



CIVMEC LIMITED

(Company Registration No: 201011837H)

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE
SIX MONTHS and FULL YEAR ENDED 30 JUNE 2022**

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

	Note	Group			
		6 months ended	6 months ended	12 months ended	12 months ended
		<u>30 Jun 2022</u> A\$'000	<u>30 Jun 2021</u> A\$'000	<u>30 Jun 2022</u> A\$'000	<u>30 Jun 2021</u> A\$'000
Sales revenue	4	419,942	368,487	809,295	674,186
Cost of sales		(371,314)	(327,967)	(718,458)	(599,148)
Gross profit		48,628	40,520	90,837	75,038
Other income	5	1,903	647	2,914	2,475
Administrative expenses		(10,866)	(9,767)	(20,052)	(18,987)
Other write-back/(expenses)		1,274	(103)	1,152	(1,848)
Finance costs		(1,512)	(3,011)	(4,868)	(6,481)
Profit before income tax	5	39,427	28,286	69,983	50,197
Income tax expense	7	(11,280)	(8,680)	(19,242)	(15,569)
Profit for the period		28,147	19,606	50,741	34,628
Other comprehensive income: <i>Items that will not be reclassified subsequently to profit or loss</i>					
Net gain on revaluation of freehold land and buildings		37,119	1,871	37,119	1,871
Total comprehensive income for the period		65,266	21,477	87,860	36,499
Profit attributable to:					
Owners of the Company		28,168	19,723	50,762	34,771
Non-controlling interest		(21)	(117)	(21)	(143)
		28,147	19,606	50,741	34,628
Total comprehensive income attributable to:					
Owners of the Company		65,287	21,594	87,881	36,642
Non-controlling interest		(21)	(117)	(21)	(143)
		65,266	21,477	87,860	36,499
Earnings per share attributable to equity holders of the Company (cents per share):					
- Basic	8	5.61	3.94	10.11	6.94
- Diluted	8	5.61	3.94	10.11	6.94

B. Condensed interim statements of financial position

Note	Group		Company	
	As at	As at	As at	As at
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	A\$'000	A\$'000	A\$'000	A\$'000
ASSETS				
Current assets				
Cash and cash equivalents	40,841	48,172	7	28
Trade and other receivables	95,030	87,488	34,831	50,481
Contract assets	121,654	82,642	-	-
Other current assets	1,829	1,903	-	-
	<u>259,354</u>	<u>220,205</u>	<u>34,838</u>	<u>50,509</u>
Non-current assets				
Investment in subsidiaries	-	-	7,579	7,579
Investment in joint ventures	-	57	-	-
Property, plant and equipment	448,092	412,030	-	-
Investment properties	11 16,805	-	-	-
Intangible assets	10	10	-	-
Deferred tax assets	1,401	4,637	86	260
	<u>466,308</u>	<u>416,734</u>	<u>7,665</u>	<u>7,839</u>
TOTAL ASSETS	<u>725,662</u>	<u>636,939</u>	<u>42,503</u>	<u>58,348</u>
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	111,671	87,413	192	192
Contract liabilities	43,325	80,138	-	-
Lease liabilities	10,564	10,385	-	-
Borrowings	12 28,000	-	-	-
Income tax payable	3,774	14,978	3,774	17,835
Provisions	11,350	8,950	-	-
	<u>208,684</u>	<u>201,864</u>	<u>3,966</u>	<u>18,027</u>
Non-current liabilities				
Lease liabilities	45,357	44,372	-	-
Borrowings	12 46,000	60,000	-	-
Provisions	4,726	4,429	-	-
Deferred tax liabilities	49,781	34,406	-	-
	<u>145,864</u>	<u>143,207</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>354,548</u>	<u>345,071</u>	<u>3,966</u>	<u>18,027</u>
Capital and Reserves				
Share capital	13 29,807	29,807	29,807	29,807
Treasury shares	(10)	(10)	(10)	(10)
Asset revaluation reserve	117,477	80,358	-	-
Other reserves	11,570	10,135	7,958	6,523
Retained earnings	212,549	171,836	782	4,001
Total equity attributable to the Owners of the Company	<u>371,393</u>	<u>292,126</u>	<u>38,537</u>	<u>40,321</u>
Non-controlling interest	(279)	(258)	-	-
TOTAL EQUITY	<u>371,114</u>	<u>291,868</u>	<u>38,537</u>	<u>40,321</u>
TOTAL LIABILITIES AND EQUITY	<u>725,662</u>	<u>636,939</u>	<u>42,503</u>	<u>58,348</u>

