



CIVMEC LIMITED

(Company Registration No: 201011837H)

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE
FIRST QUARTER ENDED 30 SEPTEMBER 2018**



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

	Q1 FY2019 A\$'000	Group Q1 FY2018 Restated¹ A\$'000	+ / (-) %
Sales revenue	200,124	128,867	55.3
Cost of sales	(189,333)	(121,225)	56.2
Gross profit	10,791	7,642	41.2
Other income	1,323	208	536.1
Administrative expenses	(4,609)	(3,676)	25.4
Finance costs	(1,343)	(933)	43.9
Profit before tax	6,162	3,241	90.1
Income tax expense	(1,664)	(989)	68.2
Profit for the period	4,498	2,252	99.8
<u>Profit attributable to:</u>			
Owners of the Company	4,553	2,341	94.5
Non-controlling interest	(55)	(89)	(38.2)
	4,498	2,252	99.8
Earnings per share attributable to equity holders of the Company (cents per share):			
• Basic	0.91	0.47	
• Diluted	0.91	0.47	

¹ The Group has adopted the new Singapore Financial Reporting Standards ("SFRS(I)") that are mandatory for application for the annual periods beginning on or after 1 January 2018 and has applied them retrospectively. Accordingly, comparatives have been restated to take into account adjustments relating to SFRS(I) 1 First-time Adoption of SFRS(I) and SFRS(I) 15 Revenue from Contracts with Customers.



- 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

	Q1 FY2019 A\$'000	Group Q1 FY2018 Restated A\$'000	+ / (-) %
Profit for the period	4,498	2,252	99.8
<u>Other comprehensive (loss)/income:</u>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on re- translation from functional currency to presentation currency	(155)	(6)	2,483.3
Elimination of non-controlling interest on deconsolidation	999	-	-
Reclassification of translation reserve to the profit or loss account on deconsolidation	92	-	-
Total comprehensive income for the period	5,434	2,246	142.0
<u>Total comprehensive income attributable to:</u>			
Owners of the Company	4,490	2,335	92.3
Non-controlling interest	944	(89)	(1,160.7)
	5,434	2,246	142.0



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

A. Profit before income tax

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

	Q1 FY2019 A\$'000	Group Q1 FY2018 Restated A\$'000	+ / (-) %
Gain on disposal of property, plant and equipment	70	-	-
Gain on deconsolidation of a subsidiary	1,000	-	-
Interest income	82	74	10.8
Sundry revenue	173	134	29.1
Share in loss of a joint venture	(2)	-	-
Total Other Income	1,323	208	536.1

B. Finance costs

	Q1 FY2019 A\$'000	Group Q1 FY2018 Restated A\$'000	+ / (-) %
Bank bills and bank guarantees	862	788	9.4
Interest expense	309	-	-
Finance leases	143	114	25.4
Others	29	31	(6.5)
Total Finance Costs	1,343	933	43.9

C. Depreciation expenses

	Q1 FY2019 A\$'000	Group Q1 FY2018 Restated A\$'000	+ / (-) %
Included in Cost of sales	2,527	2,447	3.3
Included in Administrative expenses	84	108	(22.2)
Total Depreciation	2,611	2,555	2.2



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.

	As at 30 Sept 2018 A\$'000	Group As at 30 June 2018 Restated A\$'000	As at 1 July 2017 Restated A\$'000	As at 30 Sept 2018 A\$'000	Company As at 30 June 2018 A\$'000	As at 1 July 2017 A\$'000
ASSETS						
Current assets						
Cash and cash equivalents	27,452	23,369	22,712	2	5	24
Trade and other receivables	281,825	267,610	142,154	32,788	34,285	31,864
	309,277	290,979	164,866	32,790	34,290	31,888
Non-current assets						
Investments in subsidiaries	-	-	-	7,579	7,579	7,579
Investments in joint venture	-	-	122	-	-	-
Trade and other receivables	-	-	153	-	-	-
Property, plant and equipment	154,961	143,711	128,524	-	-	-
Intangible assets	10	10	10	-	-	-
Deferred tax assets	2,523	2,520	2,052	16	16	11
	157,494	146,241	130,861	7,595	7,595	7,590
TOTAL ASSETS	466,771	437,220	295,727	40,385	41,885	39,478
LIABILITIES AND EQUITY						
Current liabilities						
Trade and other payables	157,861	145,557	71,687	219	1,492	145
Borrowings	50,660	43,275	4,983	-	-	-
Provisions	10,256	9,197	4,831	-	-	-
	218,777	198,029	81,501	219	1,492	145
Non-current liabilities						
Borrowings	67,381	64,434	53,555	-	-	-
Provisions	4,357	3,935	2,955	-	-	-
Deferred tax liabilities	-	-	955	-	-	-
	71,738	68,369	57,465	-	-	-
TOTAL LIABILITIES	290,515	266,398	138,966	219	1,492	145
Capital and Reserves						
Share capital	29,807	29,807	29,807	29,807	29,807	29,807
Treasury shares	(10)	(10)	(10)	(10)	(10)	(10)
Other reserves	7,848	7,911	7,818	4,527	4,513	4,483
Retained earnings	138,700	134,147	119,485	5,842	6,083	5,053
Total Equity Attributable to Owners	176,345	171,855	157,100	40,166	40,393	39,333
Non-controlling interest	(89)	(1,033)	(339)	-	-	-
TOTAL EQUITY	176,256	170,822	156,761	40,166	40,393	39,333
TOTAL LIABILITIES AND EQUITY	466,771	437,220	295,727	40,385	41,885	39,478



