Annual Report 2021

SECURE INVESTMENTS
SOLID OUTCOMES
SUSTAINABLE FUTURE

CIVMEC

Our Values

Our vision is to grow sustainably, delivering mutually beneficial outcomes to all stakeholders.

Our culture, the way we think and operate, is underpinned by our values.

COMMITMENT
Our individual commitment facilitates our success

INNOVATION
Our innovative approach drives continuous improvement

VALUE DRIVEN
Our performance driven culture delivers value

MAKE A DIFFERENCE
Our ability to influence and challenge drives sustainability

EXCELLENCE
Our pursuit of excellence makes us a world-class service provider

COLLABORATION
Our focus on working together drives sustainable partnerships

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Our Business

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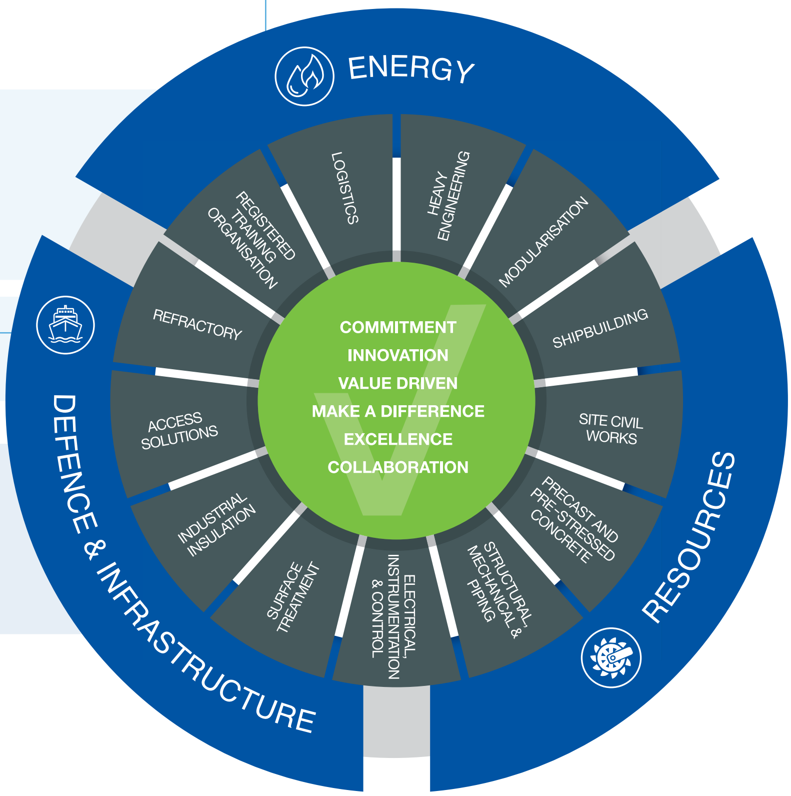
1.1

About Civmec

As a leading Australian construction and engineering services provider, Civmec delivers a wide range of integrated services to the Energy, Resources and Defence & Infrastructure sectors.



Our advanced capabilities, innovative approach and modern facilities enable us to work smarter and more efficiently, providing our clients with high-quality, value-driven solutions to meet their manufacturing, construction and maintenance requirements.

With a focus on establishing long-term partnerships and working collaboratively, we have played a significant role in the delivery of some of Australia's most complex projects, both onshore and offshore, since our establishment in 2009.

Our state-of-the-art manufacturing and maintenance facilities are positioned in strategic locations in Western Australia, New South Wales and Queensland, providing our clients with logistical advantages and enabling us to respond agilely to their needs.

These world-class facilities, backed by our extensive equipment base and strong, multi-disciplined team, enable us to effectively service projects of all sizes and complexities, anywhere in Australia.

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Our Facilities

Our main west coast facility, located just 30 kilometres south of Perth, is the largest heavy engineering facility of its kind in Australia. Positioned on 200,000m² of waterfront land in the Australian Marine Complex (AMC) precinct, it has access to the AMC's prime facilities, ports and equipment, in addition to 440,000m² of Common User Facility (CUF) land. Within the Civmec facility is our cutting-edge 53,000m² (usable floor area) Assembly Hall, 29,300m² Fabrication Hall, blast and paint workshops, exotic metals and site support workshops, and multi-storey office building.

Our Newcastle facility is our principal manufacturing facility on the east coast, situated on 227,000m² of riverfront land, 14 kilometres from the port of Newcastle. With more than 22,500m² of manufacturing workshops (with capacity to cater for steel and concrete production requirements), as part of a combined 30,000m² of undercover space (including storage areas), the facility efficiently services the east coast market, in addition to providing support for our west coast operations.

Sustaining our maintenance and capital works operations are our Gladstone and Port Hedland facilities, each positioned purposely in major activity hubs for the Resources and Energy sectors.

Our Gladstone facility, in regional Queensland, provides light fabrication capacity and serves as a base for essential equipment and the workforce required for maintenance, refractory and shutdown works in the area.

Our recently secured lease on a Port Hedland facility represents a real commitment to the region, making us more readily available to our clients and allowing us to ably service onshore and offshore maintenance and capital works projects in the north-west of Western Australia as they arise. In the second half of the year, we agreed to purchase approximately five hectares of land in the industrial area of the regional hub and have already commenced plans to develop the site with a substantial workshop and office development.

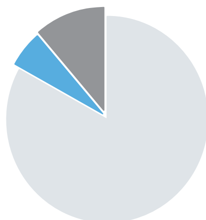
A$ **2.0** BILLION

Total value of projects in delivery in FY2021

FY2021

REVENUE BY SECTOR

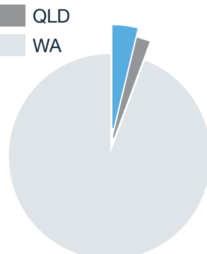
- Energy
- Resources
- Defence & Infrastructure

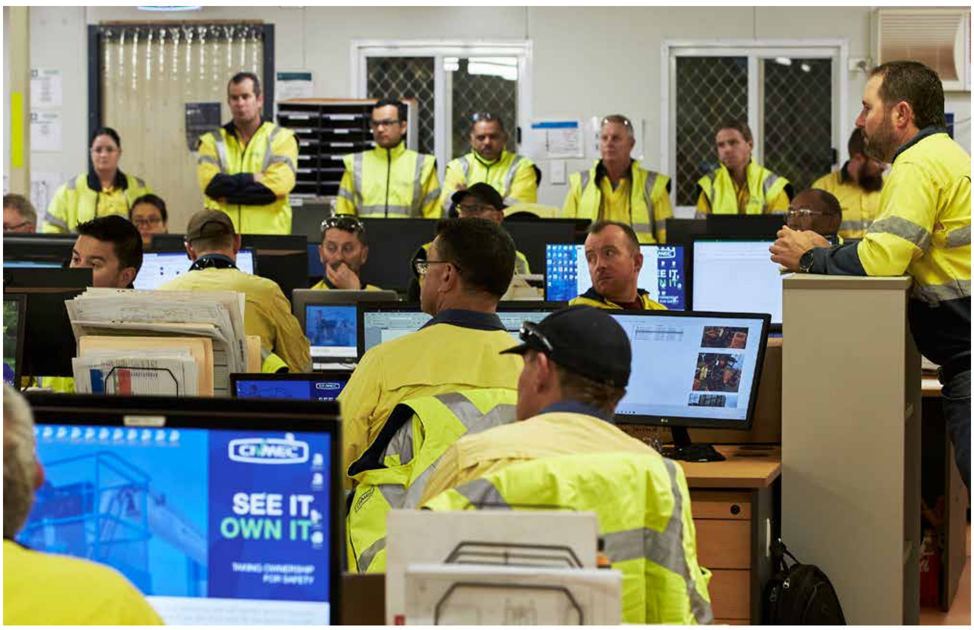


FY2021

REVENUE BY LOCATION

- NSW
- QLD
- WA





1.3

Projects & Locations

Our key projects in delivery or completed during FY2021 include:

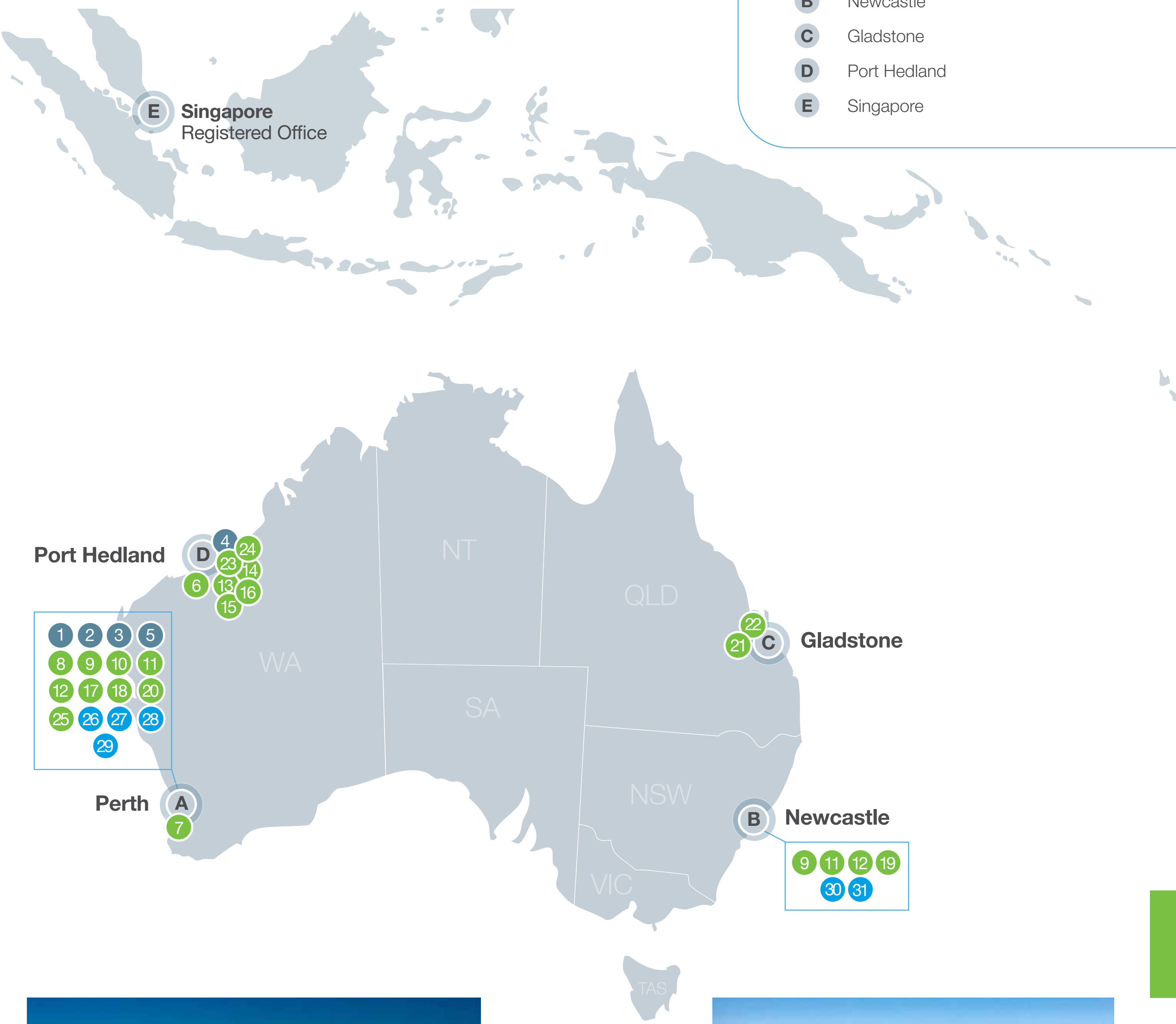
	PROJECT	CLIENT OR OWNER	LOCATION
1	Gorgon Stage Two (GS2) Subsea Installation Project – Tie-In, Jumper Spools and Spreader Beams	TechnipFMC (for Chevron)	Henderson, WA
2	Gorgon Stage Two (GS2) Subsea Installation Project – Buckle Initiators	Allseas (for Chevron)	Henderson, WA
3	Pluto LNG Project	Woodside (via EPCM Worley)	Henderson, WA
4	Five-Year Term Non-Exclusive, Non-Binding Outline Agreement, with Two One-Year Extension Options	Woodside	Karratha, WA
5	Julimar Phase 2 Manifold and Mudmat	Woodside	Henderson, WA
6	Eliwana Mine – Primary Crushing and Ore Processing Facility	Fortescue Metals Group	Pilbara, WA
7	Kemerton Lithium Project	Albemarle	Kemerton, WA
8	Kemerton Lithium Project – Manufacturing of Kilns	Metso	Henderson, WA
9	Mesa A – Wet Plant and Fixed Plant Workshop	Rio Tinto	Henderson, WA and Newcastle, NSW
10	Mesa J – Secondary Sizer/ TLO Bin	Rio Tinto	Henderson, WA
11	Gudai-Darri (Koodaideri) Project – Trusses, Platework and Stick Steel	Rio Tinto	Henderson, WA and Newcastle, NSW
12	Hay Point SABR Project – Ship Loader Replacement	For BHP Mitsubishi Alliance (BMA)	Henderson, WA and Newcastle, NSW
13	Iron Bridge Magnetite Project – Dry Plant Detailed Earthworks and Concrete Package	Iron Bridge JV (IBJV)	Marble Bar, WA
14	Iron Bridge Magnetite Project – SMPE&I, Supply of Modules	Iron Bridge JV (IBJV)	Marble Bar, WA
15	Roy Hill De-Bottlenecking Project – Civil Package	Roy Hill	Pilbara, WA
16	Roy Hill – ROM Packages	Roy Hill	Pilbara, WA
17	Jimblebar – TLO Replacement Bin	For BHP	Henderson, WA
18	South Flank – Rail Mounted Machines and Smart Modules	BHP and thyssenkrupp	Henderson, WA
19	Dumper Tray Bodies	DT Hiload	Newcastle, NSW
20	Alcoa Willowdale Mine – Larego Overland Conveyor Package	Alcoa Australia	Willowdale, WA
21	Multi-Disciplined Mechanical Maintenance Works to Support Major Shutdowns	Queensland Alumina Limited	Gladstone, QLD
22	Multi-Disciplined Mechanical Maintenance Works to Support Major Shutdowns	Rio Tinto	Yarwun, QLD
23	Variety of Multi-Disciplined Mechanical, Structural and Conveyor Maintenance Works	Fortescue Metals Group	Pilbara, WA
24	Variety of Multi-Disciplined Mechanical, Structural and Conveyor Maintenance Works	Roy Hill	Port Hedland
25	Calciner Maintenance, Major Overhaul and Repair Services	Alcoa Australia	Pinjarra, Wagerup and Kwinana, WA
26	SEA 1180 Offshore Patrol Vessel Program	Luerssen Australia	Henderson, WA
27	Submarine Rescue Facility	Phoenix International	Henderson, WA
28	Perth Kids' Bridge	Main Roads WA	Perth, WA
29	Hay Point SABR Project – Berth Replacement	For BHP Mitsubishi Alliance (BMA)	Henderson, WA
30	Princes Highway Upgrade – Berry to Bomaderry	For TfNSW	Newcastle, NSW
31	Transport for NSW Bridge Projects	TfNSW	Newcastle, NSW

ENERGY RESOURCES DEFENCE & INFRASTRUCTURE

Operational Locations and Offices

CIVMEC OFFICES & FACILITIES

- A Perth
- B Newcastle
- C Gladstone
- D Port Hedland
- E Singapore



HENDERSON WA

NEWCASTLE NSW

1.4

FY2021 Highlights

With our geographical diversification complete in line with previously determined plans, and the majority of our facilities established, our focus during FY2021 was on delivering solid outcomes in the key areas of safety, performance and profitability. We were also driven by our corporate social responsibilities, embracing a number of new initiatives for the betterment of our people and the broader community.

2020

ORDER BOOK REACHED $1.2 BILLION

With a number of significant contracts and extensions awarded throughout FY2021, our order book reached $1.2 billion in November. This included contracts from Iron Bridge JV (IBJV), Woodside, BHP Mitsubishi Alliance (BMA), Rio Tinto, Roy Hill, Alcoa Australia and Main Roads WA.

131
projects in delivery in FY2021

SUCCESSFUL CONTINUATION OF SEA 1180 OPV PROGRAM

We continued to make good progress on the Royal Australian Navy's Offshore Patrol Vessel (OPV) Program, with keel laying for OPV3 held in September and construction commencement of OPV4 in January. We now have two ships under consolidation in our new Assembly Hall.

CAPITAL WORKS DIVISION FORMED

Our Capital Works division was formed to provide additional resources and operational support for future Western Australian maintenance and capital works opportunities in the Energy and Resources sectors. This is a new target area of opportunity for the business, having only had minor interactions previously. The requirement comes from both existing and new clients, all of whom have a significant requirement for our multi-disciplined capability.