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		Retained earnings A\$'000	Total A\$'000	Non-controlling interest A\$'000	Total A\$'000
					Equity-settled benefits reserve A\$'000	Other reserves A\$'000				
Balance as at 1 July 2021	29,807	(10)	80,358	7,578	2,280	277	171,836	292,126	(258)	291,868
Profit for the year	-	-	-	-	-	-	50,762	50,762	(21)	50,741
Other comprehensive income for the year:										
Net gain on revaluation of freehold land and buildings	-	-	37,119	-	-	-	-	37,119	-	37,119
Total comprehensive income for the year	-	-	37,119	-	-	-	50,762	87,881	(21)	87,860
Share based payment	-	-	-	-	1,435	-	-	1,435	-	1,435
Dividends paid	-	-	-	-	-	-	(10,049)	(10,049)	-	(10,049)
Balance as at 30 June 2022	29,807	(10)	117,477	7,578	3,715	277	212,549	371,393	(279)	371,114
Balance as at 1 July 2020	29,807	(10)	78,487	7,578	240	-	147,086	263,188	(115)	263,073
Profit for the year	-	-	-	-	-	-	34,771	34,771	(143)	34,628
Other comprehensive income for the year:										
Net gain on revaluation of freehold land and buildings	-	-	1,871	-	-	-	-	1,871	-	1,871
Total comprehensive income for the year	-	-	1,871	-	-	-	34,771	36,642	(143)	36,499
Waiver of loan payable to a related party	-	-	-	-	-	277	-	277	-	277
Share based payment	-	-	-	-	2,040	-	-	2,040	-	2,040
Dividends paid	-	-	-	-	-	-	(10,021)	(10,021)	-	(10,021)
Balance as at 30 June 2021	29,807	(10)	80,358	7,578	2,280	277	171,836	292,126	(258)	291,868

C. Condensed interim statements of changes in equity (cont'd)

COMPANY	Share capital A\$'000	Treasury shares A\$'000	Merger reserve A\$'000	←	Other reserves Equity- settled employee benefits reserve A\$'000	→	Retained earnings A\$'000	Total A\$'000
				Other reserves A\$'000				
Balance as at 1 July 2021	29,807	(10)	7,578		2,280		4,001	40,321
Profit for the year	-	-	-		-		6,830	6,830
Other comprehensive income for the year:	-	-	-		-		-	-
Total comprehensive income for the year	-	-	-		-		6,830	6,830
Share based payment	-	-	-		1,435		-	1,435
Dividends paid	-	-	-		-		(10,049)	(10,049)
Balance as at 30 June 2022	29,807	(10)	7,578		3,715		782	38,537
Balance as at 1 July 2020	29,807	(10)	7,578		240		10,014	44,294
Profit for the year	-	-	-		-		4,008	4,008
Other comprehensive income for the year:	-	-	-		-		-	-
Total comprehensive income for the year	-	-	-		-		4,008	4,008
Share based payment	-	-	-		2,040		-	2,040
Dividends paid	-	-	-		-		(10,021)	(10,021)
Balance as at 30 June 2021	29,807	(10)	7,578		2,280		4,001	40,321

D. Condensed interim consolidated statement of cash flows

	<u>Note</u>	<u>Group</u>	
		<u>12 months ended</u>	
		<u>30 Jun 2022</u>	<u>30 Jun 2021</u>
		A\$'000	A\$'000
Cash Flows from Operating Activities			
Profit before income tax		69,983	50,197
Adjustment for:			
Depreciation of property, plant and equipment and investment properties – leasehold land	5	16,600	14,174
Gain on disposal of property, plant and equipment		(176)	(404)
Share of loss of a joint venture		5	97
Impairment loss on loan to an associate		127	200
Trade receivables written off		37	1,646
Fair value gains on investment property at fair value through profit or loss		(1,640)	-
Write-back of bad debt		(23)	-
Write-back of impairment loss on loan to an associate		(328)	-
Write-back of revaluation loss on freehold land and buildings		(967)	-
Finance cost		7,947	9,399
Interest income		(156)	(230)
Share based payment		1,435	2,040
Foreign exchange differences		83	(55)
Operating cash flow before working capital changes		<u>92,927</u>	<u>77,064</u>
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(7,227)	(14,613)
(Increase)/decrease in contract assets		(39,012)	12,475
(Increase)/decrease in other current assets		74	148
Increase/(decrease) in trade and other payables		23,566	(3,003)
Increase/(decrease) in contract liabilities		(36,813)	(3,128)
Increase/(decrease) in provisions		2,697	3,924
Cash generated from operations		<u>36,212</u>	<u>72,867</u>
Interest received		29	31
Finance cost paid		(7,310)	(8,391)
Income tax refund		598	-
Income taxes paid		(27,755)	(6,244)
Net cash generated from operating activities		<u>1,774</u>	<u>58,263</u>
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		334	632
Purchase of property, plant and equipment	10	(6,904)	(21,616)
Repayment of loan to a joint venture		-	493
Cash distribution from joint venture		52	88
Net cash used in investing activities		<u>(6,518)</u>	<u>(20,403)</u>
Cash Flows from Financing Activities			
Proceeds from borrowings		154,437	20,000
Repayment of borrowings		(139,452)	(20,334)
Repayment of principal lease liabilities		(7,533)	(7,045)
Dividends paid		(10,037)	(10,021)
Net cash used in financing activities		<u>(2,585)</u>	<u>(17,400)</u>