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

	Group As at 30 Sept 2018		Group As at 30 June 2018	
	A\$'000	A\$'000	A\$'000 restated	A\$'000 restated
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	50,660	-	43,275	-
Amount repayable after one year	67,381	-	64,434	-
Total	118,041	-	107,709	-

Details of collaterals

Finance leases:

The Group has A\$12.9 million (June 2018: A\$13.4 million) of finance leases for vehicles, workshop equipment and office fit out from non-related parties. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term.

Bank bills:

As at 30 September 2018, the Group has drawn A\$58.8 million (June 2018: A\$55.7 million) of its commercial bill facility.

The banking facilities for the Civmec Group are secured by:

- Interlocking Guarantee & Indemnity supported by:
 - General Security Deed – Civmec Construction & Engineering Pty Ltd and Civmec Holdings Pty Ltd
 - General Security Deed – Civmec Limited
 - General Security Deed – Civmec Construction & Engineering Singapore Pte Ltd
- Interlocking Group Master Asset Finance Agreement
- International Swap Dealer Association ("ISDA") Agreement – Australian Entities
- International Swap Dealers Association ("ISDA") Agreement – Singapore Entities

Total unutilised facilities amount to approximately A\$46.8 million, including bond facilities.



1(c) Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 3M FY2019 A\$'000	Group 3M FY2018 Restated A\$'000
Cash Flows from Operating Activities		
Profit before income tax	6,162	3,241
Adjustment for:		
Depreciation of property, plant and equipment	2,611	2,555
Gain on disposal of property, plant and equipment	(70)	-
Share in loss of a joint venture	2	-
Gain on deconsolidation	(1,000)	-
Finance cost	1,343	933
Interest income	(82)	(74)
Foreign exchange differences	(316)	(15)
Operating cash flow before working capital changes	<u>8,650</u>	<u>6,640</u>
Changes in working capital:		
(Increase) in trade and other receivables	(11,997)	(54,670)
Increase in trade and other payables	8,561	68,185
Increase in provisions	1,481	1,483
Cash generated from operations	<u>6,695</u>	<u>21,638</u>
Interest received	64	74
Finance cost paid	(1,200)	(831)
Income tax refund	3,001	-
Income taxes paid	(660)	(1,253)
Net cash generated in operating activities	<u>7,900</u>	<u>19,628</u>
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	70	-
Purchase of property, plant and equipment	(13,889)	(9,554)
Investment in joint venture	-	(150)
Cash distribution from joint venture	-	-
Deconsolidation of subsidiary	(185)	-
Net cash used in investing activities	<u>(14,004)</u>	<u>(9,704)</u>
Cash Flows from Financing Activities		
Proceeds from borrowings	134,325	24,887
Repayment of borrowings	(124,138)	(35,519)
Dividends paid	-	-
Net cash generated from / (used in) financing activities	<u>10,187</u>	<u>(10,632)</u>
Net increase/(decrease) in cash and cash equivalents	4,083	(708)
Cash and cash equivalents at the beginning of the financial period	23,369	22,712
Cash and cash equivalents at the end of the financial period	<u>27,452</u>	<u>22,004</u>