A$ **780** MILLION
of contracts awarded or extended in FY2021

SECURED PORT HEDLAND FACILITY

We strategically expanded our geographical footprint, securing a facility in Port Hedland, Western Australia, putting us in closer proximity to major onshore and offshore Pilbara operations and providing additional support for our newly established Capital Works division. We subsequently made a long-term commitment to the region with the purchase of a five-hectare industrial landholding at the export hub, with plans underway for development of workshop and office facilities.

IMPLEMENTED OUR FORMALISED MENTAL HEALTH STRATEGY

We introduced a three-year Mental Health Strategy to all areas of the business to ensure we are adequately prepared to address mental health issues across employees and their families, and offer them the best support at their time of need. Consistent with this renewed focus, we partnered with MATES in Construction, an important Australian charity that provides mental health and suicide prevention support for workers in the construction industry.

59,450

TONNES OF STEEL **through our workshops**

INTRODUCED PAID PARENTAL LEAVE SCHEME

With strong consideration for the value we place on our female employees, we introduced a Paid Parental Leave scheme, providing up to ten weeks' paid leave for eligible employees across all regions upon the birth or adoption of a child in order to facilitate an enhanced work-life balance. Secondary carers may also receive up to two weeks' paid leave.

2021

CREATED LOCAL EMPLOYMENT FOR MORE THAN 2,800 PEOPLE

Over the course of the financial year, we directly employed approximately 2,800 people at peak, including 67 apprentices/pre-apprentices, 56 graduates/undergraduates and 10 trainees. We also engaged with students through schools, colleges and via career expos, providing students with an insight into our sustainable career pathways and training programs.

COMPANY AND SAFETY AWARDS

We won awards for the company and project specific safety performance, including the Skill Hire 'Host Safety Award for 2020', 'Contractor of the Month' across many of our sites, including the Kemerton Lithium Project and Rio Tinto's Mesa projects. Several of our apprentices and trainees were also recognised for their achievements throughout the year, with many of them finalists in the annual awards for standout apprentices in the State.

SUPPORTED VARIOUS COMMUNITY CHARITIES

We are always conscious of the importance of our position and responsibilities within the community and this year we continued to care for those around us by supporting a number of charities, including St Patrick's Community Support Centre, Foodbank, Cancer Council, RUAH and, most notably, the St. Vincent De Paul Society through the CEO Sleepout, where Civmec CEO Pat Tallon and Group Manager HR & IR Stephanie Baptist combined to raise some of the highest amounts in Western Australia.

1.5

Financial Summary

The Group achieved a record Net Profit After Tax (NPAT) of A$34.6 million for the financial year ended 30 June 2021 (FY2021), representing a 98 per cent increase on the previous financial year. Revenue for FY2021 increased to A$674.2 million and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased to A$73.8 million.

The year end result was reflective of the Group's efforts to generate growth in net profit returns and stable, reliable revenue in FY2021. Maintaining the positive momentum in profitability and revenue will remain a key priority going forward.

Net cash generated from operating activities was A$58.3 million and, at year end, the Group had A$48.2 million cash in the bank.

The Group ended FY2021 with a very strong order book of A$1.0 billion, representing a A$100 million increase from the FY2020 year end and fortifying the Group's financial position as it enters FY2022. Forward tendering outlook remains positive with the Group now well diversified and firmly established to capitalise on future private and public infrastructure spend.

Following the completion of major capital investment works in Henderson, the Group returned to regular capital expenditure in FY2021, with debt controlled and decreasing by $2.4 million over the period. The value of property, plant and equipment increased to A$412.0 million. Recent investment by the Group in establishing a Port Hedland presence will set the foundations for a successful longer term outcome when the Company develops the land purchased in the region, which is anticipated to generate a positive return on capital over the coming years.

Consistent with the previous year's results, and with prudent management to ensure it had minimal effect, COVID-19 had no material impact on the Group's financial performance at the end of FY2021.

At completion of FY2021, the Group had total assets of A$636.9 million, net assets of A$292.1 million and net tangible asset backing of A$0.583 per share.

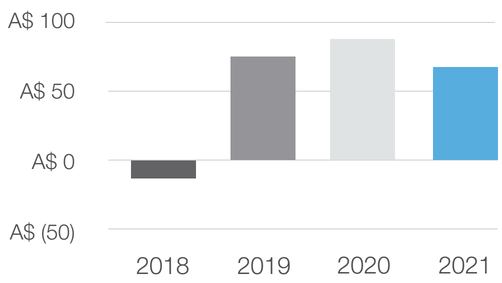
A$
100
MILLION
INCREASE
FY2021 Order Book compared to FY2020

92%
INCREASE
FY2021 EBITDA compared to FY2020

Financial Performance

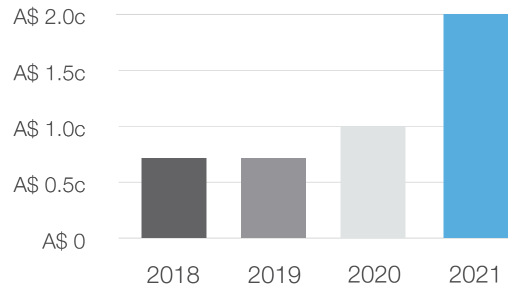
A$'000'000	2021	2020	Change
Revenue	674.2	391.9	72%
EBITDA	73.8	38.5	92%
NPAT	34.6	17.5	98%
Operating Cash Flow	77.1	42.5	81%
Earnings per share (cents)	6.94	3.51	98%
Total dividend payment (cents)	2.0	1.0	100%
Return on equity (%)	11.9	6.7	78%

Operating Cashflow



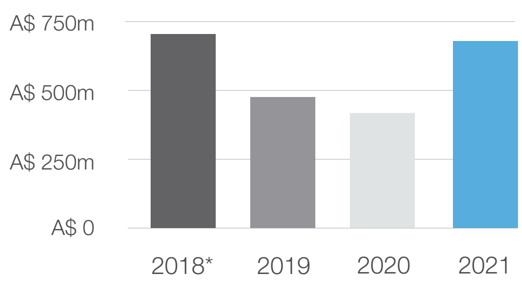
Dividend CPS

Dividend - Cents Per Share



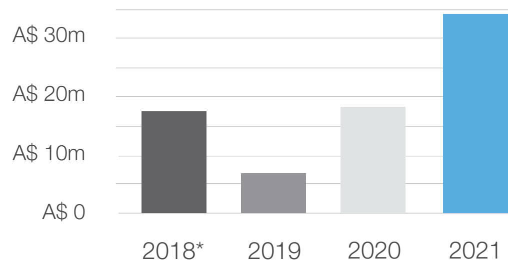
Operating Currency

Revenue (A$)



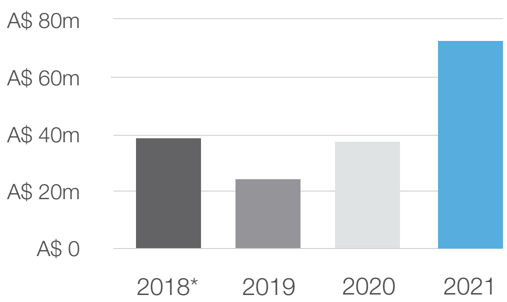
NPAT (A$)

Net Profit After Tax

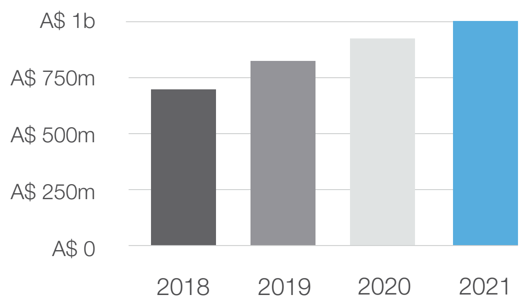


EBITDA (A$)

Earnings Before Interest, Tax, Depreciation and Amortisation



Order Book (A$)



**2018 restated*

1.6

Executive Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the 2021 Civmec Limited Annual Report.

In what has been another challenging year for many companies and countries globally, we are very pleased to have delivered some of our best results. I feel this is an outcome of the forward vision and strategy we have implemented since we commenced operations in 2009. Back then, we initiated a continuous development plan for the Henderson precinct, and we have now seen this plan through to completion. We have also made other geographical and operational adjustments within the growing business to ensure we establish a solid platform for a long-term, sustainable company.

While we will continue to look for opportunities to further strengthen the business, there is a certain sense of fulfilment in witnessing what has been achieved to date, and I am proud of our entire workforce for their enthusiasm and efforts. We have delivered to our planning and have found ourselves in the strengthened position we are now in today. Going forward, our past capital investments have provided us with a substantial, tangible asset base that is stable and strong, while our diversification strategy now sees us firmly positioned to capitalise on opportunities across the sectors in which we operate, across public and private enterprise.

We have continued to service the market through another year of the pandemic, a trying period that has led many of our clients to see the increased value that Australian manufacturers can provide for their local projects. Our well-established local resource pools, state-of-the-art facilities and vast self-performance capability have not only enabled us to continue delivering a world-class service, but excel in doing so.

FINANCIAL PERFORMANCE

Our revenue for FY2021 was A$674.2 million, with a net profit after tax of A$34.6 million. These results are a pleasing validation of the strategies implemented during our growth phase of investment and expansion.

In addition to our emphasis on improving profitability in FY2021, we maintained focus on sustaining cash flow and were awarded a significant number of new contracts across all sectors, taking our order book to as high as $1.2 billion in November 2020.

The value of new and extended contracts awarded in FY2021 was A$780 million, comprising new projects and additional scopes in Energy (A$99 million); Resources, including maintenance and specialist refractory works (A$537 million); and Defence & Infrastructure (A$144 million). A number of the significant projects awarded during FY2021 will carry forward into coming years, providing us with consistent revenue that will extend well beyond FY2022.

DIVIDENDS

With further strengthening of the balance sheet transpiring this financial year, a strong financial position overall and a demonstration of a genuine willingness to return value to our shareholders, this year we declared our first interim dividend of A$1.0 cents per share, which was paid in March 2021. I feel the business has matured significantly since inception and the interim distribution of funds to shareholders is reflective of the confidence we have in the future outlook for the business.

The Board of Directors has also recommended a final cash dividend of A$1.0 cents per share, subject to shareholders' approval at our Annual General Meeting on 29 October 2021. The full year dividend payment represents a 29 per cent payout ratio and will be paid on 17 December 2021.

OUR PEOPLE

In yet another year impacted by COVID-19, our workforce demonstrated incredible resilience and adaptability, particularly those who were considerably impacted by state border restrictions and lockdowns, and for this I am extremely grateful.

I am pleased that we maintained our position as a significant Australian employer, not only providing certainty to our current employees, but also creating new opportunities for local workers, apprentices, trainees and graduates. In FY2021, we provided employment to approximately 2,800 workers at peak across Australia.

The strength and depth of our multi-skilled workforce, combined with the continuous upskilling opportunities we are making available to them, is now, I believe, one of our most significant differentials and an extremely valuable asset to our business.

STRATEGY AND FUTURE FOCUS

While we entered FY2022 with a solid order book of A$1.0 billion, looking ahead, we will continue to focus on maintaining capital discipline, securing consistent revenue streams and further improving profitability to provide sustainable outcomes for the future.

We believe our long-term strategy of diversification, in combination with our significant investment in property, plant and equipment over the years, has us positioned in excellent stead for upcoming contracts in both the private and public sectors. Our vertically integrated, turnkey offering enables us to service projects of all sizes and complexities, anywhere in the country, from our world-class facilities.

With a renewed consideration on Australian manufacturing and more clients recognising the tangible value in our high-quality, locally made product, we are optimistic on the sustainability of the business overall for many generations to come; a fundamental that will extend long beyond the current global situation that has been a consequence of the COVID-19 pandemic.

On behalf of the Board, I would like to congratulate and thank our people for the commendable results we have achieved this year. I appreciate the dedication and commitment you have shown and look forward to celebrating more successes together in the years ahead.

I would also like to take this opportunity to thank our clients for their continued confidence in us. Many of you have shared the journey with us for a number of years and we pledge to continue to deliver safely, efficiently and to the highest standards.

To my fellow Executives and Independent Directors, I would like to acknowledge and thank you for your hard work and guidance.

And finally, to our investors, thank you for the trust and loyalty you have placed in us. I am confident that we are in a strong position to gain increasing benefit from our past strategic investments and that, in turn, will continue to drive shareholder returns in the coming years.

Yours sincerely

James Fitzgerald
Executive Chairman
Civmec Limited

1.7

Chief Executive Officer's Report

40%

INCREASE

to the number of apprentices, graduates and trainees in FY2021

FY2021 has been a strong year for us, as we reap the rewards of our long-term strategy, despite the ongoing challenges presented by COVID-19. By continuously refining and enhancing our processes and practices, we have developed robust systems to manage the safety and wellbeing of our workforce and business, enabling us to maintain solid, reliable outcomes in operations.

Although a small number of our projects were impacted by client constraints or pandemic restrictions, we were able to navigate this with strong communication, flexibility and collaboration. This approach, combined with our local manufacturing capabilities, has enabled us to keep our operations profitable and our people employed, providing our clients with surety of delivery in these uncertain times.

With innovative methodologies, proven onsite and offsite delivery, and significantly increased capacity following completion of our world-class Assembly Hall in Henderson, this year we have seen an increase in early engagement with clients on future projects. This is an indication that they are, more than ever, seeing the value of our turnkey solution offering, which includes our in-house local manufacturing capability.

This represents validation of our past investment decisions and gives us confidence in the long-term sustainability of the business. Our comprehensive service offering, now as a recognised Tier 1 contractor, has us well placed to pursue upcoming, large-scale opportunities in both the public and private sectors.

BUSINESS PERFORMANCE

The Company maintained strong operational performance across all sectors, continuing to deliver core projects and securing several significant new contracts throughout the year.

In the Energy sector, we continued to demonstrate our specialist subsea capabilities with works on the Chevron-operated Gorgon Stage Two (GS2) Subsea Installation Project, completing delivery of 15 buckle initiators for Allseas in January and continuing in the delivery of tie-in, jumper spools and spreader beams for TechnipFMC. The latter works are scheduled for completion in late 2021. We delivered interconnector and stair tower modules, skids and piping spools for Woodside's Pluto-Karratha Gas Plant (KGP) Interconnector Project, via EPCM Worley, and a manifold and removable mudmat for Woodside's Julimar Phase Two Project. We were also awarded a five-year term non-exclusive, non-binding outline agreement by Woodside to support their onshore and offshore production facilities and capital projects (with two one-year extension options available).

Our Resources division celebrated the successful full vertical delivery of the primary crushing and ore processing facility at Fortescue Metals Group's new Eliwana mine in November, which included shop detailing and fabrication at Henderson and Newcastle, plus delivery and site installation of civil, structural, mechanical, piping and electrical works. We also completed the Larego overland conveyor package at Alcoa's Willowdale mine. We continued to support the delivery of Australia's largest lithium hydroxide plant, the Kemerton Lithium Project. Having earlier completed the civil concrete works, we have gone on to provide fabrication and onsite installation of the plant's structural, mechanical, piping and insulation, as well as the supply and installation of refractory linings into the kilns we previously manufactured for the processing plant.

The Iron Bridge Magnetite Project, a joint venture between Fortescue Metals Group subsidiary FMG Magnetite Pty Ltd and Formosa Steel IB Pty Ltd, awarded us three significant packages over the course of the year, firstly for civil and concrete works, then for the fabrication of various steel structures and components in a contract for the installation of modules, as well as a contract for the structural, mechanical, piping, electrical and instrumentation works on the project. We were awarded two separate contracts for the BHP Mitsubishi Alliance (BMA) Hay Point Coal Terminal Project. These works include the fabrication, modularisation and commissioning of a ship loader, and to manufacture approximately 15,000 tonnes of steelwork for the development of extensive port infrastructure. These are large and significant projects for our client, and the Queensland region, and it is pleasing that such a quality-conscious client has trusted us to deliver it, with a very collaborative approach.

Highlighting the recognised value in our service offering, we were awarded several new packages by some of our other longest-standing clients. This included an additional package from Rio Tinto on the Robe Valley Sustaining Project to design and construct a fixed plant workshop at Mesa A, in addition to the previously awarded wet plant package, and a contract for the supply and installation of civil works for the new Mesa J secondary sizer. We also continued our ongoing relationship with Roy Hill with the award and delivery of a civil package for a de-bottlenecking project, while continuing to support BHP with a heavy engineering package for the manufacture of train load out (TLO) bin modules for their Jimblebar mine site.

Delivery of the prestigious Royal Australian Navy SEA 1180 Offshore Patrol Vessel (OPV) Program continued, with several key milestones achieved during the year. This included the completion of the hull of OPV2, the keel laying of OPV3, and the construction commencement of OPV4. As of June 2021, we had approximately 225 full time Civmec employees supporting construction of the OPVs from our Henderson facility. We also successfully completed construction of the multimillion-dollar Submarine Rescue Service (SRS) facility in Henderson for Phoenix International.