D. Condensed interim consolidated statement of cash flows

(cont'd)

<u>Note</u>	<u>Group</u>	
	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>
	<u>A\$'000</u>	<u>A\$'000</u>
Net (decrease)/increase in cash and cash equivalents	(7,331)	20,460
Cash and cash equivalents at the beginning of the year	48,172	27,712
Cash and cash equivalents at the end of the year	<u>40,841</u>	<u>48,172</u>

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 30 June 2022 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.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 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 interim financial statements for the period ended 31 December 2021.

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.

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 2021.

E. Notes to the condensed interim consolidated financial statements (cont'd)

2 Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

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 (cont'd)

2 Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

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

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 (cont'd)

2 Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

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

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.

E. Notes to the condensed interim consolidated financial statements (cont'd)

2 Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

(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 30 June 2022 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.

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.

E. Notes to the condensed interim consolidated financial statements (cont'd)

2 Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavorably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 (cont'd)

4 Segment and revenue information (cont'd)

4.1 Reportable segments

	Consolidated 12 months ended 30 June 2022				Consolidated 12 months ended 30 June 2021			
	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 – external sales	30,192	630,902	148,201	809,295	38,317	559,781	76,088	674,186
Cost of sales (excluding depreciation)	(25,850)	(547,421)	(128,800)	(702,071)	(32,447)	(486,096)	(66,674)	(585,217)
Depreciation expense	(929)	(12,155)	(3,303)	(16,387)	(1,581)	(8,197)	(4,153)	(13,931)
Segment results	3,413	71,326	16,098	90,837	4,289	65,488	5,261	75,038
Other income				2,919				2,572
Share of loss of joint venture	(5)	-	-	(5)	(97)	-	-	(97)
Unallocated costs								
Administrative expenses*				(19,839)				(18,744)
Depreciation in admin expense*				(213)				(243)
Finance costs				(4,868)				(6,481)
Trade receivables written off	-	(37)	-	(37)	-	(1,646)	-	(1,646)
Impairment loss on loan to an associate	-	(127)	-	(127)	-	(200)	-	(200)
Write back of:								
- bad debt	-	23	-	23				
- impairment loss on loan to an associate	-	328	-	328				
- revaluation loss on freehold land and buildings				967				
Other expenses				(2)				(2)
Profit before income tax				69,983				50,197
Income tax expense				(19,242)				(15,569)
Net profit for the year				50,741				34,628
Segment assets:								
Intangible assets	-	10	-	10	-	10	-	10
Unallocated assets:								
Assets				722,422				630,389
Other current assets				1,829				1,903
Deferred tax assets				1,401				4,637
Total assets				725,662				636,939
Segment liabilities:								
Unallocated liabilities								
Liabilities				264,472				271,692
Borrowings				74,000				60,000
Provisions				16,076				13,379
Total liabilities				354,548				345,071

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

E. Notes to the condensed interim consolidated financial statements (cont'd)

4 Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

	Consolidated 6 months ended 30 June 2022				Consolidated 6 months ended 30 June 2021			
	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	1,355	284,971	80,522	366,848	13,887	291,738	35,304	340,929
Rendering of services	3,608	48,402	630	52,640	10,232	13,316	3,495	27,043
Sales of goods	-	454	-	454	-	515	-	515
Total revenue	4,963	333,827	81,152	419,942	24,119	305,569	38,799	368,487
Timing of revenue recognition:								
At a point in time	-	454	613	1,067	-	515	-	515
Over time	4,963	333,373	80,539	418,875	24,119	305,054	38,799	367,972
Total revenue	4,963	333,827	81,152	419,942	24,119	305,569	38,799	368,487
Geographical information:								
Australia	4,963	333,827	81,152	419,942	24,119	305,569	38,799	368,487
	Consolidated 12 months ended 30 June 2022				Consolidated 12 months ended 30 June 2021			
	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	25,648	477,025	147,004	649,677	27,133	520,426	72,460	620,019
Rendering of services	4,544	152,871	1,197	158,612	11,184	38,472	3,628	53,284
Sales of goods	-	1,006	-	1,006	-	883	-	883
Total revenue	30,192	630,902	148,201	809,295	38,317	559,781	76,088	674,186
Timing of revenue recognition:								
At a point in time	-	1,006	1,180	2,186	-	883	-	883
Over time	30,192	629,896	147,021	807,109	38,317	558,898	76,088	673,303
Total revenue	30,192	630,902	148,201	809,295	38,317	559,781	76,088	674,186
Geographical information:								
Australia	30,192	630,902	148,201	809,295	38,317	559,781	76,088	674,186