1(d) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity - GROUP

GROUP	Share capital A\$'000	Treasury shares A\$'000	Merger reserve A\$'000	Other Reserves		Retained earnings A\$'000	Total A\$'000	Non- Controlling interest A\$'000	Total equity A\$'000
				Translation reserve A\$'000	Option reserve A\$'000				
Balance as at 01 July 2017 – as previously reported	29,807	(10)	7,578	-	240	127,759	165,374	(339)	165,035
Effects of the adoption of SFRS(I) 15	-	-	-	-	-	(8,274)	(8,274)	-	(8,274)
At 01 July 2017, Restated	29,807	(10)	7,578	-	240	119,485	157,100	(339)	156,761
Profit for the year	-	-	-	-	-	18,113	18,113	(694)	17,419
Other comprehensive income:									
Items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-	-
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	93	-	-	93	-	93
Total comprehensive income for the year	-	-	-	93	-	18,113	18,206	(694)	17,512
Dividends paid	-	-	-	-	-	(3,451)	(3,451)	-	(3,451)
Balance as at 30 June 2018	29,807	(10)	7,578	93	240	134,147	171,855	(1,033)	170,822
At 01 July 2017, Restated	29,807	(10)	7,578	-	240	119,485	157,100	(339)	156,761
Profit for the year	-	-	-	-	-	2,341	2,341	(89)	2,252
Other comprehensive income:									
Items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-	-
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(6)	-	-	(6)	-	(6)
Total comprehensive income for the year	-	-	-	(6)	-	2,341	2,335	(89)	2,246
Dividends paid	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2017	29,807	(10)	7,578	(6)	240	121,826	159,435	(428)	159,007



- 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.

Statement of Changes in Equity – GROUP (Continued)

GROUP	Other Reserves					Retained earnings A\$'000	Total A\$'000	Non-Controlling interest A\$'000	Total equity A\$'000
	Share capital A\$'000	Treasury shares A\$'000	Merger reserve A\$'000	Translation reserve A\$'000	Option reserve A\$'000				
Balance as at 01 July 2018	29,807	(10)	7,578	93	240	134,147	171,855	(1,033)	170,822
Profit for the period	-	-	-	-	-	4,553	4,553	(55)	4,498
Other comprehensive income:									
Items that may be reclassified subsequently to profit or loss									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(155)	-	-	(155)	-	(155)
Elimination of non-controlling interest on deconsolidation	-	-	-	92	-	-	92	999	1,091
Total comprehensive income for the period	-	-	-	(63)	-	4,553	4,490	944	5,434
Dividends paid	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2018	29,807	(10)	7,578	30	240	138,700	176,345	(89)	176,256



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.

Statement of Changes in Equity – Company

COMPANY	Other Reserves							Total equity
	Share capital	Treasury shares	Merger reserve	Translation reserve	Option reserve	Other reserve	Retained earnings	
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Balance as at 01 July 2017	29,807	(10)	7,578	-	240	(3,335)	5,053	39,333
Profit for the year	-	-	-	-	-	-	4,480	4,480
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	30	-	-	-	30
Total comprehensive income for the year	-	-	-	30	-	-	4,480	4,511
Dividends paid	-	-	-	-	-	-	(3,450)	(3,450)
Balance as at 30 June 2018	29,807	(10)	7,578	30	240	(3,335)	6,083	40,393
Balance as at 01 July 2017	29,807	(10)	7,578	-	240	(3,335)	5,053	39,333
Profit for the year	-	-	-	-	-	-	(124)	(124)
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	(124)	(124)
Dividends paid	-	-	-	-	-	-	-	-
Balance as at 30 September 2017	29,807	(10)	7,578	-	240	(3,335)	4,929	39,209
Balance as at 01 July 2018	29,807	(10)	7,578	30	240	(3,335)	6,083	40,393
Profit for the period	-	-	-	-	-	-	(241)	(241)
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	14	-	-	-	14
Total comprehensive income for the period	-	-	-	14	-	-	(241)	(227)
Dividends paid	-	-	-	-	-	-	-	-
Balance as at 30 September 2018	29,807	(10)	7,578	44	240	(3,335)	5,842	40,166



- 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 financial year ended 30 June 2018.

As at 30 September 2018, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2018: 15,000).

The Company has no outstanding convertibles as at 30 September 2018 and 30 June 2018.

As at 30 September 2018 there were outstanding options for 4,000,000 (30 June 2018: 4,000,000) unissued ordinary shares under the employee share option scheme.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	30 September 2018	30 June 2018
	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	500,985,000	500,985,000

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on. As at 30 September 2018, 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 our 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.

As required by the listing rules of the Singapore Exchange, the Group has applied Singapore Financial Reporting Standards (International) ("SFRS(I)") with effect from 1 July 2018. The Group's financial statements for the year ending 30 June 2019 will be prepared in accordance with SFRS(I), issued by the Accounting Standards Council.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 30 June 2018, except for the change in presentation currency, now in Australian dollars and the mandatory adoption of new and revised SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") which becomes effective for the financial period beginning 1 July 2018 as follows:

- SFRS(I) 1 First-time adoption of SFRS(I)
- SFRS(I) 15 Revenue from Contracts with Customers

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.