In the Infrastructure space, we were engaged by Main Roads WA to deliver the Perth Kids' Bridge Project, which was completed on schedule and now links the Perth Children's Hospital with Kings Park, providing respite for children undergoing treatment in the hospital. I am confident that our successful delivery of this iconic project has cemented our status in the Western Australian public infrastructure sector and will hold us in good stead for future opportunities. We also delivered a number of infrastructure packages from our Newcastle facility, including further bridge projects for Transport for New South Wales (TfNSW) including the completion of several significant bridge structures for the Berry to Bomaderry portion of the Princess Highway upgrade, south of Sydney.

Our east coast facility continued to work in synergy with the west, fabricating key components on major projects, which enabled us to expedite schedule and maximise output. Notably, this year, that included the manufacture of shuttle trusses, conveyor trusses, platework and stick steel on a significant new package of work awarded to us for the Rio Tinto Gudai-Darri (Koodaideri) Project. We were also able to utilise both facilities for the fabrication and delivery of structural steel and platework on Rio Tinto's Mesa A, as well as fabrication of stainless steel hand rails and other items on the Hay Point ship loader. Additionally, following on from FY2020, our Newcastle facility has continued fabricating dumper tray bodies for heavy haul equipment suppliers to the Resources sector.

While our Maintenance division was slightly impacted by the rescheduling of some clients' planned maintenance works, due to their COVID-19 risk mitigation measures whereby clients minimised the number of personnel on site, it remained an important division as we continued to deliver mechanical maintenance and refractory services across Western Australia, Queensland and the Northern Territory. We expect these works will be, at least, sustained over the next financial year, with increased activity anticipated as we advance from the pandemic. During the year, we also negotiated a new three-year maintenance contract with Alcoa Australia, continuing our long-term relationship with the company.

To complement our Maintenance division, we secured land for a new facility in Wedgefield, Port Hedland, giving us a prime base in the Pilbara to enable rapid mobilisation and support our clients' onshore and offshore assets in the region.

The Company maintained strong operational performance across all sectors, continuing to deliver core projects and securing several significant new projects throughout the year.

Port Hedland is the world's biggest bulk export port by tonnage and is the prime port for many of our clients, with close proximity to numerous LNG port facilities and Resources mine sites, so the significance of establishing in the area should not be underestimated. We see strong long-term opportunities for the business, particularly in maintenance and capital works, with the planned facility development, our Gladstone maintenance workshop and two manufacturing facilities.

Furthermore, we established a new Capital Works division, which provides focused support for maintenance and capital works in the Energy and Resources sectors. It is our strategic intent that this evolution of our service offering will ensure we have the resources and expertise to seize more opportunities in this area as the need for these services increases.

OUR PEOPLE

We have continued to invest in the training and development of our people, utilising innovative programs devised to upskill and reinforce our capable team from within, and collaborating with local high schools, colleges, universities and government departments throughout the year.

Our Graduate Program has initiated an increase in the number of graduates, apprentices and trainees across the business, particularly in the Health, Safety and Environment (HSE) and Engineering fields. It is also pleasing to report our intake of apprentices, graduates and trainees rose this year by 40 per cent. At the end of June, we had 150 apprentices, trainees and graduates on long-term structured training programs across a wide age demographic. We are conscious of the importance of giving the next generation of people the required skills to ensure we have a sustainable industry.

Cultivation of our in-house LEAD Program continues to provide our people with exciting, sustainable career pathways in the business. Tailored as a supervisor and leading hand training program, which includes four nationally accredited units delivered through our Registered Training Organisation, it was implemented to identify and upskill emerging leaders within the business. I am positive that by enhancing the knowledge and understanding of our supervisors, leading hands and management team, we can continue to attract and retain talent at the highest levels, paving the way for our future succession plan.

In a testament to the quality of our programs, five of our apprentices were nominated in the 2020 Skill Hire Awards, with our apprentice Hailey Maisey securing the "Apprentice Safety Awareness" award. We were also thrilled to receive the "Host Safety Award for 2020" at this event.

Acknowledging that our responsibilities extend beyond our immediate employees, we have continued to foster mutually beneficial relationships with a wide range of local subcontractors, with a particular emphasis on increasing our indigenous engagement. This has, in turn, been recognised for helping to provide employment and other benefits to those businesses, their employees and the wider community.

I would also like to draw attention to the incredible generosity of our people in supporting

various charities this financial year. Whether it be volunteering time, donating money or goods, recycling containers or baking for charity morning teas, it all contributes to creating a better community and positive work culture, both of which I am extremely proud to be a part of.

STRATEGY AND FUTURE FOCUS

Going forward, we will continue to maximise the utilisation of our modern, well-equipped facilities and tangible assets, gaining value from our earlier diversification and significant investments on both sides of the country. With an aim to capitalise on future government and private spend, we will target profitable construction, manufacturing, sustaining capital and maintenance opportunities, be it the complete vertical delivery of new projects and expansions, or separable works portions.

Our OPV Program will provide us with sustained revenue until 2029, and we are confident that additional opportunities will emerge in the Defence sector as the Federal Government continues to expand its naval shipbuilding and sustainment program. I also believe we have solid potential to increase our revenue in the public Infrastructure sector, particularly given our status as a Tier 1 contractor and proven ability to deliver.

The establishment of our Capital Works division, coupled with our new Port Hedland facility, has strengthened our service offering in sustaining and brownfields projects, and we believe we are well poised for growth in these areas in the coming years.

Since we commenced our initial operations, we have worked hard to develop and maintain a strong, capable team. To this end, I firmly believe in the skills and capabilities of our workforce; a workforce which is led by an exceptional management and executive team, and one which is only set to broaden in depth and capacity as more talent is identified and nurtured from within.

I would like to take this opportunity to thank our people for their hard work and dedication, their diligence and resilience over the past year, particularly in adapting to the necessary changes we have had to make in light of COVID-19.

To our clients, thank you for the ongoing trust you place in us. As always, our focus remains on delivering an exceptional-quality product to you in the safest, most efficient way. We look forward to continuing to support you, sustainably, in the years ahead.

And finally, a word of thanks to our shareholders, whose support is always much appreciated and for whom we will continue to work diligently to ensure positive outcomes.

Yours sincerely

Patrick Tallon
Chief Executive Officer
Civmec Limited

Our Operating Sectors

2

2.1

Energy

174%

INCREASE

to FY2021 Energy Sector Revenue compared to FY2020

During FY2021, we continued to deliver high-quality, tailored solutions for our Energy clients, continually proving our value when it comes to delivering a premium end product that meets the exacting standards of the sector.

A$ **38** MILLION **annual revenue for FY2021**

A$ **99** MILLION **in new contract awards and extensions**

With a wide range of experience on significant Energy projects over the years and specialist subsea capabilities, our increased capacity at Henderson is providing clients with more opportunities to engage as they seek to unlock the value of our local manufacturing capabilities.

Our works on the Chevron-operated Gorgon natural gas facility continued in FY2021, specifically the Gorgon Stage 2 (GS2) Subsea Installation Project, an expansion to the subsea gas gathering network to maintain long-term natural gas supply to the LNG facility on Barrow Island. Of the two GS2 packages awarded to Civmec in the previous year, we completed delivery of 15 buckle initiators for client Allseas in November. The scope included the supply, fabrication, application of a specialist subsea painting system, and testing of the buckle initiators, each weighing approximately 55 tonnes, before trial lifting and loadout from the Australian Marine Complex (AMC). Delivery of the tie-in, jumper spools and spreader beams for Technip FMC is ongoing, with the scope including fabrication and testing of the 2,200 tonnes of components. All work on the GS2 project is being undertaken at either our state-of-the-art Henderson facility or the Common User Facility at the AMC. This includes post-metrology and factory acceptance testing, with loadout occurring from the Common User Facility.

In a demonstration of our diverse depth of skills and capabilities, our works for Woodside – via EPCM contractor Worley – on the Pluto-Karratha Gas Plant (KGP) Interconnector Project were successfully completed in June. The Interconnector Project was developed to transport gas from the Woodside-operated Pluto LNG facility to the North West Shelf Project's KGP via a five-kilometre pipeline, providing an opportunity to take advantage of future excess capacity at KGP and the potential to accelerate future developments of other offshore Pluto gas reserves, as well as third-party resources. Our overall scope of work for the project included the supply, fabrication, surface treatment, assembly, testing and delivery of an interconnector module, stair tower module, skids and more than three and a half kilometres of piping spools.

During the year, we completed a package for Woodside's Julimar Phase 2 Project for the supply, fabrication, surface treatment, testing and delivery free alongside (FAS) of a manifold and removable mudmat foundation.

Our Manufacturing division received a significant boost with the award of a five-year term non-exclusive, non-binding outline agreement by Woodside, with two possible one-year extension options, to support their onshore and offshore production facilities and capital projects. This includes the provision of miscellaneous piping and structural steel fabrication, surface treatment and assembly, in a range of separate packages.

With the vast capacity of our cutting-edge facilities, we will continue to target new projects and expansions, along with ongoing asset maintenance and turnaround packages across Australia, in anticipation of increased activity in the sector as time progresses. Given our extensive experience, strong suite of specialised capabilities and modern plant and equipment, we are well positioned to capitalise on future opportunities in the sector as they come to market.

Gorgon Stage Two Subsea Installation Project

Tie-In, Jumper Spools and Spreader Beams

Client
Technip FMC (for Chevron)

Location
Henderson, WA

Duration
September 2019 – Late 2021

Since 2010, Civmec has delivered several major works packages on the Gorgon natural gas facility, including site civil works, precast and structural steel fabrication in construction of the plant, followed by ongoing structural steel works, both onshore and offshore, as well as planned turnaround maintenance on the Domgas plant.

Works on the Chevron-operated Gorgon Stage Two (GS2) Subsea Installation Project have continued this year. Our contract scope for the production of tie-in and jumper spools includes the fabrication and testing of 900 tonnes (26 spools) of 26-inch to 8-inch CRA (corrosion resistant alloy) Inconel clad material, 2-inch to 4-inch solid Inconel and 2-inch to 8-inch carbon steel. The package also comprises the supply, fabrication and testing of 1,300 tonnes of rigid spreader beams for the GS2 project. All work is being undertaken at our Henderson facility, including the development of all WPS (welding procedures), pre- and post-metrology fabrication, non-destructive testing, surface treatment (TSA), hydrotesting and factory acceptance testing, including trial lifting and loadout from the Common User Facility at the AMC.

Gorgon Stage Two Subsea Installation Project

Buckle Initiators

Client
Allseas (for Chevron)

Location
Henderson, WA

Duration
August 2019 – January 2021

The contract scope included the supply, fabrication, non-destructive testing, application of a subsea painting system, system integrity testing (SIT) and factory acceptance testing (FAT) of 15 buckle initiators, weighing approximately 55 tonnes each, for the Chevron-operated Gorgon Stage Two Project. This included trial lifting and the loadout from the Australian Marine Complex's Common User Facility.

Julimar Phase 2

Manifold and Mudmat

Owner
Woodside

Location
Henderson WA

Duration
March 2020 – January 2021

Delivery was completed of a manifold and removable mudmat foundation as part of Woodside's Julimar Phase 2 Project. Our scope included the supply, fabrication, surface treatment, non-destructive testing (NDT), hydrotesting, SBT supply installation and testing, factory acceptance testing (FAT), system integration testing (SIT) and delivery free alongside (FAS) from our Henderson facility. Fabrication of the six-slot production manifold included the production piping header, a twelve-inch single header and eight-inch branches. The combined weight of the works totalled approximately 200 tonnes.

Pluto LNG Project

Interconnector and Stair Tower Modules

Client
Woodside (via EPCM Worley)

Location
Henderson, WA

Duration
May 2020 – Mid 2021

Civmec was contracted to supply, fabricate, surface treat, assemble, test and deliver an interconnector module, stair tower module and piping spools and skids for Woodside's Pluto LNG Project. In total, we delivered 3.5 kilometres of piping and 295 tonnes of structural steel, with the largest fitted out module weighing 180 tonnes.
The Pluto-Karratha Gas Plant (KGP) Interconnector project will transport gas through the interconnector, providing the opportunity to take advantage of future excess capacity at KGP and will also have the potential to accelerate future developments of other offshore Pluto gas reserves, as well as third-party resources.

2.2

Resources

65%

INCREASE

to FY2021 Resources Sector Revenue compared to FY2020

FY2021 was a particularly strong year for the Group across the Resources sector, with high demand continuing for our vertically integrated service offering and well-established resources, plant and equipment.

A$ **560** MILLION **annual revenue for FY2021**

A$ **537** MILLION **in new contract awards and extensions**

Full vertical delivery of the Primary Crushing and Ore Processing Facility at Fortescue Metals Group's new Eliwana mine was achieved in November, strengthening our relationship with Fortescue. The scope of works on the project included the facility's iron ore loading, primary, secondary and tertiary crushing, ore screening and associated conveyor systems, up to no load commissioning. Shop detailing and fabrication was undertaken at both our Henderson and Newcastle facilities, with the package also incorporating delivery and site installation of the civil, structural, mechanical, piping and electrical works.

Continuing to attest to our solid reputation in the Resources sector, we were awarded a substantial stand-alone civil contract on the Iron Bridge Magnetite Project, located 145 kilometres south of Port Hedland in Western Australia's Pilbara region. The new mine will support the production of 22 wet million tonnes per annum (wmtpa) of high grade, magnetite concentrate product. The contract, awarded by the Iron Bridge Joint Venture (IBJV) comprising Fortescue Metals Group subsidiary FMG Magnetite Pty Ltd and Formosa Steel IB Pty Ltd, includes construction of the detailed earthworks and structural concrete components for the dry plant. Following this, in September, we were awarded an additional major contract by IBJV for the fabrication and modular assembly of 4,700 tonnes of conveyor, trusses, trestles and modules for the dry plant, and in November, a contract for the onsite structural, mechanical, module installation, electrical and instrumentation works.

Our relationship with Rio Tinto continued over the year, beginning with an award on the Robe Valley Sustaining (RVS) Iron Ore Project in the Pilbara, and followed by additional contracts awarded in the Mesa A and Mesa J operational hubs. The initial package comprised the supply, fabrication, modularisation, transportation to site, erection, modification, installation, and commissioning of structural, mechanical, piping (SMP), electrical and instrumentation, and communication work for the Mesa A Wet Plant. We were later awarded a contract for the design and construction of a fixed plant workshop on the same site. In August 2020, this was followed with a package for the supply and delivery of a civil works package for the new Mesa J Secondary Sizer/Train Load Out (TLO) Facility and associated items, including earthworks, removal of redundant services, services infrastructure, deconstruction works, modification works, stacker tyre wall and bogie track. The Mesa J works were completed in April 2021.

Additionally, we were awarded a package by Rio Tinto for the supply, fabrication, surface treatment and modularisation of approximately 1,500 tonnes of shuttle trusses, conveyor trusses, platework and stick steel for their Gudai-Darri (Koodaideri) Project. Once complete, Gudai-Darri will produce up to 43 million tonnes of iron ore a year, becoming a new production hub for Rio Tinto's iron ore business. Our scope of work will be undertaken at both our Henderson and Newcastle facilities, maximising efficiencies in capacity and schedule, and is due for completion this year.