E. Notes to the condensed interim consolidated financial statements (cont'd)

4 Segment and revenue information (cont'd)

4.2 Disaggregation of revenue (cont'd)

A breakdown of sales:

	Group		Increase / (decrease)
	12 months ended	12 months ended	
	30 Jun 2022	30 Jun 2021	
	A\$'000	A\$'000	%
Sales reported for the first half year	389,353	305,699	27.4
Operating profit after tax before deducting NCI for the first half year	22,594	15,048	50.1
Sales reported for second half year	419,942	368,487	14.0
Operating profit after tax before deducting NCI for the second half year	28,168	19,723	42.8

5 Profit before income tax

5.1 Significant items

	Group			
	6 months ended		12 months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	A\$'000	A\$'000	A\$'000	A\$'000
<u>Other income</u>				
Insurance recoveries	8	64	595	1,605
Fuel tax rebate	78	57	171	183
Interest income	39	109	156	230
Gain on disposal of property, plant and equipment	51	320	176	404
Share of loss of a joint venture	(4)	(4)	(5)	(97)
Fair value gain on investment property at fair value through profit or loss	1,640	-	1,640	-
Subsidies and incentives	85	26	171	37
Net foreign exchange gain	-	54	-	54
Sundry revenue	6	21	10	59
	1,903	647	2,914	2,475
<u>Depreciation expenses</u>				
Included in cost of sales	8,695	6,532	16,387	13,931
Included in administrative expenses	95	137	213	243
	8,790	6,669	16,600	14,174

E. Notes to the condensed interim consolidated financial statements (cont'd)

5 Profit before income tax (cont'd)

5.1 Significant items (cont'd)

	Group			
	6 months ended		12 months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	A\$'000	A\$'000	A\$'000	A\$'000
<u>Finance cost</u>				
Corporate market loan and line fees	967	394	1,502	1,190
Trade finances	141	4	164	4
Lease liabilities	356	448	757	994
Secured notes	-	2,100	2,350	4,200
Other finance costs	48	65	95	93
	1,512	3,011	4,868	6,481
Included in cost of sales:				
Lease liabilities	1,548	1,500	3,079	2,918
<u>Other (write-back)/expenses</u>				
Trade receivables written off	-	-	37	1,646
Impairment loss on loan to an associate	19	101	127	200
Write-back of bad debt	-	-	(23)	-
Write-back of impairment loss on loan to an associate	(328)	-	(328)	-
Write-back of revaluation loss on freehold land and buildings	(967)	-	(967)	-
Other expenses	2	2	2	2
	(1,274)	103	(1,152)	1,848

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) (19.45%) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust) (19.43%). 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.

E. Notes to the condensed interim consolidated financial statements (cont'd)

6 Related party transactions (cont'd)

Key management personnel (cont'd)

	Group			
	6 months ended		12 months ended	
	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>
	A\$'000	A\$'000	A\$'000	A\$'000
Directors' remuneration				
- Salaries and other related costs	925	925	3,034	2,420
- Directors' fees	131	119	261	241
- Share-based payment	160	-	160	-
- Benefits including defined contribution plans	75	63	140	125
Other key management personnel				
- Salaries and other related costs	1,168	940	2,948	2,243
- Share-based payment	514	-	514	-
- Benefits including defined contribution plans	124	95	235	189
	3,097	2,142	7,292	5,218

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	
	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>
	No.	No.
Share options		
Directors	-	-
Key management personnel	2,000,000	2,000,000
Performance rights		
Directors	4,380,000	5,171,000
Key management personnel	3,982,000	4,184,000

E. Notes to the condensed interim consolidated financial statements (cont'd)

6 Related party transactions (cont'd)

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.

The following transactions occurred with related parties:

	Group			
	6 months ended		12 months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	A\$'000	A\$'000	A\$'000	A\$'000
Waiver of loan payable to a related party	-	277	-	277
Purchase of goods and services				
- Consultant fee paid to a related party (in which a director has an interest in the related party)	-	-	-	(15)
	-	-	-	(15)

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		12 months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	A\$'000	A\$'000	A\$'000	A\$'000
Current income tax expense	6,814	10,882	16,539	18,376
Deferred income tax expense relating to origination and reversal of temporary differences	4,466	(2,202)	2,703	(2,807)
Total income tax expense	11,280	8,680	19,242	15,569

E. Notes to the condensed interim consolidated financial statements (cont'd)

8 Earnings per share

	Group			
	6 months ended		12 months ended	
	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>
Profit attributable to owners of the Company (A\$'000)	28,168	19,723	50,762	34,771
Weighted average number of shares				
- Basic	502,239,178	501,083,288	502,239,178	501,083,288
- Diluted	502,266,373	501,094,247	502,266,373	501,094,247
Earnings per ordinary share (A\$ cents)				
- Basic	5.61	3.94	10.11	6.94
- Diluted	5.61	3.94	10.11	6.94

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 which includes the effect of 1,350,000 (30 June 2021: 100,000) ordinary shares granted under CPRP.