The application of the new and revised standards and interpretations has no material effect on the presented financial statements, except as described as below:

a) Application of SFRS(I) 1

SFRS(I) 1 requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective 1 July 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies.

b) Change in presentation currency to Australian dollars

The Civmec group largely operates within Australia where virtually all its income is derived. This change will help to provide a clearer understanding of the Group's financial results and improve comparability of the Group's performance. Comparative periods have restated in Australian dollars.

c) SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specific criteria is met.

The Group adopted SFRS(I) 15 using the retrospective approach in accordance with the mandatory requirements of SFRS(I) 1. Accordingly, comparatives have been restated to take into account adjustments relating to SFRS(I) 1 and SFRS(I) 15.

The new standard requires a higher threshold of probability for recognition of contract claims and variations whereby revenue is recognised when it is highly probable that a significant reversal of revenue will not occur in the future. Civmec Limited has operations across different industry sectors and geographical locations which are subject to different legal and contractual frameworks. Significant judgements and estimates are used in determining the impact of SFRS(I) 15, such as the probability of approval of variations and acceptance of claims, estimation of project completion date and assumed levels of project productivity. In



making this assessment we have considered, for applicable contracts, the individual status of each contract variation.

The impact on the comparatives for the financial statements of this reporting quarter on adoption of SFRS(I) 1 and SFRS(I) 15 are as follows:

GROUP	Quarter Ended 30 September 2017		
	As previously reported A\$'000	SFRS(I) 15 Adjustments A\$'000	As Restated A\$'000
INCOME STATEMENT			
Revenue	130,559	(1,692)	128,867
Tax expense	(1,497)	508	(989)
COMPREHENSIVE INCOME STATEMENT			
Profit for the period	3,436	(1,184)	2,252
CASH FLOW STATEMENT			
Profit before taxation	4,933	(1,692)	3,241
Changes in working capital	13,306	1,692	14,998

GROUP	As at 30 June 2018		
	As previously reported A\$'000	SFRS(I) 15 Adjustments A\$'000	As Restated A\$'000
STATEMENT OF FINANCIAL POSITION			
Current assets			
Trade and other receivables	289,865	(22,255)	267,610
Current liabilities			
Trade and other payables	152,233	(6,676)	145,557
Capital and reserves			
Retained earnings	149,726	(15,579)	134,147

GROUP	As at 1 July 2017		
	As previously reported A\$'000	SFRS(I) 15 Adjustments A\$'000	As Restated A\$'000
STATEMENT OF FINANCIAL POSITION			
Current assets			
Trade and other receivables	153,974	(11,820)	142,154
Current liabilities			
Trade and other payables	75,233	(3,546)	71,687
Capital and reserves			
Retained earnings	127,759	(8,274)	119,485



6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Q1 FY2019 A\$'000	Q1 FY2018 A\$'000 Restated	3M FY2019 A\$'000	3M FY2018 A\$'000 Restated
Profit after taxation*	4,553	2,341	4,553	2,341
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	500,985,000	500,985,000	500,985,000
Earnings per ordinary share (A\$ cents)				
• Basic	0.91	0.47	0.91	0.47
• Diluted	0.91	0.47	0.91	0.47

*Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the company, by the average number of outstanding shares. As at 30 September 2018, the diluted earnings per share is the same as basic earnings per share as it does not include the effect of 4,000,000 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 Sept 2018 A\$'000	As at 30 June 2018 A\$'000 Restated	As at 30 Sept 2018 A\$'000	As at 30 June 2018 A\$'000
Net assets	176,256	170,822	40,166	40,393
Net asset value per ordinary share based on issued share capital at the end of the respective periods (A\$ cents)	35.18	34.10	8.02	8.06

Net asset value per share is calculated by dividing the net assets attributable to the equity holders of the Company by the number of issued shares as at 30 September 2018 of 500,985,000 (30 June 2018: 500,985,000) and excludes treasury shares of 15,000 (30 June 2018: 15,000).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

- a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

A. Statement of Comprehensive Income

Q1 FY2019 vs Q1 FY2018

Revenue for the three months ended 30 September 2018 ("Q1 FY2019") increased 55.3% to A\$200.1 million from A\$128.9 million for the three months ended 30 September 2017 ("Q1 FY2018") due to a higher level of business activity.

Gross profit for Q1 FY2019 increased by 41.2% to A\$10.8 million from A\$7.6 million in Q1 FY2018.

Net profit attributable to shareholders increased 94.5% to A\$4.5 million in Q1 FY2019 from A\$2.3 million in Q1 FY2018.