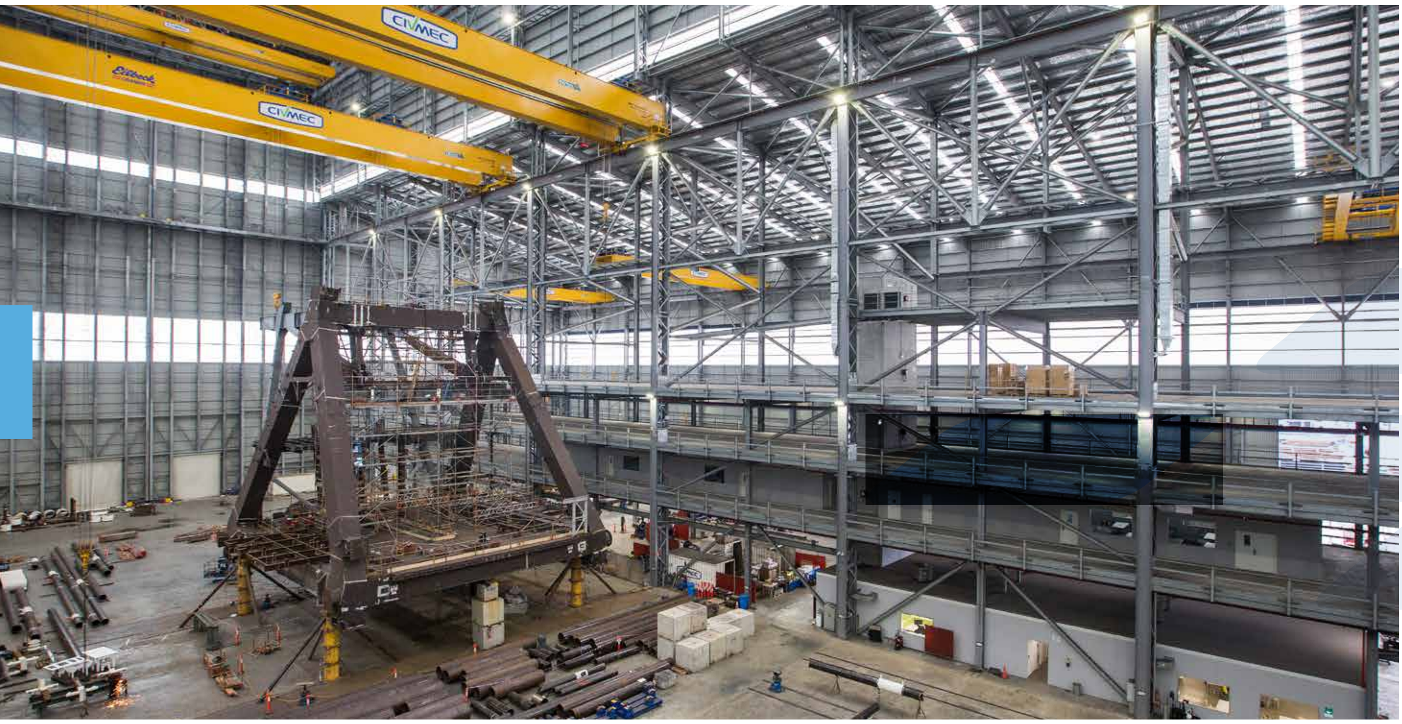
Continuing to leverage our multi-disciplined capabilities in the sector, we were awarded a major package of work on the BHP Mitsubishi Alliance (BMA) Ship Loader and Berth Replacement (SABR) Project at Hay Point Coal Terminal, located 40 kilometres from Mackay, Queensland. The package comprises the supply, fabrication, surface treatment, assembly and no-load commissioning of a complete 1,800-tonne ship loader for the loading port. The equipment will be fabricated and assembled at our Henderson facility before being delivered FAS (free alongside) a heavy lift ship at the Australian Marine Complex (AMC), and then transported in one shipment from the AMC to Queensland.

Delivery of the Kemerton Lithium Plant, near the Western Australian port town of Bunbury, is ongoing, with the completed plant set to become the largest lithium hydroxide conversion plant in Australia. Located within the Kemerton Strategic Industrial Area, approximately 160 kilometres south of Perth, our extensive scope includes the site civil works, fabrication and onsite installation of tanks, structural, mechanical, piping and insulation for the hydromet, final product, reagents and utilities for Trains 1 and 2. We are also supplying and installing all refractory lining and, under a separate contract directly with Metso, we manufactured kilns required for the processing plant. Works on the project are progressing, with fabrication and supply of two trains complete and site works on the installation ongoing. In a demonstration of our Never Assume safety culture, in March 2021, we achieved one million man hours on the project without a lost time incident on site.

In the latter part of the year, we delivered a package for the supply, manufacture, trial assembly and delivery FAS of four main train load out (TLO) bin modules for the BHP Jimblebar Project. We also finalised delivery of key components for BHP's world-class US$3.6 billion South Flank iron ore mine in the Pilbara. Vertical delivery of the Larego overland conveyor package at Alcoa's Willowdale mine was achieved, closing out a significant works package that encompassed civil works, fabrication, structural, mechanical, piping, electrical, instrumentation and no-load commissioning.

Long-term client, Roy Hill, awarded us a civil works package for a de-bottlenecking project involving detailed earthworks, concrete placement, cabling and pipework. This was in addition to the Run-of-Mine (ROM) packages awarded to us last year, of which all fabricated components were delivered this year.

Our presence in the Pilbara was strengthened as we secured a new Port Hedland facility, providing us with a permanent base to mobilise a local workforce who will be readily on hand for our onshore and offshore clients in Western Australia's north.



Our maintenance revenue stream was sustained, and, although some areas of activity slowed in response to the pandemic, we continued to deliver ongoing maintenance works packages to key clients, including Fortescue Metals Group, Rio Tinto, Alcoa, QAL and Roy Hill. In early 2021, we were awarded a significant three-year contract by Alcoa of Australia to provide calciner maintenance, major overhaul and repair services to their Kwinana, Pinjarra and Wagerup refineries.

During the year, we established a new Capital Works division in anticipation of increased activity in the capital works space in the future. This division will focus on delivering capital upgrades to operating plants, allowing our clients to achieve incremental gains or capacity increases, and will complement our already well-established Maintenance division. Both divisions are being overseen by strong, experienced teams.

Despite the challenges presented during another year of COVID-19, when it came to resourcing, we were able to successfully recruit quality employees and have witnessed many of our talented people develop and shine in our future leaders' team.

With long-standing relationships secured with blue-chip clients and a demonstrated success in our construction, manufacturing and maintenance offering, the outlook remains positive as we continue to support the safe, high-quality and timely delivery of vital Australian resource projects.

Eliwana

Primary Crushing and Ore Processing Facility

Owner
Fortescue Metals Group

Location
Pilbara WA

Duration
September 2019 - November 2020

Delivery of the primary crushing and ore processing facility for Fortescue Metals Group's new Eliwana mine, located approximately 90 kilometres north-west of Tom Price in the Pilbara region of Western Australia.

Civmec's scope was for the full vertical delivery of the facility's iron ore loading, primary, secondary and tertiary crushing, ore screening and associated conveyor systems, up to no load commissioning. Shop detailing and fabrication was undertaken in Henderson and Newcastle. We also completed delivery and site installation of the civil, structural, mechanical, piping and electrical works.

Iron Bridge Magnetite Project

Civil and Concrete Package, Supply of Modules and SMPE&I

Owner
Iron Bridge JV (IBJV)

Location
Marble Bar, WA

Duration
August 2020 – Late 2022

Civmec was initially awarded a civil and concrete package on the Iron Bridge Magnetite Project that involved the construction of the detailed earthworks and structural concrete components for the dry plant, including two primary, two secondary and two tertiary crushing areas, two air classification and two primary grinding areas, course ore stockpile, dry magnetic separation building, dry rejects, conveyors and all related earthing.

In September, we were awarded a modularisation package on the project, comprising the supply and modular assembly of 4,700 tonnes of conveyor, trusses, trestles and modules, and in November, a contract for onsite structural, mechanical, module installation and hook-up, electrical and instrumentation works for the dry plant.

Kemerton Lithium Project

Owner
Albemarle

Location
Kemerton, WA

Duration
June 2019 – Late 2021

We are playing a significant role in the delivery of Australia's largest lithium hydroxide plant, being constructed in the Kemerton Strategic Industrial Area, south of Perth. Our extensive scope on the project includes site civil works, fabrication, and onsite installation of tanks, structural, mechanical, piping and insulation for the hydromet, final product, reagents and utilities for Trains 1 and 2. We are also supplying and installing all refractory lining for this project. Under a separate contract, directly with Metso, we manufactured kilns required for the processing plant.

Mesa A & J

Mesa A Wet Plant and Fixed Plant Workshop, and Mesa J Secondary Sizer/TLO Facility

Client
Rio Tinto

Location
Robe Valley, WA

Duration
August 2020 – Late 2021

Civmec was awarded a contract for the supply, fabrication, modularisation, transportation to site, erection, modification, installation and commissioning of structural, mechanical, piping (SMP), electrical and instrumentation, and communication work for the Mesa A Wet Plant, part of Rio Tinto's Robe Valley Sustaining Project. We were subsequently awarded a contract for the design and construction of a fixed plant workshop in the Mesa A operational hub.

Additionally, we undertook the supply and installation of civil works for the new Mesa J Secondary Sizer/Train Load Out (TLO) Facility and associated items, including earthworks, removal of redundant services, services infrastructure, deconstruction works, modification works, stacker tyre wall and bogie track.

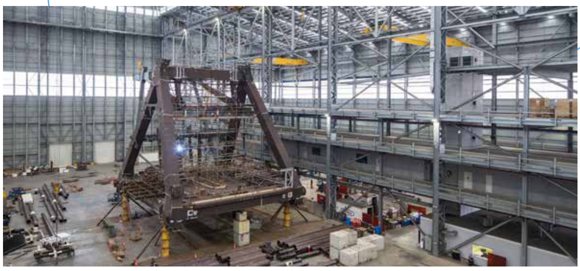
Hay Point Ship Loader Replacement

Owner
BHP Mitsubishi Alliance

Location
Mackay, QLD

Duration
August 2020 - Late 2022

We are delivering a 1,800-tonne ship loader for the Hay Point Coal Terminal in central Queensland. The scope includes the supply, fabrication, surface treatment, assembly and no-load commissioning of the ship loader, with fabrication and assembly undertaken in our Henderson workshop, before delivery FAS (free alongside) a heavy lift ship at the Australian Marine Complex. We also commenced fabrication of stainless steel handrails, chutes, guard posts and frames from our Newcastle facility.



2.3

Defence & Infrastructure

95%

INCREASE

to FY2021 Defence & Infrastructure Sector Revenue compared to FY2020

With specialised waterfront facilities and a strategic location in the Australian Marine Complex (AMC), our Defence & Infrastructure service offering is further strengthened by our expansive in-house capabilities and strong local resource pool.

A$
76
MILLION
annual revenue for FY2021

A$
144
MILLION
in new contract awards and extensions

As a Tier 1 contractor with the required financial accreditation for major public infrastructure projects and the proven expertise to deliver complex builds, both onsite and offsite, we provide a fully integrated service offering to both sectors from the largest undercover modularisation and assembly facility in Australia.

Our 53,000m² (usable floor area) Assembly Hall at Henderson, with more than 1.2 million cubic metres of internal space, has facilitated the success of our works on the Royal Australian Navy's Offshore Patrol Vessel (OPV) Program to date. The ten-year project, which commenced in 2018, includes the supply and processing of steel for twelve vessels. Following the build of the first two vessels in South Australia, using steel plates and pipework processed and manufactured at Henderson, we are undertaking the fabrication and consolidation of the follow-on ten vessels to be completed in Western Australia.

In September 2020, we held a keel laying ceremony for OPV3, marking the beginning of the consolidation phase for the third vessel, while works on OPV4 commenced in January. Completion of the OPV2 hull was achieved in February, which represented an important milestone in the program. More recently, with optimising productivities in mind, and in order to streamline construction of several vessels simultaneously, we designed and implemented an innovative block rotation technique, which will deliver repeated cost and schedule efficiencies as we complete the build of all ten vessels at Henderson in the coming years.

We will continue to provide a fully integrated service offering to the Defence sector for the construction of naval vessels and will support the Federal Government's long-term Naval Shipbuilding Plan, focused on building a sustainable Australian naval shipbuilding and sustainment industry.

FY2021 saw us awarded a prestigious public infrastructure project by Main Roads WA for the construction of a new bridge across Winthrop Avenue in Nedlands, linking Perth Children's Hospital to Kings Park. Known as the Perth Kids' Bridge or "Koolangka" Bridge (meaning "children" in Noongar), the colourful, 217-metre long, architecturally designed pedestrian bridge was conceived to enable sick children and their carers a safe passage across a busy thoroughfare between the hospital and adjacent parkland, and was successfully delivered in a short 24-week program.

Civil infrastructure projects undertaken from our east coast facility during FY2021 supported the delivery of a number of bridge projects in New South Wales, including several bridge structures between Berry and Bomaderry on the Princess Highway upgrade program, south of Sydney, which were completed in December. We also provided fabrication, supply, and delivery of structural steel for a number of Transport for NSW (TfNSW) bridge projects, including truss span steel for the Briner Bridge capacity upgrade, fabricated elements for the Liddell Deviation Bridge, integral panels for the Coldstream River Bridge and various steel components for the Manilla Bridge truss steel piers.

In Western Australia, construction was completed on the multimillion-dollar Submarine Rescue Service (SRS) facility, which commenced in June 2020. The facility was designed to support the Royal Australian Navy's submarine fleet and has increased that support capacity and capability within the Australian Marine Complex (AMC) precinct. The SRS facility was constructed to house a rapid launch and recovery system, hyperbaric treatment unit, and maintenance training and testing infrastructure, with a seven-metre-deep pool. Its close proximity to the AMC's Common User Facility will enable rapid mobilisation in the event of a disabled submarine in the region.

Additionally, within the Western Australian manufacturing division, we were awarded a second major project for the BHP Mitsubishi Alliance at Hay Point to deliver a marine and infrastructure upgrade package to improve the wharf facilities at the port location. The package involves a significant amount of heavy steel plate, which will be manufactured into large structural wharf beams and assembled in modules, prior to being shipped from Henderson to the Queensland location. The award was the result of months of early contract involvement with the owner and onsite installation contractor, culminating in a solution that utilises our Western Australian facility for heavy engineering and fabrication works, and highlights the confidence clients place in our local manufacturing capability and capacity.

As the government continues to commit substantial investment into national and state infrastructure projects to drive economic recovery from COVID-19, we will continue to target major projects in the public sector, in addition to the private sector, as a Tier 1 contractor with a fully integrated, multi-disciplined service offering. We have the in-house capabilities and capacity to undertake complex construction projects, anywhere in Australia, with our supply chain advantages providing clients with delivery surety and schedule reliability.

Offshore Patrol Vessels

Client
Luerssen Australia

Location
Henderson, WA

Duration
October 2018 – 2029

In April 2018, Luerssen Australia awarded Civmec the contract for the Royal Australian Navy's SEA 1180 Offshore Patrol Vessel (OPV) Program.

The ten-year project includes the supply and processing of steel for twelve vessels. Following the build of the first two vessels in South Australia, using the steel plates and pipe processed and prepared at Henderson, we are undertaking the fabrication and consolidation of the follow-on ten vessels in Western Australia.

The new OPV fleet will be named the Arafura class in deference to their planned primary area of operation – the Arafura Sea lies west of the Pacific Ocean, overlying the continental shelf between Australia and Indonesian New Guinea.

The primary role of the OPV will be to undertake constabulary missions, maritime patrol and response duties. State-of-the-art sensors as well as command and communication systems will allow the OPVs to operate alongside Australian Border Force vessels, other Australian Defence Force units and other regional partners.

The lead vessel, HMAS Arafura is planned to enter service in 2022.

© Luerssen

Perth Kids' Bridge

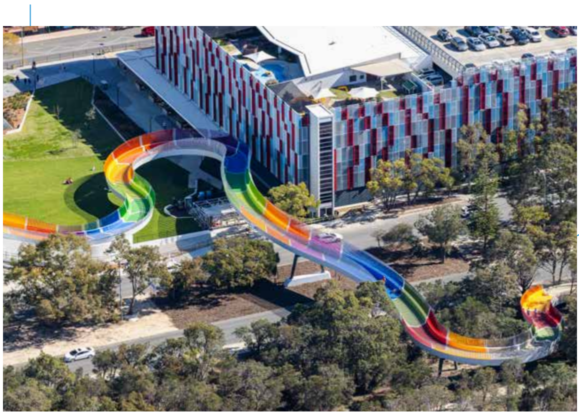
Client
Main Roads WA

Location
Perth, WA

Duration
January 2021 – July 2021

Civmec was contracted for the construction of a 217-metre architecturally designed pedestrian bridge over Winthrop Avenue to Kings Park in Nedlands.

The bridge comprised eleven steel segments, five steel piers and two concrete abutments, utilising 450 cubic metres of concrete and 320 tonnes of steel in its construction.



Transport for NSW Bridge Projects

Client
TfNSW

Location
Newcastle, WA

Duration
July 2019 – June 2021

Civmec continues to deliver fabrication, supply and delivery of structural steel for various Transport for NSW (TfNSW) bridge projects. This included the supply, fabrication, surface treatment and delivery of truss span steel for the Briner Bridge capacity upgrade; the supply, fabrication and galvanisation of fabricated elements for the Liddell Deviation bridge; the supply, fabrication of integral structural panels for the Coldstream River Bridge; and the supply, fabrication and painting of various steel components for the Manilla Bridge truss steel piers.

Submarine Rescue Facility

Client
Phoenix International

Location
Henderson, WA

Duration
June 2020 – April 2021

Civmec managed the construction of a multimillion-dollar new Submarine Rescue Service (SRS) facility. The facility, which will be operated by Phoenix International under a sub-lease arrangement with Civmec, will support the Royal Australian Navy's submarine fleet along with the capacity within the Australian Marine Complex (AMC), reinforcing the AMC's significance as a world-class centre for excellence.

The facility was constructed to house a rapid launch and recovery system, hyperbaric treatment unit, and maintenance training and testing infrastructure, with a seven-metre-deep pool. It is positioned in close proximity to the AMC's Common User Facility (CUF), enabling rapid mobilisation in the event of a disabled submarine in the region.

Hay Point Berth Replacement

Owner
BHP Mitsubishi Alliance

Location
Mackay, Queensland

Duration
December 2020 – Late 2022

We were awarded a contract on the Hay Point Berth Replacement for the BHP Mitsubishi Alliance (BMA). The package involves the manufacture of approximately 15,000 tonnes of steelwork made up of 60 individual modules, including three jacket frames, topside modules, conveyor modules and transfer towers. Our scope includes detailing, fabrication, surface treatment, mechanical and electrical and instrumentation assembly.