As at 30 June 2022, the diluted earnings per share includes the effect of 9,926,000 unissued ordinary shares granted under CPRP due to the performance targets are likely to be met (30 June 2021: Nil). The effect of the inclusion is dilutive.

As at 30 June 2022, the diluted earnings per share does not include the effect of 4,000,000 (30 June 2021: 4,000,000, dilutive) unissued ordinary shares granted under CESOS. The effect of the inclusion is anti-dilutive.

9 Net asset value

	Group		Company	
	As at		As at	
	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>
	A\$'000	A\$'000	A\$'000	A\$'000
Net assets attributable to owners	371,393	292,126	38,537	40,321
Net asset value per ordinary share based on issued share capital at the end of the respective periods (A\$ cents)	73.92	58.30	7.67	8.05

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 2022 of 502,435,000 (30 June 2021: 501,085,000) and excludes treasury shares of 15,000 (30 June 2021: 15,000).

10 Property, plant and equipment

During the financial year ended 30 June 2022, the Group acquired assets amounting to A\$6,904,000 (2022: A\$21,616,000).

E. Notes to the condensed interim consolidated financial statements (cont'd)

11 Investment properties

	<u>Buildings</u> A\$'000	<u>Leasehold land</u> A\$'000	<u>Total</u> A\$'000
<u>Cost or valuation</u>			
At 1 July 2021	-	-	-
Transfer from property, plant and equipment	13,200	1,912	15,112
Addition – ROU	-	94	94
Revaluation increase – recognised in profit or loss	1,640	-	1,640
At cost at 30 June 2022	-	2,006	2,006
At valuation at 30 June 2022	14,840	-	14,840
At 30 June 2022	14,840	2,006	16,846
<u>Accumulated depreciation</u>			
At 1 July 2021	-	-	-
Depreciation for the year	-	(41)	(41)
At 30 June 2022	-	(41)	(41)
<u>Net carrying amount</u>			
At cost	-	1,965	1,965
At valuation	14,840	-	14,840
At 30 June 2022	14,840	1,965	16,805

Buildings carried at fair value

At 30 June 2022, an independent valuation was carried out by Griffin Valuation Advisory on the investment property of the Group. 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 property held by the Group is as follows:

<u>Location</u>	<u>Description/Existing use</u>	<u>Tenure</u>
1 Welding Pass, Henderson, Western Australia	Buildings on leasehold land / Submarine rescue facility	Leasehold land leases: 28-years lease from April 2020, with further 22 years option

The fair value measurement for the investment property of A\$14,840,000 (2021: Nil) has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

11 Investment properties (cont'd)

Buildings carried at fair value (cont'd)

Valuation techniques used to derive Level 3 fair values

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

<u>Description</u>	Fair value as at 30 June 2022 A\$'000	<u>Valuation techniques</u>	<u>Unobservable inputs</u>	<u>Range of inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
Buildings	14,840	Depreciated Replacement Cost (DRC)	Depreciation rates	2%	The higher the depreciation rates, the lower the fair value.
			Estimated construction costs per square metre	\$1,318	The higher the construction costs, the higher the fair value.
			Developer profit margin	5% to 8%	The higher the profit margin, the higher the fair value.

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 sub-leased to non-related parties under operating leases.

Amounts recognised in profit or loss for investment properties

	<u>2022</u> <u>A\$'000</u>
Rental income	329
Direct operating expenses from investment property that generated rental income	<u>(273)</u>

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

<u>Description</u>	<u>Borrowings</u>	<u>2022</u> <u>A\$'000</u>
Investment properties	Corporate market loan, multi-option	<u>16,805</u>

E. Notes to the condensed interim consolidated financial statements (cont'd)

12 Borrowings

	Group			
	As at		As at	
	30 Jun 2022	30 Jun 2022	30 Jun 2021	30 Jun 2021
	Secured	Unsecured	Secured	Unsecured
	A\$'000	A\$'000	A\$'000	A\$'000
Amount repayable in one year or less, or on demand:				
Corporate market loan	8,000	-	-	-
Trade finance	20,000	-	-	-
	<u>28,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount repayable after one year, or on demand:				
Senior secured notes	-	-	60,000	-
Corporate market loan	46,000	-	-	-
	<u>46,000</u>	<u>-</u>	<u>60,000</u>	<u>-</u>
Total borrowings	<u>74,000</u>	<u>-</u>	<u>60,000</u>	<u>-</u>

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 30 June 2022, the Group met all of these financial covenants.