Other income for the three months ended September 2018 ("Q1 FY2019") increased by 536.1% to A\$1.3 million from A\$0.2 million primarily due to the deconsolidation of a Ugandan subsidiary company. Civmec still holds a 31.9% equity interest in the subsidiary company.

B. Statement of Financial Position

Total shareholders' equity increased to A\$176.3 million as at 30 September 2018 from A\$171.9 million as at 30 June 2018.

Trade and other receivables increased to A\$281.8 million as at 30 September 2018 from A\$267.6 million as at 30 June 2018 as a result of milestone payment terms on some projects.

Trade and other payables increased to A\$157.9 million as at 30 September 2018 from A\$145.6 million as at 30 June 2018 due to an advance payment from a customer being recognised.

Cash and cash equivalents as at 30 September 2018 was A\$27.5 million up from A\$23.4 million as at 30 June 2018.

Non-current assets increased to A\$157.5 million as at 30 September 2018 from A\$146.2 million as at 30 June 2018, as a result of the Group's continued investment in its Henderson and Newcastle facilities.

Overall long-term borrowings increased to A\$67.4 million as at 30 September 2018 from A\$64.4 million as at 30 June 2018 as funds were deployed for capital investment.

C. Statement of Cash Flows

Operating cashflow before working capital changes was A\$8.7 million in FY2018 compared to A\$6.6 million in Q1 FY2018. Net cashflow from operating activities was positive at A\$7.9 million.

The Group used A\$13.9 million in capital expenditure, predominantly related to the development of the facilities in Henderson and Newcastle.

The Group generated A\$10.2 million net cash from financing activities to assist in funding capital infrastructure and working capital fluctuations.

As at 30 September 2018 the Group's cash and cash equivalents were A\$27.5 million up from A\$23.4 million as at 30 June 2018.

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 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 an integrated multi-disciplinary heavy engineering and construction provider to the Oil & Gas, Metals & Minerals, Infrastructure and Marine & Defence sectors. The Group is continuing to expand its service offering and delivery capability, investing in facilities and people to broaden its penetration across identified growth markets.

Expanding opportunities to establish consistent, recurring revenue streams, the Group has focused on further strengthening its specialised maintenance service offering. With the delivery of ongoing, long-term maintenance contracts for key clients including Alcoa Australia, Rio Tinto and FMG, growth of the Group's maintenance division was further reinforced with the award in July of a maintenance contract for Roy Hill Holdings, providing shutdown and maintenance services at its Pilbara mine and port. Going forward, the significant requirement to maintain the many new processing plants that have recently been constructed in the Metals & Minerals and Oil & Gas sectors across Australia supports this strategic commitment to growing the Group's maintenance capability.

The expansion of Civmec's Marine & Defence sector, including its investment in a new state-of-the-art shipbuilding and maintenance facility at its Henderson headquarters in Western Australia is progressing, with the commencement of the cutting of the Australian steel for the first of 12 Offshore Patrol Vessels (OPVs) to be constructed for the Royal Australian Navy. Civmec has a significant contract for the new build program for the Navy's SEA 1180 OPVs, including the supply and processing of steel for 12 vessels, the first two of which will be built in South Australia, with Civmec undertaking the fabrication, construction and consolidation for the following 10 vessels in Western Australia. The new shipbuilding and maintenance facility currently under construction will be one of the world's largest undercover ship assembly halls and is on track to meet the scheduled completion date of late 2019. This program of work will be a key element underpinning Civmec's Henderson operations for the years to come.

The Group continues to expand the reach of its core capabilities in the fabrication, supply and installation of steel and precast concrete, optimising output efficiencies from its New South Wales production base in Newcastle to support the delivery of the significant transport infrastructure projects (road and rail) being undertaken over the next decade on the east coast.

Leveraging the strong relationships established across its core operating sectors, the Group is well positioned to capitalise on construction opportunities in the Oil & Gas and Metals & Minerals sectors as they come to market, including significant sustaining capital projects, with the further development and expansion of existing plants and associated infrastructure. In addition to works being undertaken in the iron ore segment, substantial activity in minerals such as lithium, alumina, gold and other precious minerals is anticipated.

The Group's order book as at September 30, 2018 was A\$609 million.

Barring unforeseen circumstances, the Group expects to be profitable in the current 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**
Not applicable
13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.**
No general mandate has been obtained for interested persons transactions.
There were no IPT transactions for the period.
14. **Negative confirmation pursuant to Rule 705(5).**
To the best of our knowledge, nothing has come to the attention of the Board which may render the financial results for the period ended 30 September 2018 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
14 November 2018