Our Sustainability

3

3.1

Health, Safety, Environment & Quality (HSEQ)

Our strong commitment to best practice in Health, Safety, Environment and Quality will enable us to deliver successful projects, community and stakeholder wellbeing, and long-term sustainability.

HEALTH & SAFETY

At Civmec, the health and safety of our people is our number one priority. Our focus remains on ensuring we create an environment free from injuries and a culture focused on employee wellbeing. It is this strong safety culture that forms the premise of our Never Assume principle, which empowers our people to look after themselves and those around them. The holistic philosophy considers safety, quality, the environment, the health and wellbeing of all stakeholders, and all critical factors that drive our business's long-term sustainability. We aim to be a company of forward-thinkers who strive for excellence and new ways to deliver improved safety, productivity, and sustainable outcomes. Our focus on continual improvement encourages our employees to strive for innovation in every project or task we deliver, and through our enhanced reward and recognition program, we remain committed to providing opportunities for our people.

The program has continued to play an essential role in making employees more accountable for their safety in our operations by rewarding positive safety behaviours and building and shaping our safety culture across the company. Civmec's Health and Safety Management System is certified to ISO 45001:2018.

We have continued to update our health, safety and environment (HSE) procedures throughout the year in response to the COVID-19 pandemic, the challenges it presents, and to ensure the health, safety and wellbeing of our employees and the communities in which we operate. We have invested considerable time into ensuring we continue to focus on and

An internal sustainability group, consisting of employees with knowledge on sustainability, was created during FY2021 to come up with initiatives to enhance our sustainability performance in the immediate and long term.

improve the practices we have in place. Working together through the pandemic, we have seen the impact that it can have on the mental health of our people. The impact of COVID-19 was particularly significant for some of our employees who were unable to return home due to interstate and international travel restrictions. Our HR department kept in regular contact with these employees and their families, offering support and access to our Employee Assistance Program (EAP), as well as sending personalised care packages to the families of our east coast and New Zealand employees.

With so many challenges being faced by our people, and impacts being felt on our employees' mental wellbeing due to COVID-19 uncertainty and restrictions, this year was very timely for us to implement our three-year Mental Health Strategy for 2021 to 2024. The strategy provides a formal structure and sets goals for us to measure our performance on.

The Mental Health Strategy has been put in place to drive mental health promotion throughout the business and keep it at the forefront of our minds. It encompasses:

- key management responsibilities and resource commitments to allow us to achieve the objectives of the strategy;
- the requirement of risk assessments to identify critical psychosocial risks and ensure appropriate and suitable control measures are implemented;
- the establishment of a key industry partnership with MATES in Construction, an alignment that acknowledges suicide prevention leadership and support with the vision to create a mutually safer workplace by delivering suicide prevention education, peer to peer support, case management, and access to a 24/7 helpline;
- key procedural documents required to ensure corporate and operational level integration of requirements;
- the introduction of a targeted auditing program to ensure implementation of the program is consistent across different areas of the business;
- key formal training and awareness packages to help promote mental health in the workplace; and
- an increased range of support services available to our workforce to ensure that if help is needed, it is readily available and user friendly.

We implemented several safety initiatives in FY2021 to improve our health and safety system and drive long-term improvements in safety performance. The introduction of our 'See it, Own it' campaign has helped to promote and drive individual accountability for safety throughout our operations. Individuals took ownership of work areas and influenced positive safety change amongst work crews and teams.

The 'Finish Strong 2020' campaign was rolled out across the business in November last year to assist with maintaining focus in the lead up to the festive season, which is known to be a high-risk time of the year.

This focus continued into the new year with the ‘Kick Start 2021’ program, and included an increased site presence of our executive and senior organisational leaders in the first four weeks of operation in 2021.

Several other project-specific initiatives and strong project safety performances have returned positive results, with a number of our projects earning us ‘Contractor of the Month’ awards. Of particular note was being presented two client-orchestrated awards in a ‘Make A Difference’ program for separate safety and health initiatives. The safety award was in recognition of our new starter ‘Buddy’ program, which was successfully implemented on site over a period that saw a significant increase in personnel mobilisations; while the health award was for recognising a heat-related risk to workers in certain isolated work areas and addressing it by utilising a portable shade shelter that could be moved along as their work task moved and progressed.

The way we manage safety starts with our six Critical Safety Essentials, and by integrating them into our planning, communication, and risk management processes, they continue to form the foundation of how we operate. We have increased our focus on strengthening HSE communication across the company, with a particular emphasis on lessons learned from incidents and active engineering solutions to avoid or eliminate significant safety hazards. An example of this is an engineered solution for the removal of an impact frame during maintenance work to prevent line of fire hand injuries.

This change in work practice not only enhanced worker safety but also increased efficiency.

By implementing a series of health and safety initiatives to improve our management system further, and ultimately promote continual improvement of health and safety performance, we have seen a pleasing reduction in our Total Recordable Injury Frequency Rate (TRIFR) from the previous financial year.

As we plan for the year ahead, we will remain focused on strengthening the systems we have in place, ensuring we are continually planning and implementing best practice for risk reduction strategies. Our uncompromising approach to health and safety will provide long-term, sustainable safety solutions for our people.

ENVIRONMENT

This year, there has been a significant focus on our sustainability performance and our business's long-term effects on our external environment. Our attention remains on developing an environmentally conscientious culture through leadership, communication, and training, as we understand it is critical to our ongoing sustainability.

Civmec is certified to ISO 14001:2015, the internationally recognised standard for environmental management, and we also hold platinum status with the Australian Steel Institute Environmental Sustainability Charter.

During FY2021 we undertook many activities to support our sustainability. Some examples of this include:

- committing to the development of a new sustainability charter and supporting procedures for launch in FY2022, which will set targets and hold us accountable for our carbon emissions;
- assessing the feasibility of powering our current facilities with solar energy, and committing to assessing the performance of renewable energy options on all new facilities moving forward, including currently studying the economic, social and environmental costs and benefits associated with the implementation; and
- supporting the development of Western Australia's critical battery mineral industry with constructability input for major lithium producers.

In addition to our existing measures, we continue to look for new ways to improve our environmental performance, focusing on resource and energy efficiency. Our continual improvement strategy is based on:

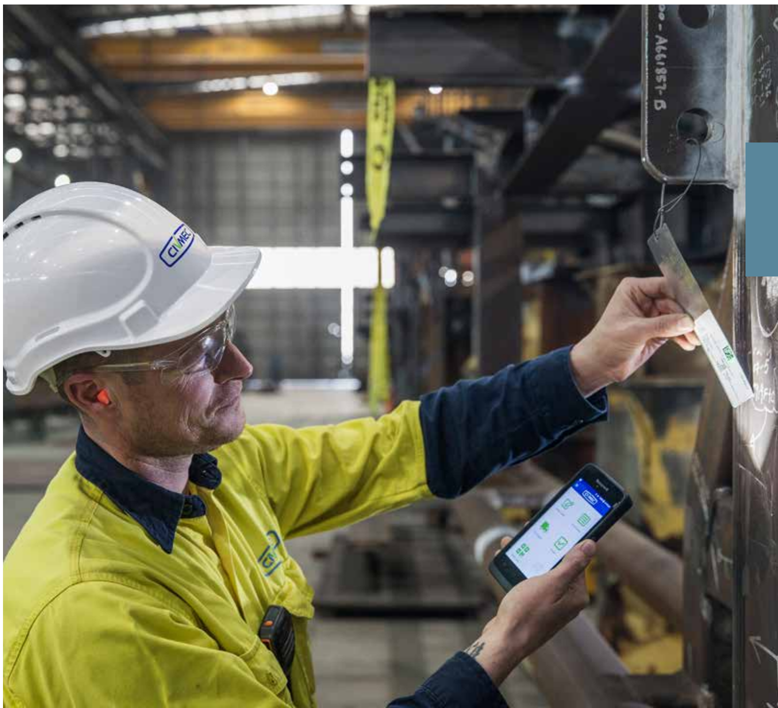
- measuring and monitoring our inputs (energy, water, materials) and outputs (waste and emissions) to better understand our environmental impacts and track performance and improvement over time;
- continually expanding and improving our environmental training materials and programs to communicate environmental requirements and raise awareness;
- improving our waste management system by reducing the amount of waste sent to landfills and increasing recycling rates; and
- investigating suitable opportunity for the utilisation of renewable energy options across our business.

QUALITY

Quality is a key component of all areas of our business, from project solutions through to providing our clients with high-quality products. Our quality management system is certified to ISO 9001:2015, the internationally recognised standard for quality management. Our facilities across Australia hold certification to ISO 3834.2:2008, 'Quality requirements for fusion welding of metallic materials (Part 2: Comprehensive quality requirements)', which demonstrates the Company's welding management system meets the most stringent requirements. We also hold CC3 certification to the requirements of AS/NZS 5131:2016 'Structural Steelwork - Fabrication and Erection'.

Along with our quality management system for governing quality assurance on a project, part of what makes Civmec different from others is our award-winning Project Controls System, Civtrac. It is a single platform capturing project delivery data from design to commissioning, providing key insights and controls to ensure delivery of a quality product on time and on budget. Continual investment has been made throughout the year into our Business Management Systems with a new Civtrac mobile application currently in development.

Fundamental to our success, Civmec's strategic orientation is supported by the Quality team, which develops and implements quality programs that identify and manage risk while driving improvement. Our Quality team ensures that our systems comply with certification standards and industry best practices, examining and revising our processes and procedures continuously throughout the life span of a project.



3.2

Our People

At Civmec, we value diversity and equal opportunity.

We understand the importance of offering a healthy workplace for employees to thrive in and are focused on promoting an environment that embraces an inclusive and diverse culture. Our employees remain the core of our business and their commitment and high performance is what drives our company's success.

LEARNING AND DEVELOPMENT

Civmec's Registered Training Organisation (RTO 54625) continued to operate as usual through FY2021, despite some training restrictions imposed due to COVID-19. The restrictions, although minimal, did require the RTO to reduce class sizes to maintain social distancing and ensure worker safety. Despite this, enrolments increased by 30 per cent from 1,259 in FY2020 to 1,777 in FY2021.

To accommodate the increase in enrolments, the RTO has developed new training initiatives to maximise operational efficiency whilst ensuring the integrity and quality of training is not compromised. These initiatives include moving some of the training modules to a Learning Management System (LMS) where e-learning can be delivered to our remote worksites via live video training sessions.

We aim to ensure that the workforce is made up of individuals with diverse skills, values, backgrounds and experience to the benefit of Civmec. This now includes a number of nationally recognised units of competence taught in Mandarin, which is the first language of a portion of our workforce, with English being their second. Providing the option to study in their first language, we believe, will optimise comprehension of new learnings as well as promote inclusion in the workplace. Civmec is one of the few training organisations in Australia providing this service to our students and employees.

We have increased our support of local high schools and colleges, providing coaching and mentoring to teachers, and guidance to Vocational Education Co-ordinators. One of the highlights of the year was the Seton College Tour. 140 year 10, 11 and 12 students were provided the opportunity to have a guided tour of the Henderson facility, led by the Learning and Development team. The students were provided with a running commentary of the facility and the current projects across the various sectors we operate. The tour route followed the journey of the steel, from laydown and fabrication through to final assembly.

Cecil Andrews College "World of Work" was another highlight for Civmec, which gave the student cohort an opportunity to interact with some of the remote-controlled plant we utilise on our projects, and link their studies in Science, Technology, Engineering and Maths (STEM) to real world equipment and applications.

With a continually growing workforce, Civmec strives to create an environment where our people are supported and provided with opportunities to develop and enhance their careers.

In this reporting period, we have increased our commitment and investment in Australian apprenticeships, traineeships and graduate engineer positions. There have been 150 apprentices, trainees and graduates across our operations during FY2021, representing a significant increase of 40 per cent across the business. Our apprentices include those in the metal trades (boilermakers and welders), bricklayers (for the refractory division), carpenters, mechanical, surface treatment and electrical trades; while our trainees provide functional support in business administration, human resources, quality control and logistics.

With our HSE Graduate Program successfully upskilling and developing many HSE professionals since it was established in 2018, four of our graduates within the program have now completed their two-year term and progressed as HSE Advisors across our business. As a result of the success, we have expanded the intake and employed six new HSE graduates that have already commenced the two-year program. Our Graduate Engineer intake in FY2020 of five graduates increased to 20 for FY2021 and provides a formal structured training plan, which includes five rotations through the various disciplines of our company. In November 2020, we also launched our first formal Engineering Undergraduate Vacation Work Program, which consisted of seven young engineers who were engaged for a ten-week paid program. The undergraduates rotated through the business in order to better understand what Civmec offers through our operating sectors and they can consider returning to the company once they complete their studies.

Australian traineeships overall have increased significantly in an effort to alleviate a perceived skills shortages in the Defence industry with the creation of traineeships in supply chain solutions and opportunities for school leavers in business administration.

This financial year, we also increased support for our hosted apprentices with a dedicated full-time mentor and coach provided by Skill Hire, our apprenticeship partners. 37 new apprentices commenced with Civmec in FY2021, taking our total of hosted apprentices to 67. Five of our talented young apprentices received finalist nominations in their categories at the 2020 Skill Hire Awards. We were also extremely pleased to receive the Skill Hire “Host Safety Award for 2020” at this event.

INCLUSION & DIVERSITY

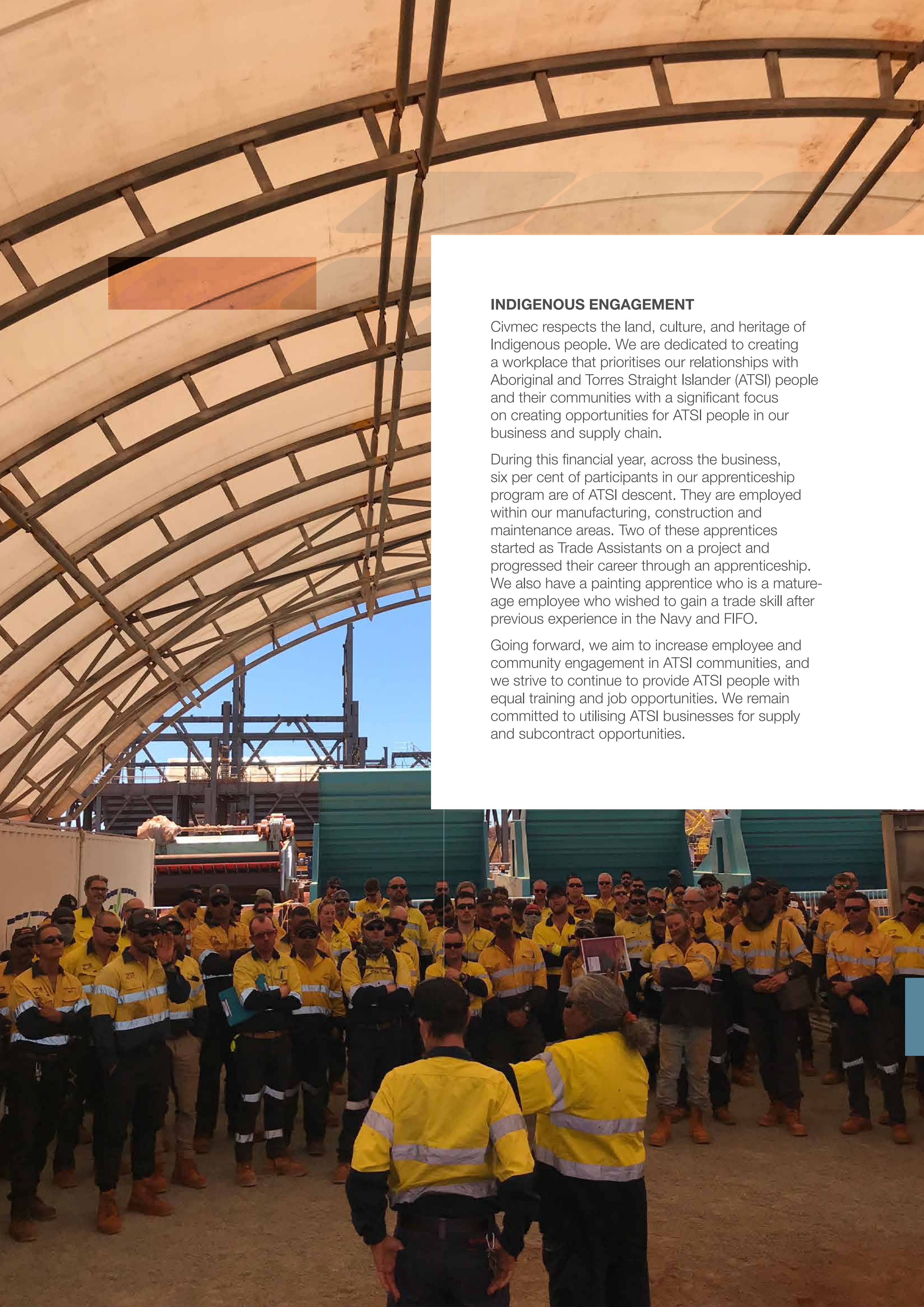
Civmec works tirelessly on building a workplace where people of varying backgrounds, sexual orientation, ages and gender identity or expression work together in an environment where everyone’s contribution is respected and acknowledged equally. We understand the importance

diversity can bring to our business and remain committed to fostering an environment which is reflective of our core company values. Diversity in our workforce is fundamental to cultivating a balanced culture and enriches our perspectives, knowledge, and capabilities across the business.