As at 30 June 2022, the Group has a commercial bank facility amounting to A\$54 million (30 June 2021: A\$40 million) which was fully utilised (30 June 2021: not utilised). The facility is repaid at an amount of A\$8 million per annum. Interest rates are variable and ranged between 1.37% to 1.53% (2021: 1.34% to 4.13%) per annum during the current financial year.

Trade finance

The Group has a multi-option facility of A\$40 million which was 50.0% utilised as at 30 June 2022 (30 June 2021: not utilised). It can be used for trade financing, bank guarantees and letters of credit. Interest rates are fixed at the time of drawing and ranged between 1.29% to 1.80% per annum during the current financial year.

E. Notes to the condensed interim consolidated financial statements (cont'd)

12 Borrowings (cont'd)

Senior secured notes

The Group secured a A\$60 million offering of 4-year secured notes ("senior secured notes") on 23 November 2018 to restructure existing finance and provide funding for a portion of a world-class shipbuilding and maintenance facility at Henderson, Western Australia. The senior secured notes were unconditionally and irrevocably guaranteed by the Company and are redeemable after two years at the Company's option. The notes were repaid in full in November 2021.

General security deed

Both the commercial bank and multi-option facilities are secured by certain property, plant and equipment and investment properties. The carrying amount of property, plant and equipment and investment properties that are pledged for security are as follows:

<u>Description</u>	<u>Borrowings</u>	<u>Group</u>	
		<u>30 Jun 2022</u> A\$'000	<u>30 Jun 2021</u> A\$'000
Leased plant and equipment	Lease liabilities	33,996	27,472
Remaining property, plant and equipment	Corporate market loan, multi-option	414,096	384,558
Investment properties	Corporate market loan, multi-option	16,805	-
		<u>464,897</u>	<u>412,030</u>

13 Share capital

Fully paid ordinary shares

	<u>Group and Company</u>			
	<u>30 June 2022</u>		<u>30 June 2021</u>	
	<u>No. of shares</u>	<u>A\$'000</u>	<u>No. of shares</u>	<u>A\$'000</u>
At the beginning and end of the period	501,100,000	29,807	501,000,000	29,807
Share issued during the period				
- Conversion of performance rights	1,350,000	-	100,000	-
At the end of the period	<u>502,450,000</u>	<u>29,807</u>	<u>501,100,000</u>	<u>29,807</u>

There was no change in the issued and paid up capital of the Company since the previous financial year ended 30 June 2021.

During the period, 1,350,000 shares were issued pursuant to vesting and conversion of performance rights held by key management personnel (KMP) and other management.

Treasury shares

As at 30 June 2022, 15,000 shares are held as Treasury Shares (30 June 2021: 15,000).

Shares options

As at 30 June 2022 there were outstanding options for 4,000,000 (30 June 2021: 4,000,000) unissued ordinary shares under the employee share option scheme.

E. Notes to the condensed interim consolidated financial statements (cont'd)

13 Share capital (cont'd)

Performance rights

9,926,000 rights remain unvested as at 30 June 2022 (30 June 2021: 11,639,000).

Following shareholders' approval at the Company's 2021 annual general meeting, 334,000 performance rights have now been issued to Kevin Deery under the Company's Performance Rights Plan.

The Group has also cancelled 305,000 Performance Rights held by other management in accordance with their terms of issue.

14 Subsequent events

There are no known 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

2H2022 vs 2H2021

Revenue for the half-year ended 30 June 2022 ("2H2022") increased 14.0% to A\$419.9 million from A\$368.5 million for the half-year ended 30 June 2021 ("2H2021") mainly due to increased activity levels and the timing of revenue recognition on projects.

Gross profit for 2H2022 increased 20.0% to A\$48.6 million from A\$40.5 million in 2H2021 reflecting the increase in revenue and improvement in gross profit margins from 11.0% to 11.6%

Other income increased by 194.1% to A\$1.9 million in 2H2022 compared to 2H2021 mainly due to the fair value gain on an investment property realised in 2H2022.

Administrative expenses increased by 11.3% in 2H2022 compared to 2H2021 mainly due to increase in IT cost and employee benefits resulting from the increased activity of the Group.

During the period ended 2H2022, the Group has partially recovered the impaired loan to an associate. The Group also has reversed majority of the previously recognised revaluation loss on freehold land and buildings due to its fair value increment from an independent valuation carried out at 30 June 2022.

Finance cost is reduced by 49.8% in 2H2022 compared to 2H2021 reflecting the lower interest rates payable on bank debt following repayment of the senior secured notes in November 2021.

Net profit attributable to shareholders increased 42.8% to A\$28.2 million in 2H2022 from A\$19.7 million in 2H2021 as a result of increased revenues and improved gross margins in the period coupled with an increase in other income and decrease in finance costs flowing through to the bottom line.

