ltd (100% held by Civmec Construction and Engineering Africa Ltd) was dissolved.

13 Borrowings

	Group			
	As at		As at	
	31 December 2023 Secured A$'000	31 December 2023 Unsecured A$'000	30 June 2023 Secured A$'000	30 June 2023 Unsecured A$'000
Amount repayable in one year or less, or on demand:				
Corporate market loan	-	-	8,000	-
Amount repayable after one year, or on demand:				
Corporate market loan	60,000	-	48,500	-
Total borrowings	60,000	-	56,500	-

Corporate market loan

The Group is required by the banks to maintain certain financial ratios such as leverage ratio, tangible net worth and debt service cover ratio. As at 31 December 2023, the Group met all of these financial covenants.

As at 31 December 2023, the Group has a general capital expenditure commercial bank facility amounting to A$68 million (30 June 2023: A$70 million) which was 82.4% utilised (30 June 2023: 81% utilised). The facility limit is reduced by A$2 million on each quarter end date. Interest rates are variable and ranged between 5.02% to 5.65% (31 December 2022: 1.53% to 4.36%) per annum during the current financial period.

Multi-option facility

The Group has a multi-option facility of A$70 million which was 7.8% utilised as at 31 December 2023 (30 June 2023: 2% utilised). It can be used for revolving commercial market loan, trade financing, bank guarantees and letters of credit. The interest rates are mix of fixed and variable at the time of utilisation depending on the type of loan utilised. The interest rate was at 5.47% per annum during the current financial period.

General security deed

Both the commercial bank and multi-option facilities are secured by certain property, plant and equipment and investment properties as disclosed in Note 10 and Note 11 to the financial statements.

E. Notes to the condensed interim consolidated financial statements (continued)

14 Share capital

Fully paid ordinary shares

	Group and Company			
	As at			
	31 December 2023		30 June 2023	
	No. of shares	A$'000	No. of shares	A$'000
At the beginning of the period/year	505,132,000	29,807	502,450,000	29,807
Share issued during the period/year				
- Conversion of performance rights	2,324,000	-	2,682,000	-
- Conversion of share options	150,000	111	-	-
At the end of the period/year	507,606,000	29,918	505,132,000	29,807

During the current period, 2,324,000 shares were issued pursuant to vesting and conversion of performance rights held by key management personnel ("KMP") and other management.

During the current period, 150,000 shares were issued pursuant to vesting and conversion of share options held by other management. The share options were offered at S$0.65 each share under the Civmec Limited Employee Share Option Scheme (the "CESOS") on 11 September 2013. Paid-up capital of the Company increased by A$111,000.

Treasury shares

As at 31 December 2023, 15,000 shares are held as Treasury Shares (30 June 2023: 15,000).

Shares options

During the current period, 150,000 options were exercised and converted to ordinary shares.

As at 31 December 2023, there were no outstanding options under the CESOS (30 June 2023: 4,000,000).

Performance rights

During the current period, 2,324,000 rights were vested and converted to shares, 2,154,000 rights were cancelled and 1,817,000 new performance rights were issued.

5,289,000 rights remain unvested as at 31 December 2023 (30 June 2023: 7,950,000).

15 Subsequent events

There are no subsequent events which have led to adjustments to this set of interim financial statements.

F. Other Information Required by Listing Rule Appendix 7.2

1 Review

These figures have not been audited or reviewed.

2 Review of performance of the Group

Statement of comprehensive income

1H2024 vs 1H2023

Revenue for six months ended 31 December 2023 ("1H2024") increased 17.5% to A$492.3 million from A$418.9 million for the six months ended 31 December 2022 ("1H2023") mainly due to the timing of revenue recognition on projects.

Gross profit for 1H2024 increased 16.4% to A$60.3 million from A$51.8 million in 1H2023 reflecting the increase in revenue.

Other income increased by 306.6% to A$2.0 million in 1H2024 compared to 1H2023 mainly due to interest income generated from bank accounts.

Administrative expenses increased by 41.9% in 1H2024 compared to 1H2023 mainly due to increase in employee benefits and consultant fees.

Finance costs increased by 39.5% in 1H2024 compared to 1H2023 as a result of increased in borrowings and higher interest rate paid on borrowings.

Net profit attributable to shareholders increased 12.9% to A$31.9 million in 1H2024 from A$28.2 million in 1H2023 as a result of increased revenue in the period coupled with an increase in other income flowing through to the bottom line.

1H2024 vs 2H2023

Revenue for the six months ended 31 December 2023 ("1H2024") increased by 19.5% to A$492.3 million from A$412.0 million for the six months ended 30 June 2023 ("2H2023") mainly due to the timing of revenue recognition on projects.

Gross profit for 1H2024 increased 5.1% to A$60.3 million from A$57.4 million reflecting the increase in revenue.

Administrative expenses decreased by 2.9% in 1H2024 compared to 2H2023 mainly due to lower spending in consultant fees.