Throughout the financial year, we have seen an increased percentage of female employees in sectors such as apprenticeships, machine operators and drivers, trade support and management. Throughout operations and project delivery, our goal has been to continually promote opportunity for female engagement in traditionally male-dominated professions.

As we are focusing our efforts at the grassroots level, we currently have three female apprentices: a Second Year Welding Apprentice who is currently working on the Offshore Patrol Vessels Project, a First Year Boilermaker Apprentice who started her career at Civmec through a pre-apprenticeship during the Christmas school holidays, deciding to commence an apprenticeship at the end of that period, and a first Year Mechanical Fitter Apprentice who commenced with us as a Trade Assistant on one of our Fly In, Fly Out (FIFO) projects, where her passion for a trade was identified and her employment progressed into an apprenticeship during the Eliwana Project. These females are important to our apprentice program and provide examples of the possibilities available in traditionally male occupations.

Seven of our entry level female employees have chosen to complete a Company supported business administration traineeship. These opportunities have been provided to a variety of departments, including Administration Support, Payroll, Human Resources and Quality Control.



INDIGENOUS ENGAGEMENT

Civmec respects the land, culture, and heritage of Indigenous people. We are dedicated to creating a workplace that prioritises our relationships with Aboriginal and Torres Straight Islander (ATSI) people and their communities with a significant focus on creating opportunities for ATSI people in our business and supply chain.

During this financial year, across the business, six per cent of participants in our apprenticeship program are of ATSI descent. They are employed within our manufacturing, construction and maintenance areas. Two of these apprentices started as Trade Assistants on a project and progressed their career through an apprenticeship. We also have a painting apprentice who is a mature-age employee who wished to gain a trade skill after previous experience in the Navy and FIFO.

Going forward, we aim to increase employee and community engagement in ATSI communities, and we strive to continue to provide ATSI people with equal training and job opportunities. We remain committed to utilising ATSI businesses for supply and subcontract opportunities.

3.3

Community Engagement

Over the year, Civmec has contributed greatly to several community initiatives and, together with our employees, frequently raised funds for and volunteered time to various charitable causes. We have a long-term commitment to the communities we operate in and, as a proudly Australian business, we aim to employ local people and use local suppliers.

CEO Sleepout

This year, Civmec CEO Pat Tallon and Group Manager HR & IR Stephanie Baptist took part in the Vinnie's CEO Sleepout. With the generous support of many, we were delighted to exceed our target and raise almost $60,000 for the cause, which will go towards helping to break the cycle of poverty and homelessness in our community.

Australia's Biggest Morning Tea

In support of Cancer Council Australia, we participated in Australia's Biggest Morning tea to raise much-needed funds to go towards vital cancer research, support services, prevention programs, and advocacy.

St Patrick's Volunteering

In December, we supported St Patrick's Community Support Centre, a charity local to our Henderson facility, that provides services to struggling people and families. Many of our employees volunteered to lend a hand, packing Christmas hampers for those in our community that are homeless or vulnerable to homelessness. We were also lucky enough to be given a tour of their facility, seeing first-hand all the amazing support and services they provide to people in need.

Ruah Christmas Gift Donation

Christmas can be a difficult time for many, so our people came together and donated gifts for children and women to Ruah Community Services. Ruah provides resources to those dealing with homelessness, domestic violence and chronic mental illness.

Civmec remains committed to supporting the communities we operate in through partnerships, sponsorships and fundraising. In line with our Make A Difference value, we empower our employees to join us in assisting the communities and charity groups that we support.

Foodbank Donation Drive-Thru

In the lead up to Easter, our Henderson team generously donated food and other non-perishable supplies to the Foodbank WA Donation Drive-Thru campaign. We were able to drop off a utility vehicle load of donations, which was used by Foodbank, Australia's largest food relief organisation, to create care hampers for West Australians experiencing homelessness.

Containers for Change

During the year, we implemented a new community initiative across our Henderson facility called Containers for Change. Every eligible container collected is worth ten cents, with all money raised going directly to St Patrick's Community Support Centre. Their goal is to serve the community through providing holistic, supportive and quality care to those most in need through services, such as emergency relief, housing, meals, welfare, education, recreation and health.

Clean Up Australia Day

This year, as per many past years, Civmec employees took part in a 'Business Clean Up' in support of Clean Up Australia, cleaning up around the local area and helping to make a difference to our beautiful environment.

R U OK? Day

The mental health and wellbeing of our people is important to Civmec and has been a particular focus for us in FY2021. This year, we again supported R U OK? Day, a national day of action that reminds Australians to ask each other, "Are you OK?". By encouraging our employees to reach out and check in on one another, we hope to drive continued discussion around mental health, reducing the stigma and empowering our people to seek support when it's needed.

Indigenous Partnerships

Civmec is proud to work in partnership with Aboriginal and Torres Strait Islander (ATSI) businesses in our community, including the East West Pilbara Group Pty Ltd (EWPG) and EWP Yalagan Pty Ltd (EWP Yalagan). "We wholly endorse your organisation as one that 'walks the walk' when it comes to Indigenous engagement. This type of support not only helps our organisation prosper but creates benefits to our Indigenous employees, their families and wider communities." - Nathan Martin, Director EWP Yalagan.

Other Initiatives

Our employees and project teams around Australia took part in several fundraising events for a range of charities throughout the year. We supported education, sporting organisations, indigenous initiatives, and charity groups. Some additional initiatives we have been involved in this financial year include Pink Ribbon Day, Jeans for Genes Day and support of the Kwinana Knights Women's Football team.

3.4

Sustainability Reporting

In line with SGX requirements, a Sustainability Report outlining our performance during FY2021 and our future strategies for improvement will be released in November 2021.

Civmec understands the importance of sustainability reporting and creating a sustainable business model. The purpose of the report to be released is to enable key stakeholders to understand Civmec's sustainability approach, actions, performance and key material issues for the financial year ended 30 June 2021 (FY2021).

The report links our sustainability principles to our mission, vision and values and is being prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016 core-level reporting, which focuses on identifying and reporting on issues or concerns that are material to our business and stakeholders, in relation to environmental, social and governance (ESG) performance.

As a crucial component of our future strategy to drive sustainable growth, the report explains our management approach and performance across the key material risk areas outlined.

Our sustainability agenda is focused on:

- continuing to operate with integrity;
- actively contributing to the success and welfare of our people and the communities in which we operate;
- ensuring our operations have minimal environmental impact; and
- achieving our safety, health, people, environmental, and financial targets.

3.5

Board of Directors

MR JAMES FINBARR FITZGERALD

Executive Chairman

Mr James Finbarr Fitzgerald was appointed to the Board on 27 March 2012. He is responsible for providing leadership to the Board and guidance on the Group's corporate direction, facilitating the effective contribution of the Directors and ensuring procedures are in place to comply with the Group's guidelines on corporate governance.

Mr Fitzgerald has more than 35 years' experience in the construction and engineering industry, including a wealth of expertise in company management. His natural ability to create solutions for complex tasks has led to the successful delivery of Civmec's large scale projects. His key focus is in the training and development of people, which has been a key aspect of the Group's growth and success.

MR PATRICK JOHN TALLON

Chief Executive Officer

Mr Patrick John Tallon was appointed to the Board on 27 March 2012. He is responsible for implementing the strategic decisions and policies of the Company, with a key focus on building successful teams, identifying strong leadership talent within the business, and taking accountability for the Group's financial performance.

Over the past 30 years, Mr Tallon has developed his knowledge in the Energy, Resources, Infrastructure and Marine & Defence sectors, building an understanding of key stakeholder requirements at all levels. He is a key driver in company safety and mental health awareness campaigns and is very much an advocate of the importance of demonstrating commitment and leadership via direct engagements with the workforce. With a keen focus on the need for innovation, productivity improvement, and waste elimination, Mr Tallon takes accountability for the long-term sustainability of the Group.

MR KEVIN JAMES DEERY

Chief Operating Officer / Acting Chief Financial Officer

Mr Kevin James Deery was appointed to the Board on 27 March 2012. He is responsible for ensuring a safety focused workplace and delivering a high-quality product, while overseeing the ongoing business operations of the Group's quality-oriented culture, compliance and operational productivity.

Mr Deery has more than 20 years' experience, including significant time spent within the construction and engineering services industry throughout Australia.

With a strong and experienced finance team in place, the accounts team is overseen by Mr Deery, who is also functioning as the Company's acting Chief Financial Officer.

MR CHONG TECK SIN

Lead Independent Director

Mr Chong Teck Sin was appointed to the Board on 27 March 2012. Mr Chong is currently an Independent Director of Changan Minsheng APLL Logistics Co Ltd, InnoTek Limited and AIMS APAC REITS Management Limited, and a Director of Civmec Construction & Engineering, Singapore Pte Ltd, Accordia Golf Trust Management Pte Ltd and Ranhill Pte Ltd.

He has a Bachelor of Engineering from the University of Tokyo, and a Master of Business Administration from the National University of Singapore.

MR WONG FOOK CHOY SUNNY

Independent Director

Mr Sunny Wong Fook Choy was appointed to the Board on 27 March 2012. He is a practicing advocate and solicitor of the Supreme Court of Singapore, and is currently the Managing Director and a shareholder of Wong Tan & Molly Lim LLC. He is also an Independent Director of Excelpoint Technology Ltd, Mencast Holdings Ltd and InnoTek Limited and a Director and shareholder of WTL Management Services Pte Ltd.

Mr Wong holds a Bachelor of Law (Honours) from the National University of Singapore.

MR DOUGLAS OWEN CHESTER

Independent Director

Mr Douglas Owen Chester was appointed to the Board on 2 November 2012. He is also an Independent Director of the Australian Maritime Shipbuilding and Export Group Pty Ltd. He has served as an Independent Director of the Singapore listed Stamford Land Corporation and Kim Heng Offshore and Marine as well as an Alternate Director of the Australian Export Finance Insurance Corporation (EFIC) and the Australian Trade Commission (Austrade) Boards.

He was previously a senior Australian Government official and diplomat. He spent five years as the 'COO' of the Department of Foreign Affairs and Trade and, prior to his appointment, held the role of Australia's High Commissioner to Singapore. Mr Chester holds a Bachelor of Science (Honours) from the Australian National University. He is a member of the Australian Institute of Company Directors (AICD) and the Singapore Institute of Directors (SID).

3.6

Executive Team

MR ADAM GOLDSMITH

Executive Group Manager – Operational Support

Mr Adam Goldsmith joined the Group in 2017 and since then has made a significant contribution, including introducing robust risk management tools, software integrations and the successful negotiation of major contracts. He is a Fellow of the Royal Institute of Chartered Surveyors, with formal qualifications in both quantity surveying and construction law.

Responsible for overseeing the support services of the Group, including commercial, procurement, HR, business systems and information technology, Mr Goldsmith ensures that operational aspects run as effectively and efficiently as possible, whilst managing the Group's risk matters. He is an experienced executive in the construction, resources and manufacturing industries and brings more than 25 years' commercial, business support and risk management experience to the Group, gained both internationally and in Australia.

MR RODNEY BOWES

Executive Group Manager – Proposals

Mr Rodney Bowes joined the Group in 2010 and is responsible for managing the Group's proposals and business development divisions. With 45 years' experience in the fabrication and construction industry, he has played an instrumental role in identifying, evaluating and securing strategic opportunities for the growth and sustainability of the Group.

Mr Bowes is focused on continuing to secure a strong and profitable order book for the Group.

MR CHARLES SWEENEY

Executive General Manager – Construction

Mr Charles Sweeney has grown within the Group since inception and is responsible for managing the Group's construction division. He has more than 20 years' experience in the global construction industry, in both public and private sectors, and has been fundamental in the completion of several major national projects. His extensive experience across all the construction disciplines enables him to coordinate discipline interfaces effectively.

With a passion for effective leadership, Mr Sweeney is focused on developing the operations department and offering clients innovative, cost-efficient solutions.

Mr Sweeney takes a hands-on approach and holds the necessary qualifications and experience to act as the Company's nominee for its electrical and builder contractor licenses.

MR DAVID POWER

Executive General Manager – Manufacturing

Mr David Power was appointed to the executive team in 2019, after commencing with the Group in 2011. He brings to the executive team more than 15 years' experience in the construction and manufacturing sectors.

Mr Power is responsible for overseeing the manufacturing business unit, including both the Henderson and Newcastle manufacturing facilities, while maximising synergies between our east and west coast operations to support our construction business unit. He has been fundamental in the completion of key projects, ensuring safety and quality of the highest standards, meeting schedule and budget expectations.

With a focus on value-driven outcomes, Mr Power has been essential to providing offsite structural, mechanical & piping, electrical & instrumentation modularisation activities as part of the turnkey manufacturing solution that Company provides.

MR MYLON MANUSIU

Executive General Manager – Maintenance and Capital Works, Refineries and Smelters

Mr Mylon Manusiu has been with the Group since 2015 and is responsible for managing the Maintenance and Capital Works divisions, along with the delivery of minor projects.

With more than 20 years' experience in the Resources and Energy sectors, he applies his vast industry knowledge and experience towards maintaining existing client assets and delivering minor capital projects. These include mineral refineries and smelters, along with specialised refractory installation works.

Mr Manusiu has managed the growth of the maintenance division since its inception, including expanding to the east coast and performing works in Queensland, New South Wales, South Australia, the Northern Territory and overseas in Papua New Guinea. This has eventuated in securing long-term maintenance contracts as a multi-disciplined service provider across the various industry sectors.

Financial Report

4

Civmec Limited and its Subsidiaries Directors' Statement

(INCORPORATED IN SINGAPORE)

The Directors present their report to the members together with the audited consolidated financial statements of Civmec Limited (the 'Company') and its subsidiaries (collectively referred to as the 'Group') for the financial year ended 30 June 2021 and the statement of financial position of the Company as at 30 June 2021.

In the opinion of the Directors:

(a) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. Directors

The Directors of the Company in office at the date of this report are as follows:

Mr James Finbarr Fitzgerald	*Executive Chairman*
Mr Patrick John Tallon	*Chief Executive Officer*
Mr Kevin James Deery	*Chief Operating Officer / Acting Chief Financial Officer*
Mr Chong Teck Sin	*Lead Independent Director*
Mr Wong Fook Choy Sunny	*Independent Director*
Mr Douglas Owen Chester	*Independent Director*

2. Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as disclosed under 'Share Options' and 'Performance Share Plan' and 'Performance Rights Plan' in this report.

3. Directors' Interests in Shares and Debentures

The interests of the Directors holding office at the end of the financial year in the share capital of the Company and related corporations as recorded in the register of Directors' shareholdings were as follows:

	Holdings registered in the name of Directors		Holdings in which a Director is deemed to have an interest	
	At 1.7.20	At 30.6.21	At 1.7.20	At 30.6.21
The Company	No. of Ordinary shares			
Mr James Finbarr Fitzgerald	-	-	97,720,806	97,720,806
Mr Patrick John Tallon	54,000	54,000	97,566,806	97,566,806
Mr Kevin James Deery	-	-	13,295,250	13,295,250
Mr Douglas Chester	-	-	70,000	70,000

There was no change in any of the above-mentioned interests between the end of the financial year and 21 July 2021.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment, if later or at the end of the financial year.

Civmec Limited and its Subsidiaries Directors' Statement

(INCORPORATED IN SINGAPORE)

4. Share Options

Civmec Limited Employee Share Option Scheme

The Civmec Limited Employee Share Option Scheme (the 'CESOS') for key management personnel and employees of the Group formed part of the Civmec Limited prospectus dated 5 April 2012.

The Remuneration Committee (the 'RC') administering the Scheme comprises Directors Mr Wong Fook Choy Sunny (Chairman of the Committee), Mr Chong Teck Sin and Mr Douglas Owen Chester.

As part of Civmec's dual listing on the Australian Securities Exchange ('ASX'), no further grants will be made under the CESOS.

Options Granted under the Scheme

As at 30 June 2021, the following options to subscribe for ordinary shares of the Company pursuant to the CESOS were granted.

Date of grant	Exercise period	Expiry date	Number of options
11 September 2013	12 September 2014 to 10 September 2023	11 September 2023	4,000,000

The options granted by the Company do not entitle the holder of the options, by virtue of such holding, to any right to participate in any share issue of any other company.

Options Exercised

During the financial year, there were no shares of the Company or its subsidiaries issued by virtue of the exercise of options to take up unissued shares.