2H2022 vs 1H2022

Revenue for the half-year ended 30 June 2022 ("2H2022") increased 7.9% to A\$419.9 million from A\$389.4 million for the half-year ended 31 December 2021 ("1H2022") mainly due to increased activity levels and the timing of revenue recognition on projects.

Gross profit for 2H2022 increased 15.2% to A\$48.6 million from A\$42.2 million reflecting the increase in revenue and improvement in gross profit margins from 10.8% to 11.6%

Net profit attributable to shareholders increased 24.7% to A\$28.2 million in 2H2022 from A\$22.6 million in 1H2022 as a result of increased revenues in the period and improved gross profit margins coupled with an increase in other income and decrease in finance costs flowing through to the bottom line.

2 Review of performance of the Group (cont'd)

Statement of comprehensive income (cont'd)

FY2022 vs FY2021

For the twelve months ended 30 June 2022 ("FY2022") revenue increased 20.0% to A\$809.3 million from A\$674.2 million due to the timing of projects.

Gross profit for FY2022 has increased 21.1% to A\$90.8 million from A\$75.0 million in FY2021 reflecting the increase in revenue and improvement in gross profit margins from 11.1% to 11.2%.

Other income for FY2022 increased by 17.7% to A\$2.9 million from A\$2.5 million in FY2021 mainly due to the fair value gain on an investment property partially offset by a reduction in insurance recoveries.

Administration expenses for FY2022 increased by 5.6% compared to FY2021 mainly due to an increase in IT costs and employee benefits resulting from the increased activity of the Group.

Other expenses were 91.1% lower at A\$0.2 million in FY2022 compared to A\$1.8 million in FY2021 due to less impairment loss recognised on financial assets in the current financial year.

Finance costs for FY2022 decreased by 24.9% to A\$4.9 million from A\$6.5 million in FY2021 due to the utilisation of bank debt with lower interest rates following the redemption of senior secured notes in November 2021.

Net profit attributable to shareholders increased 46.0% to A\$50.8 million in FY2022 from A\$34.8 million in FY2021 as a result of increased revenue and reduced finance costs.

Business Segments

Revenue for the Energy segment decreased 21.2% to A\$30.2 million (FY2021: A\$38.3 million) as projects completed during the period and awaiting new projects to commence. Gross profit margin for FY2022 slightly increased to 11.3% compared to FY2021.

Revenue for the Resources segment increased 12.7% to A\$630.9 million (FY2021: A\$559.8 million) due to increased activity levels and the timing of revenue recognition on projects. Gross profit for the sector in FY2022 was A\$71.3 million up from A\$65.5 million in FY2021 in line with the growth in revenue.

Revenue for the Infrastructure, Marine & Defence segment increased 94.8% to A\$148.2 million (FY2021: A\$76.1 million) due to increased activity levels and the timing of revenue recognition on projects. Gross profit contribution for the sector in FY2022 was A\$16.1 million up from A\$5.3 million in FY2021.

2 Review of performance of the Group (cont'd)

Statement of financial position

Total shareholders' equity increased to A\$371.4 million as at 30 June 2022 from A\$292.1 million as at 30 June 2021 as a result of profits earned and revaluation gain on freehold land and buildings which is partially offset by dividends paid.

Trade and other receivables increased to A\$95.0 million as at 30 June 2022 from A\$87.5 million as at 30 June 2021 due to the increased contract activity.

Contract assets increased to A\$121.7 million as at 30 June 2022 from A\$82.6 million as at 30 June 2021 reflecting the timing of payment claims and revenue recognition on current projects.

Trade and other payables increased to A\$111.7 million as at 30 June 2022 from A\$87.4 million as at 30 June 2021 due to the increased contract activity. Contract liabilities decreased to A\$43.3 million as at 30 June 2022 from A\$80.1 million as at 30 June 2021 reflecting the timing of payment claims and revenue recognition on current projects.

Cash and cash equivalent as at 30 June 2022 were A\$40.8 million decreasing from A\$48.2 million as at 30 June 2021 mainly due to due to timing of income tax payments and changes in working capital requirements in the period.

Property, plant and equipment increased to A\$448.1 million as at 30 June 2022 from A\$412.0 million as at 30 June 2021 mainly attributable to the revaluation gain on freehold land and buildings which was partially offset by depreciation charges for the period and transfer to investment properties of A\$15.1 million.

Overall lease liabilities increased to A\$55.9 million as at 30 June 2022 from A\$54.8 million as at 30 June 2021 as a result of repayment of the principal lease liabilities which were partially offset by the re-measurement of existing leases due to increased CPI during the period.

Overall borrowings increased to A\$74.0 million as at 30 June 2022 from A\$60.0 million as at 30 June 2021 due to increased reliance on working capital facilities as at the end of the period.