Net profit attributable to shareholders increased 8.5% to A$31.9 million in 1H2024 from A$29.4 million in 2H2023 as a result of higher revenue recognised in the period.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

2 Review of performance of the Group (continued)

Statement of financial position

Total shareholders' equity increased to A$437.9 million as at 31 December 2023 from A$420.9 million as at 30 June 2023 as a result of profit earned in the period being partially offset by dividends paid in the period.

Trade and other receivables decreased to A$33.4 million as at 31 December 2023 from A$108.2 million as at 30 June 2023 mainly due to timing of invoicing to customers and cash received from customers during the period.

Contract assets increased to A$130.0 million as at 31 December 2023 from A$100.1 million as at 30 June 2023 reflecting the timing of payment claims and revenue recognition on current projects.

Trade and other payables decreased slightly to A$116.8 million as at 31 December 2023 from A$117.7 million as at 30 June 2023 as the Group continued to pay suppliers within terms. Contract liabilities increased to A$56.0 million as at 31 December 2023 from A$44.7 million as at 30 June 2023 reflecting the timing of payment claims and revenue recognition on current projects.

Cash and cash equivalents as at 31 December 2023 were A$143.1 million increasing from A$70.4 million as at 30 June 2023 mainly as a result of the increased cash generated from operations in the period.

Property, plant and equipment increased to A$482.0 million as at 31 December 2023 from A$476.3 million as at 30 June 2023 mainly due to re-measurement of existing right-of-use assets due to price escalation, capital works and purchase of new assets which is partially offset by the depreciation expenses for the period.

Overall lease liabilities increased to A$58.6 million as at 31 December 2023 from A$57.3 million as at 30 June 2023 as a result of re-measurement of existing leases due to increased price escalation during the period, offset by the repayment of principal lease liabilities.

Overall borrowings increased to A$60.0 million as at 31 December 2023 from A$56.5 million as at 30 June 2023 as a result of drawdown of borrowings in the period to fund construction of a new facility in Port Hedland.

Statement of cash flows

Overall cashflow before working capital changes was A$58.1 million for the six months ended 31 December 2023 ("1H2024") compared to A$53.1 million for the six months ended 31 December 2022 ("1H2023") reflecting the increased profit before tax in the period.

Cash generated from operations remained positive at A$111.2 million for 1H2024 compared to A$84.1 million in 1H2023 reflecting changes in working capital requirements in the period. The increase in cash generated from operations resulted in net cash generated from operating activities increasing to A$99.4 million for 1H2024 compared to A$67.2 million in 1H2023.

The Group spent A$10.9 million on capital expenditure, predominantly for development of the Port Hedland facility and for replacement of ageing plant and equipment with new equipment.

The Group made net drawdown of A$3.5 million on borrowings and made repayments against leases of A$4.2 million. During 1H2024, the Group also received A$111k from share options exercised under the CESOS.

As at 31 December 2023, the Group's cash and cash equivalents were A$143.1 million an increase from A$70.4 million as at 30 June 2023.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

N/A

4 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 operating period and the next 12 months

Civmec is an integrated multi-disciplinary heavy engineering, construction and maintenance provider to the Energy, Resources, Infrastructure, Marine & Defence sectors.

The Group performed well in 1H2024 with growth in both top and bottom lines compared to 1H2023.

Tendering activity continues to be strong across all sectors, with the Group focused on securing projects that will allow it to grow its workforce at a sustainable pace while also meeting our objectives to increase the proportion of the Group's revenue in maintenance and infrastructure works. The Group maintained its order book above A$1 billion, which demonstrates the ability to secure and perform multiple maintenance and capital upgrade contracts in conjunction with delivering on some of the most significant resources construction packages in Australia.

5 Dividend information

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

Name of Dividend	Interim (Foreign Sourced)
Dividend Type	Cash
Dividend Amount per Share	2.5 Australian Cents
Tax Rate	Tax Exempt
Number of Shares	507,606,000

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	Interim (Foreign Sourced)
Dividend Type	Cash
Dividend Amount per Share	2.0 Australian Cent
Tax Rate	Tax Exempt
Number of Shares	505,132,000

c) Date payable

15 April 2024

d) Books closure date

Share Transfer Books of Civmec Limited (the "Company") will be closed on 28 March 2024, for the preparation of dividend warrants to the Declared tax exempt (Foreign Sourced) Interim dividend of A$0.025 for the financial year ending 30 June 2024 ("Interim Dividend").

Duly completed registrable transfers in respect of the shares in the Company received up to 5:00 p.m. on 27 March 2024 ("Record Date") by the Company's Singapore Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 9 Raffles Place, #26-01 Republic Plaza 1, Singapore 048619, will be registered to determine Members' entitlements to the Interim Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5:00 p.m. on the Record Date will be entitled to the Interim Dividend.

F. Other Information Required by Listing Rule Appendix 7.2 (continued)

6 Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

There were no interested person transactions for the period.

7 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

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.

Confirmations by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 31 December 2023 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

James Finbarr Fitzgerald

Executive Chairman

14 February 2024