Options Outstanding

Details of all the options to subscribe for ordinary shares of the Company pursuant to the CESOS, outstanding as at 30 June 2021 are as follows:-

Expiry date	Exercise price	Number of options
11 September 2023	S$0.65	4,000,000

5. Performance Share Plan

Civmec Limited Performance Share Plan

The Civmec Limited Performance Share Plan (the 'CPSP') for key management personnel and employees of the Group was approved and adopted by shareholders at the Annual General Meeting held on 25 October 2012.

The Remuneration Committee (the 'RC') administering the Scheme comprises Directors, Mr Wong Fook Choy Sunny (Chairman of the Committee), Mr Chong Teck Sin and Mr Douglas Owen Chester.

The CPSP forms an integral and important component of the employee compensation plan, which is designed to primarily reward and retain key management and employees of the Company whose services are integral to the success and the continued growth of the Company.

Civmec Limited and its Subsidiaries Directors' Statement

(INCORPORATED IN SINGAPORE)

5. Performance Share Plan (continued)

Civmec Limited Performance Share Plan (continued)

Principal terms of the Scheme

(i) Participants

Under the rules of the Scheme, employees including Executive Directors and Associated Company Employees, who are not Controlling Shareholders or their associates, are eligible to participate in the Scheme.

Persons who are Controlling Shareholders and their Associates shall be eligible to participate in the Civmec Performance Share Plan if:

(a) their participation in the Civmec Performance Share Plan; and

(b) the actual number and terms of the Awards to be granted to them have been approved by independent Shareholders of the Company in separate resolutions for each such person.

(ii) Size of the Scheme

The aggregate number of new Shares in respect of which Awards may be granted on any date under the CPSP, when added to (i) the aggregate number of Shares issued and issuable in respect of options granted under the Civmec Employee Share Option Scheme, and (ii) any other share schemes to be implemented by the Company, shall not exceed 15% of the number of issued Shares on the day immediately preceding the relevant Date of the Award (or such other limit as the SGX-ST may determine from time to time).

(iii) Grant of Awards

Under the rules of the Plan, there are no fixed periods for the grant of Awards. As such, offers for the grant of Awards may be made at any time, from time to time at the discretion of the Committee.

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

(iv) Lapse of Awards

Special provisions in the rules of the Plan deal with the lapse of Awards in circumstances which include the termination of the participant's employment in the Company, the bankruptcy of the participant, a take-over of the Company and the winding-up of the Company.

(v) Release of Awards

After the end of each performance period, the Remuneration Committee (the 'RC') will review the performance targets specified in respect of the Award and if they have been satisfied, will release Awards to Participants.

(vi) Duration of the Plan

The Plan shall continue in operation for a maximum duration of ten years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Awards Granted under the Scheme

The details of the awards granted under the Scheme during the financial year are as follows:

Year of Award	No. of holders	No. of shares
Nil	-	-

Civmec Limited and its Subsidiaries Directors' Statement

(INCORPORATED IN SINGAPORE)

6. Performance Rights Plan (continued)

Civmec Limited Performance Rights Plan

The Civmec Limited Performance Rights Plan (the 'CPRP') for key senior executives of the Group was approved and adopted by shareholders at the Annual General Meeting held on 25 October 2019.

The Remuneration Committee (the 'RC') administering the Scheme comprises Directors, Mr Wong Fook Choy Sunny (Chairman of the Committee), Mr Chong Teck Sin and Mr Douglas Owen Chester.

Performance rights is a right to one issued ordinary shares of the Company granted under the CPRP. The CPRP is designed to reinforce the vital equity culture at the top management level and to further align the interests of the Company's top management with those of Shareholders.

Principal terms of the Scheme

(i) Participants

Under the rules of the Scheme, Key Senior Executives who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time, shall be eligible to participate in the Plan at the absolute discretion of the Committee. It also serves as an incentive for the recruitment and retention of talented senior executives.

Persons who are Controlling Shareholders and their Associates shall be eligible to participate in the CPRP if:

(a) their participation in the Civmec Performance Rights Plan; and

(b) the actual number and terms of the Performance Rights to be granted to them have been approved by independent Shareholders of the Company in separate resolutions for each such person.

(ii) Size of the Scheme

The aggregate number of Ordinary Shares which may be delivered pursuant to CPRP grated under the Plan on any date, when added to (i) the total number of Shares issued or issuable in respect of Performance Rights granted under the Plan, and (ii) any other share schemes adopted by the Company, shall not exceed 15% of the total number of issued Shares on the day immediately preceding the relevant Date of the Award (or such other limit as the SGX-ST may determine from time to time).

(iii) Grant of Awards

The grant of awards may be made on an annual basis following the Company's annual general meeting, or at any time, from time to time at the discretion of the Committee.

When considering the value of the award to be provided, the Committee primarily considers the number of Award shares and the performance condition within the performance period.

(iv) Lapse of Awards

Special provisions in the rules of the Plan deal with the lapse of Awards in circumstances which include the termination of the participant's employment in the Company, the bankruptcy of the participant, the retirement of the participant, a misconduct of the participant, a take-over of the Company and the winding-up of the Company.

(v) Vesting of Performance Rights

A Performance Right refers to a right to one issued ordinary share of the Company granted under the scheme for no consideration. The Performance Rights are subject to the following vesting criteria:

1. satisfaction of gateway hurdles; and
2. achievement of Company performance measures.

Civmec Limited and its Subsidiaries Directors' Statement

(INCORPORATED IN SINGAPORE)

6. Performance Rights Plan (continued)

Civmec Limited Performance Rights Plan (continued)

Principal terms of the Scheme (continued)

Gateway Hurdles

The following two gateway hurdles need to be satisfied for any vesting, regardless of achievement of Company performance measures.

- personal performance reviews have been received over the performance period at a satisfactory level (as determined by the Committee); and
- the participant remains employed with Civmec.

Company Performance Measures

To the extent the gateway hurdles are satisfied, 100% of the vesting will be based on the absolute earnings per share (aEPS) outcome. aEPS is based on the achievement of certain predetermined performance targets determined by the Committee. The vesting schedule is as follows:

Long term incentive (LTI) proportion vesting	aEPS (100%)
50%	Target = 90% of three-year average annual result
Pro-rata between 50% and 100%	Outcome achieved between target and stretch
100%	Stretch >110% of three-year average annual result

The Committee has the discretion to determine whether the performance targets have been met.

(vi) Release of Awards

After the end of each performance period, the Remuneration Committee (the 'RC') will review the performance targets specified in respect of the Award and if they have been satisfied, will release Awards to Participants.

(vii) Duration of the Plan

The Plan shall continue in operation for a maximum duration of ten years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Awards Granted under the Scheme

The details of the awards granted under the Scheme are as follows:

Year of Award	No. of rights
FY 2019/20	7,359,993
FY 2020/21	8,578,000

Civmec Limited and its Subsidiaries Directors' Statement

(INCORPORATED IN SINGAPORE)

6. Performance Rights Plan (continued)

Civmec Limited Performance Rights Plan (continued)

Awards Granted under the Scheme (continued)

FY2020 Performance rights grant

Rights will vest in two tranches as follows:

- Tranche 1 (50%): 2 year performance period (1 July 2019 to 30 June 2020)
- Tranche 2 (50%): 3 year performance period (1 July 2019 to 30 June 2021)

FY2021 Performance rights grant

Rights will vest in two tranches as follows:

- Tranche 1 (50%): 2 year performance period (1 July 2020 to 30 June 2022)
- Tranche 2 (50%): 3 year performance period (1 July 2020 to 30 June 2023)

The number of performance rights in the Company held during the financial year by each Director and KMP of the consolidated entity, is set out below:

	Balance at appointment date or 1.07.2020	Granted	Vested	Expired / Other	Balance 30.06.2021
Directors:					
James Fitzgerald	750,000	1,428,000	-	(375,000)	1,803,000
Patrick Tallon	750,000	1,428,000	-	(375,000)	1,803,000
Kevin Deery	750,000	1,190,000	-	(375,000)	1,565,000
Key management personnel:					
Rodney Bowes	624,000	596,000		(312,000)	908,000
Charles Sweeney	624,000	596,000		(312,000)	908,000
Adam Goldsmith	546,000	596,000	(100,000)	(134,000)	908,000
David Power	268,000	596,000		(134,000)	730,000
Mylon Manusiu	268,000	596,000		(134,000)	730,000

Civmec Limited and its Subsidiaries Directors' Statement

(INCORPORATED IN SINGAPORE)

7. Audit Committee

The members of the Audit Committee ('AC') at the end of the financial year are as follows:

Mr Chong Teck Sin	Chairman
Mr Wong Fook Choy Sunny	Member
Mr Douglas Owen Chester	Member

All members of the Audit Committee are Non-Executive Directors. The Audit Committee performs the functions specified by the Listing Manual of the Singapore Exchange Securities Trading Limited ('SGX-ST'), the Listing Rules of the Australian Securities Exchange ('ASX'), the Code of Corporate Governance and Section 201B(5) of the Singapore Companies Act, Chapter 50.

The nature and extent of the functions performed by the Audit Committee are detailed in the Corporate Governance Report set out in the Annual Report of the Company.

8. Independent Auditor

The independent auditor, Moore Stephens LLP, has expressed its willingness to accept reappointment as auditor.

On behalf of the Board of Directors,

James Finbarr Fitzgerald
Executive Chairman

Patrick John Tallon
Executive Director

26 August 2021

Report on Corporate Governance

30 JUNE 2021

Introduction

The Board of Directors (the 'Board') and the senior management of Civmec Limited ('Civmec' or the 'Company') together with its subsidiaries (the 'Group'), recognise the importance of good corporate governance in ensuring greater transparency and protecting the interests of shareholders, as well as strengthening investors' confidence in its management and financial reporting and are, accordingly, committed to maintaining a high standard of corporate governance throughout the Group.

This corporate governance report ('Report') describes the Company's corporate governance framework and practices that were in place during the financial year ended 30 June 2021 ('FY2021') with specific reference to the Principles and Provisions of the Singapore Code of Corporate Governance 2018 (the 'Code') and the 3rd edition of the Australian Securities Exchange ('ASX') Corporate Governance Principles and Recommendations ('ASX Principles and Recommendations'), which is also available on the Company's corporate website.

In line with the commitment of the Company to maintaining high standards of corporate governance, the Company continually reviews its corporate governance processes to strive to comply with the Code. To the extent the Company's practices may vary from the provisions of the Code for FY2021, the Company has explained how its practices are consistent with the intent of the relevant principles of the Code.

The Board is pleased to report compliance of the Company with the Code, the Listing Manual of the Singapore Exchange Securities Limited (the 'SGX-ST'), and the Listing Rules of the ASX, where applicable, except where otherwise stated.

Board Matters

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board's primary role is to protect and enhance shareholders' value and ensure that the Company is run according to the best international management and corporate governance practices, appropriate to the needs and development of the Group. The Board works closely with the senior management for the Company's long-term success and continuously maintains the highest standards of behaviour and ethical conduct within the Group. The Board has adopted a formal code of conduct, and it requires all the Directors, senior management and employees to abide by the Company's Standard Code of Conduct, which is available on its corporate website.

Apart from its statutory duties and responsibilities, the Board's functions include:

- overseeing the management and affairs of the Group and approving the Group's corporate strategy and directions;
- implementing policies in relation to financial matters, which include risk management and internal control and compliance;
- reviewing the financial performance of the Group, approves investment proposals and sets values and standards, including ethical standards for the Company and the Group;
- ensuring that the Group has in place an appropriate risk management framework and setting the risk appetite within which the Board expects senior management to operate;
- approving the appointment, and when necessary replacement, of the senior management personnel; and
- developing and reviewing corporate governance principles and policies.

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

The Board's Conduct of Affairs (continued)

Principle 1 (continued)

Provision 1.1 (continued)

All Directors are aware of their fiduciary duties and exercise due diligence and independent judgement in ensuring that their decisions are objective and in the best interests of the Company. Directors who face conflicts of interest disclose their interests and voluntarily recuse themselves from discussions and decisions involving the issues of conflict.

Provision 1.2 Directors understand the company's business as well as their directorship duties (including their roles as Executive, Non-Executive and Independent Directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing Directors are disclosed in the company's annual report.

The Company encourages the Directors to learn and develop as Directors. The Directors may attend training, conferences and seminars which may have a bearing on their duties and contribution to the Board, organised by professional bodies, regulatory institutions and corporations at the Company's expense, to keep themselves updated on the latest developments concerning the Group and to keep abreast of the latest regulatory changes.

Each quarter, the Board was briefed and/or updated on recent changes to the accounting standards and industry developments and business initiatives.

All the Board members are actively engaged and play an important role in ensuring good corporate governance within the Company. Visits to the Company's business premises are arranged to acquaint the Non-Executive Directors with the Company's operations and ensure that all the Directors are familiar with the Company's business, policies and governance practices.

Prior to their respective appointments to the Board, each of the Directors was given an orientation and induction programme to familiarise them with the Company's business activities, strategic directions, policies and key new projects and have undertaken all appropriate checks (including the person's character, experience, education, criminal record and bankruptcy history). In addition, newly appointed senior management personnel are subject to the same orientation, induction programme and appropriate checks in accordance with our internal onboarding policies and procedures before the personnel are introduced to the senior management team. Upon appointment of each Director and senior management personnel, the Company provides a services agreement to the Director and senior management personnel setting out their duties and obligations.

Provision 1.3 The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the Company's annual report.

The Board has delegated the day-to-day management of the Group to the senior management, headed by the Executive Chairman, Mr James Finbarr Fitzgerald, the Chief Executive Officer, Mr Patrick John Tallon and the Chief Operating Officer, Mr Kevin James Deery. Matters that are specifically reserved for the approval of the Board include, among others:

- reviewing the adequacy and integrity of the Group's internal controls, risk management systems, compliance and financial reporting systems;
- approving the annual budgets and business plans;
- approving major investment or expenditure;
- approving material acquisitions and disposal of assets;
- approving the Company's periodic and full-year results announcements for release to the SGX-ST and ASX;
- approving the annual report and audited financial statements;
- monitoring senior management's performance;
- recommending share issuance, dividend payments and other returns to shareholders;
- ensuring accurate, adequate and timely reporting to, and communication with shareholders; and
- assuming responsibility for corporate governance.

The Company has adopted a policy on signing limits, setting out the level of authorisation required for specific transactions, including those that require Board approval.

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

The Board's Conduct of Affairs (continued)

Principle 1 (continued)

Provision 1.4 Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

To assist in the execution of its responsibilities, the Board has established several Board Committees namely; Audit Committee ('AC'), Nominating Committee ('NC'), Remuneration Committee ('RC') and Risks and Conflicts Committee ('RCC'). These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of these committees is also regularly monitored and reviewed by the Board. The roles and responsibilities of these committees are described in the following sections of this report.

Provision 1.5 Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual Director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The Board meets on a regular basis and when necessary, to address any specific significant matters that may arise. Board meetings are scheduled in advance. The Constitution of the Company provides for Directors to conduct meetings by teleconferencing or videoconferencing or other similar means of communication whereby all persons participating in the meeting are able to hear each other. The Board and Board Committees may also make decisions by way of circulating resolutions.

The number of Board and Board Committee meetings held and attended by each Board member during the financial year ended 30 June 2021 ('FY2021') is set out below:

	Board	Board Committees			
		Audit Committee	Remuneration Committee	Nominating Committee	Risks and Conflicts Committee
No. of Meetings Held	4	4	2	2	4
No. of Meetings Attended					
James Finbarr Fitzgerald	4	4*	2*	2*	4*
Patrick John Tallon	4	4*	2*	2*	4*
Kevin James Deery	4	4*	2*	2*	4*
Chong Teck Sin	4	4	2	2	4
Wong Fook Choy Sunny	4	4	2	2	4
Douglas Owen Chester	4	4	2	2	4

** By Invitation*

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

The Board's Conduct of Affairs (continued)

Principle 1 (continued)

Provision 1.6 Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

The Board is informed of all material events and transactions as and when they occur. The senior management consults Board members as necessary and appropriate. Detailed Board papers, agenda and related material, background or explanatory information relating to matters to be discussed are sent out to the Directors, usually at least a week prior to each meeting, so that all Directors may better understand the issues beforehand, allowing more time at meetings for discussion and deliberations.

Directors are provided with a copy of documents containing a wide range of relevant information, including, quarterly and annual financial results, progress reports of the Group's operations, corporate developments, business developments, management information, sector performance, budgets, forecast, capital expenditure and personnel statistics, reports from both external and internal auditors, significant project updates, business strategies, risk analysis and assessments and relevant regulatory updates.

The senior management's proposals to the Board for approval include background and explanatory information such as, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. Employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board Committee meetings. In order to keep Directors abreast of the Group's operations, the Directors are also updated on initiatives and developments on the Group's business as soon as practicable and/or possible and on an ongoing basis.