Statement of cash flows

Overall cashflow before working capital changes was A\$92.9 million for the twelve months ended 30 June 2022 ("FY2022") compared to A\$77.1 million for the twelve months ended 30 June 2021 ("FY2021") reflecting the increased revenues and resulting gross profit in the period.

Cash generated from operations remained positive at A\$36.2 million for FY2022 compared to A\$72.9 million in FY2021 reflecting changes in working capital requirements in the period. Net cash generated from operating activities reduced to A\$1.8 million for FY2022 compared to A\$58.3 million in FY2021 mainly due to the timing of income tax payments, with net tax payments of A\$27.2 million for FY2022 compared to A\$6.2 million for FY2021.

Tax payments increased to A\$27.8 million for FY2022 compared to A\$6.2 million FY2021 reflecting the timing of tax payments associated with the financial year ended 30 June 2021.

The Group used A\$6.9 million in capital expenditure, predominantly to purchase equipment to support site activities.

The Group utilised a commercial bank facility of A\$60.0 million to repay the A\$60.0 million of Senior Secured Notes in November 2021. The Group also had a A\$20.0 million drawn down from the multi-option facility as working capital for FY2022. During FY2022, the Group made a A\$7.5 million repayment of lease liabilities and paid dividends of A\$10.0 million for the financial year ended 30 June 2021.

2 Review of performance of the Group (cont'd)

Statement of cash flows (cont'd)

As at 30 June 2022, the Group's cash and cash equivalents were A\$40.8 million a decrease from A\$48.2 million as at 30 June 2021.

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

In the Condensed Interim Financial Statements for the six months ended 31 December 2021, the following statement was made '...financial performance for the financial year ending 30 June 2022 ("FY2022") set to exceed that in FY2021, barring unforeseen circumstances' The actual results for FY2022 have exceeded those for FY2021 with revenue up 20% and net profit up 46.5%.

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 and construction provider to the Energy, Resources, Infrastructure, Marine & Defence sectors.

The Group performed well in 2H2022 across all operating sectors, with growth in both top and bottom lines compared to both 2H2021 and 1H2022.

The impact of the COVID-19 pandemic on the Group's operations has so far been controlled. The opening of borders to Western Australia in March resulted in an increase in COVID infections which increased absentee rates in our operations, however the impact has been minor. Opening of borders has had a positive effect of slightly improving availability of labour particularly for FIFO sites in the Pilbara region, however compared to historical levels, labour availability to service projects remains tight and unemployment levels in Australia are at their lowest in 48 years.

Our continued focus on cost control in the current environment has been reflected in our results for FY2022 and we anticipate that this focus will continue to have a positive impact on future results. There are some indications that prices of raw materials required for our projects have begun to stabilise, with some of our major suppliers indicating that prices may start to fall slightly over the next 12 months.

Tendering activity remains strong across all sectors that we operate and the Group is focused on securing projects that will allow it to grow the workforce at a sustainable pace given the current labour constraints. Opportunities to replenish the order book remain plentiful and the overall business outlook is positive.

During the period, the Group announced several contract wins across the sectors that we operate, including most recently a term maintenance contract in the resources sector and supply of subsea components in the energy sector, which has allowed the order book to be maintained over A\$1 billion. This order book secures the majority of the revenue planned for the next 12 months, with a portion of the secured order book extending as far as 2029.

5 Dividend information

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

Name of Dividend	Final (Foreign Sourced)
Dividend Type	Cash
Dividend Amount per Share	2.0 Australian Cents
Tax Rate	Tax Exempt
Number of Shares	502,435,000

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	Final (Foreign Sourced)
Dividend Type	Cash
Dividend Amount per Share	1.0 Australian Cent
Tax Rate	Tax Exempt
Number of Shares	501,085,000

c) Date payable

The proposed final dividend is subject to approval by shareholders in the forthcoming Annual General Meeting. Subject to approval by shareholders, the dividend will be payable on 19 December 2022.

d) Books closure date

Share Transfer Books of Civmec Limited (the "Company") will be closed on 9 December 2022, for the preparation of dividend warrants to the proposed tax exempt (Foreign Sourced) Final dividend of A\$0.02 for the financial year ended 30 June 2022 ("Final Dividend").

Duly completed registrable transfers in respect of the shares in the Company received up to 5:00 p.m. on 8 December 2022 ("Record Date") by the Company's Singapore Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00 Singapore 068898 will be registered to determine Members' entitlements to the Final 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 Final Dividend.

6 Interested person transactions

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

There were no material 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.

8 Review of performance of the Group – turnover and earnings

Please refer to section E4 and F2 for further details.

9 Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

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-month period ended 30 June 2022 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

James Finbarr Fitzgerald
Executive Chairman

29 August 2022