The Company Secretaries administer and are available to attend Board meetings and assist the Chairman in implementing appropriate Board procedures to facilitate compliance with the Company's Constitution. The Company Secretaries also ensure that the requirements of the Companies Act (Chapter 50), SGX-ST Listing Manual, ASX Listing Rules and other governance matters applicable to the Company are complied with. The Company Secretaries work together with the Company to ensure that the Company complies with all relevant rules and regulations.

All Directors are updated regularly on changes to the Company's policies and are kept updated on relevant new laws and regulations including Directors' duties and responsibilities, corporate governance and financial reporting standards. Newly appointed Directors are given briefings by the Management on the business activities of the Group.

Provision 1.7 Directors have separate and independent access to Management, the Company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Board has separate and independent access to the senior management of the Company and the Company Secretaries at all times. Requests for information are dealt with promptly by the senior management.

The Company Secretaries are appointed by the Board and are accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The removal of the Company Secretaries are subject to the approval of the Board. The Company Secretaries work closely with the Chairman to manage the flow of information between the Board, its committees and senior management across the Company.

The Board in fulfilling its responsibilities can, as a collective body or individually as Board members, when deemed fit, direct the Company and at the Company's expense, appoint independent professionals to render advice.

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1 An 'independent' director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

The independence of each Director is reviewed annually by the Nominating Committee ('NC') in accordance with the Code's definition of independence. Each Independent Director is required to declare their independence by duly completing and submitting a 'Confirmation of Independence' form. The declaration requires each Director to assess whether they consider themselves independent and not having any of the relationships identified in the Code. Each Director is required to declare any circumstances in which they may be considered non-independent. The NC reviews the Confirmation of Independence to determine whether a Director is independent. The NC also considers the actions and conduct of the Independent Directors, including in formal Board meetings, to assess their independence. The NC has carefully reviewed and subsequently determined that the Independent Directors, namely Mr Chong Teck Sin, Mr Wong Fook Choy Sunny and Mr Douglas Owen Chester, are independent.

Provision 2.2 Independent directors make up a majority of the Board where the Chairman is not independent

As at the date of this Report, the Board comprises six (6) Directors, three (3) of whom are Executive Directors and the remaining three (3) Directors being Independent Directors who make up half of the Board. No individual, or group of individuals, dominates the Board's decision-making as half of the Board consist of Independent Directors.

The Company does not have Independent Directors make up a majority of the Board where the current Chairman is not independent. Board diversity of thought and professional background of Directors brings a range of longer term benefits to the Company more than a majority number of Independent Directors.

Collectively, the Executive Directors and Independent Directors bring a wide range of experience and expertise as they all currently occupy or have occupied senior positions in industry and/or government, and as such, each contributes significantly to Board decisions.

In order to strengthen the independence of the Board, the Company has appointed a Lead Independent Director, Mr Chong Teck Sin, to coordinate and lead the Independent Directors, providing a non-executive perspective and balanced viewpoint.

The Lead Independent Director will represent the Independent Directors in responding to shareholders' questions and comments that are directed to the Independent Directors as a group.

Provision 2.3 Non-executive directors make up a majority of the Board

As at the date of this Report, the Board comprises six (6) Directors, three (3) of whom are Executive Directors and the remaining three (3) Directors being Independent Directors who make up half of the Board.

While Non-Executive Directors do not make up a majority of the Board, the Board considers the management and oversight function with Executive Directors heavily involved in management activities while Non-Executive Directors exercise oversight role brings a range of longer term benefits to the Company more than a majority number of Non-Executive Directors. Diversity of thought and professional background of Directors allow decisions to be made in the best interest of the Company.

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

Board Composition and Guidance (continued)

Principle 2 (continued)

Provision 2.3 (continued)

The Non-Executive Directors provide constructive review and assist the Board to facilitate and develop proposals on strategy and monitor the performance of the senior management in meeting agreed objectives. The Non-Executive Directors have full access to and cooperation from the Company's senior management and officers. They have full discretion to have separate meetings without the presence of senior management and to invite any Directors or officers to the meetings as and when warranted.

Provision 2.4 The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the Company's annual report.

The Board, in concurrence with the Nominating Committee ('NC'), is of the view that the current Board and the Board Committees comprise an appropriate balance and diversity of skills, experience and knowledge of the Company, which provides broad diversity of expertise such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge who, as a group, provide core competencies necessary to meet the Company's requirements. Further details on the key information and the profile of the Directors including their academic and professional qualifications, and other directorships in other listed companies is set out on related pages of this annual report.

The current Board composition provides a diversity of skill, experience, and knowledge to the Company as follows:

	Balance and Diversity of the Board	
Core Competencies	**Number of Directors**	**Proportion of Board**
Business Management	6	100%
Accounting or finance	6	100%
Legal or corporate governance	6	100%
Strategic planning experience	6	100%
Relevant industry knowledge or experience	4	67%
Gender	**Number of Directors**	**Proportion of Board**
Male	6	100%
Female	0	0

The Company values diversity and equal opportunity and has various policies in place (which includes the diversity policy, equal opportunity policy, and aboriginal peoples policy, that are available on its corporate website) to ensure that its Board, senior management and workforce is comprised of individuals with diverse skills, values, backgrounds and experience to the benefit of the Group. Diversity refers to characteristics such as age, gender, sexual orientation, race, religion, disability and ethnicity. All appointments and employment of employees including Directors are based strictly on merit and equal opportunity and not driven by any gender bias. Nevertheless, the Company endeavours to include further additional attributes when there is a need to bring in fresh perspectives and enhancements.
The composition and renewal of the Board, including the need for progressive refreshing of the Board, is reviewed on an annual basis by the NC to ensure that the Board has the appropriate balance and mix of skills, knowledge, expertise, experience and other aspects of diversity such as gender and age, so as to avoid group think and foster constructive debate and possesses the necessary competencies for effective decision making. The Company's annual Sustainability Report clearly articulates the Company's strategy, targets, performance and future focus in relation to diversity.

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

Board Composition and Guidance (continued)

Principle 2 (continued)

Provision 2.5 Non-executive directors and/or independent Directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

In order to strengthen the independence of the Board, the Company has appointed a Lead Independent Director, Mr Chong Teck Sin, to co-ordinate and lead the Independent Directors, providing a non-executive perspective and balanced viewpoint.

The Independent Directors communicate regularly without the presence of the other Executive Directors and senior management, to discuss matters such as succession and leadership development planning, Board processes and corporate governance matters. Feedback on the outcomes of these discussions is provided to the Executive Chairman.

To facilitate an effective review of the senior management, the Non-Executive Directors meet as and when necessary and at least once a year with Auditors without the presence of the senior management.

The Board and senior management fully appreciate that a fundamental of good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge senior management on its assumptions and proposals.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 The Chairman and the Chief Executive Officer ('CEO') are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

Mr James Finbarr Fitzgerald is the Executive Chairman of the Company, while Mr Patrick John Tallon is an Executive Director and Chief Executive Officer ('CEO').

The Executive Chairman and the Chief Executive Officer are not related.

Provision 3.2 The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

Whilst the Board does not have an independent Chairman, the roles of the Executive Chairman and that of the CEO are clearly delineated. The Board believes that while the Chairman is not independent, the current composition of the Board with its combined skills and capability, and its mix of experience, best serve the interests of shareholders.

The two roles are separated whereby the Executive Chairman bears responsibility for providing guidance on the corporate direction of the Group and leadership to the Board, and the CEO has executive responsibility for the Company's day-to-day business.

Provision 3.3 The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Company has appointed a Lead Independent Director, Mr Chong Teck Sin. As well as representing the views of the Independent Directors, he is also available to shareholders and to facilitate a two-way flow of information between shareholders, the Executive Chairman and the Board. In addition, all the Board Committees are led and solely comprise of Independent Directors.

Report on Corporate Governance

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Board Matters (continued)

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 The Board establishes a Nominating Committee ('NC') to make recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of directors (including alternate directors, if any).

The Company had established an NC to make recommendations to the Board on all board appointments.

The formal terms of reference of the NC are to:

- nominate senior management personnel, Directors (including Independent Directors) taking into consideration their competencies, contribution, performance and ability to commit sufficient time and attention to the affairs of the Group and considering their respective commitments outside the Group;
- review and recommend to the Board the composition of the Audit Committee, Remuneration Committee and Risks and Conflicts Committee;
- re-nominate Directors for re-election in accordance with the Constitution at each AGM and having regard to the Director's contribution and performance;
- determine annually whether or not a Director of the Company is independent;
- decide whether or not a Director is able to and has been adequately carrying out their duties as a Director;
- assess the performance of the Board annually as a whole and the individual contribution of each Director and senior management personnel to the effectiveness of the Board;
- review and recommend succession plans for Directors and senior management, in particular the Executive Chairman and the CEO; and
- review and recommend training and professional development programmes for the Board and senior management personnel.

The Company does not have a practice of appointing alternate Directors.

During the reporting period of the year, the NC has:

- reviewed the structure, size and composition of the Board and Board Committees;
- reviewed the independence of Directors;
- reviewed and undertaken the process for evaluating the Board, individual Directors, and senior management personnel performance;
- reviewed results of performance evaluation and provided feedback to the Chairman and Board Committees;
- reviewed the need for progressive refreshing of the Board and provided feedback to the Chairman and Board Committees;
- reviewed succession planning for the Chairman, CEO and senior management personnel and notified the Board; and
- discussed information required to be reported under the 2018 Code or Listing Manual.

Report on Corporate Governance

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Board Matters (continued)

Board Membership (continued)

Principle 4 (continued)

Provision 4.2 The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

The NC comprises of three members, all of whom including the NC Chairman are Independent Non-Executive Directors:

Mr Douglas Owen Chester	**NC Chairman**
Mr Chong Teck Sin	**Member and Lead Independent Director**
Mr Wong Fook Choy Sunny	**Member**

Provision 4.3 The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

The process for the selection and appointment (or re-appointment) of Board members is as follows:

- the NC evaluates the balance of skills, knowledge and experience of the Board and, in light of such evaluation and in consultation with the Board, prepares a description of the role and the essential and desirable competencies for a particular appointment (or re-appointment);
- if required, the NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board;
- the NC meets with short-listed candidates to assess their suitability and ensure that the candidates are aware of the expectations; and
- the NC makes recommendations to the Board for approval.

Pursuant to Article 118 of the Company's Constitution, all the Directors are required to retire from office at every AGM of the Company.

After due review, the Board has accepted the recommendation of the NC and, accordingly, the below named Directors will be offering themselves for re-election at the forthcoming AGM:

1. James Finbarr Fitzgerald
2. Patrick John Tallon
3. Kevin James Deery
4. Chong Teck Sin
5. Wong Fook Choy Sunny
6. Douglas Owen Chester

Provision 4.4 The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

The independence of each Director is reviewed annually by the Nominating Committee ('NC') in accordance with the Code's definition of independence. Each Independent Director is required to declare their independence by duly completing and submitting a 'Confirmation of Independence' form. The declaration requires each Director to assess whether they consider themselves independent and not having any of the relationships identified in the Code. Each Director is required to declare any circumstances in which they may be considered non-independent. The NC reviews the Confirmation of Independence to determine whether a Director is independent. The NC also considers the actions and conduct of the Independent Directors, including in formal Board meetings, to assess their independence. The NC has carefully reviewed and subsequently determined that the Independent Directors namely Mr Chong Teck Sin, Mr Wong Fook Choy Sunny and Mr Douglas Owen Chester, are independent.

Report on Corporate Governance

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Board Matters (continued)

Board Membership (continued)

Principle 4 (continued)

Provision 4.5 The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

The dates of Director's initial appointment, last re-election and their directorships are set out below:

Name of Director	Date of Initial Appointment	Date of Last Re-election	Present Directorships in Listed Companies	Past Directorships in Listed Companies[2]
James Finbarr Fitzgerald	27 March 2012	30 October 2020	-	-
Patrick John Tallon	27 March 2012	30 October 2020	-	-
Kevin James Deery	27 March 2012	30 October 2020	-	-
Chong Teck Sin	27 March 2012	30 October 2020	Changan Minsheng APLL Logistics Co., Ltd[1] InnoTeck Limited AIMS APAC REITS Management Limited	-
Wong Fook Choy Sunny	27 March 2012	30 October 2020	Mencast Holdings Ltd Excelpoint Technology Ltd InnoTeck Limited	KTL Global Ltd
Douglas Owen Chester	2 November 2012	30 October 2020	-	-

Notes:
(1) Listed on Hong Kong Stock Exchange
(2) Past directorships within the past 3 years

The NC has considered and taken the view that it would not be appropriate at this time to set a limit on the number of listed Company directorships that a Director may hold. Directors have different capabilities, the nature of the organisations in which they hold appointments and the committees on which they serve are of different complexities, and accordingly, each Director would personally determine the demands of their competing directorships and obligations and assess the number of listed Company directorships they could hold and serve effectively. Currently, none of the Directors hold more than four (4) directorships in other listed companies.

In addition, the NC also determines annually whether a Director with multiple Board representations is able to and has been adequately carrying out their duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board. The NC is satisfied that for FY2021 sufficient time and attention have been devoted by the Directors to the affairs of the Company and the Group. As such, there is presently no need to implement internal guidelines to address their competing time commitments notwithstanding that some of the Directors have multiple Board representations.

The NC will, however, continue to review, from time to time, the Board representations and other principal commitments to ensure that Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

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Board Matters (continued)

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1 The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

For the year under review, the NC held two (2) meetings and evaluated the Board's performance as a whole and the contribution of each Director to the effectiveness of the Board. The NC has adopted a formal process and criteria to assess the effectiveness of the Board and each of the Directors. The evaluation is carried out annually.

Provision 5.2 The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors

The NC undertakes an annual formal review and evaluation of both the Board's performance as a whole, as well as individual Director's performance, such as Board commitment, standard of conduct, competency, training & development and interaction with other Directors, senior management and stakeholders.

All Directors complete an evaluation questionnaire designed to seek their view on the various aspects of their individual and Board performance so as to assess the overall effectiveness of the Board.

The completed questionnaire is collated, and the results of the evaluation exercise are subsequently considered by the NC, before making recommendations to the Board. The Chairman of the Board may take actions as may be appropriate according to the results of the performance evaluation, which will be based on objective performance criteria proposed by the NC and approved by the Board.

The performance of individual Directors is assessed based on factors which include their attendance, participation at the Board and Board committee meetings and contributions to the Board in long range planning and the business strategies as well as their industry and business knowledge.

Each member of the NC abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of their performance and re-nomination as a Director.

The NC conducted a performance evaluation of the Board and Board Committees for FY2021 consistent with this process and determined that all Directors have demonstrated full commitment to their roles and contributed effectively in the discharge their duties. Both the NC and the Board are of the view that the Board has met its performance objectives for FY2021.

Remuneration Matters

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 The Board establishes a Remuneration Committee ('RC') to review and make recommendations to the Board on:

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each director as well as for the key management personnel.

The Company has established a Remuneration Committee (RC) to make recommendations to the Board on remuneration packages of individual Directors and key senior management personnel.

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Board Matters (continued)

Remuneration Matters (continued)

Principle 6 (continued)

Provision 6.1 (continued)

The formal terms of reference of the RC, are to:

- recommend to the Board a framework of remuneration for the Directors and key senior management personnel;
- determine specific remuneration packages for each Executive Director;
- review annually the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities; and
- perform such other acts as may be required by the SGX-ST and the Code, or ASX, from time to time.

The recommendations of the RC are submitted for endorsement by the entire Board. Each member of the RC abstains from voting on any resolutions in respect of their own remuneration package. Also, in the event that a member of the RC is related to the employee under review, they will abstain from participating in that review. Directors are not involved in the discussion and in deciding their own remuneration.

Provision 6.2 The RC comprises at least three directors. All members of the RC are Non-Executive Directors, the majority of whom, including the RC Chairman, are independent.

The RC comprises of three (3) members, all of whom including the RC Chairman are Independent Non-Executive Directors:

Mr Wong Fook Choy Sunny	**RC Chairman**
Mr Chong Teck Sin	**Member and Lead Independent Director**
Mr Douglas Owen Chester	**Member**

Provision 6.3: The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC has established a framework of remuneration for the Board and key senior management personnel covering all aspects of remuneration but not limited to Directors' fees, salaries, allowances, bonuses, incentive schemes and benefits-in-kind.

The RC also oversees the administration of the Civmec Limited Employee Share Option Scheme ('CESOS'), the Civmec Limited Performance Share Plan ('CPSP') and the Civmec Limited Performance Rights Plan ('CPRP') upon the terms of reference as defined in the CESOS, CPSP and CPRP. The CESOS, CPSP and CPRP were established on 27 March 2012, 25 October 2012 and 25 October 2019 respectively, with a 10-year tenure commencing on the establishment date.

The Company has a procedure that governs the Directors and senior management personnel dealing in securities trading. The securities trading procedure reflects the Corporations Act 2001 prohibition on senior management personnel and their closely related parties from hedging the senior management personnel's incentive remuneration. The senior management personnel, and their immediate family and controlled entities are prohibited from entering into any arrangement that would have the effect of limiting the senior management personnel's exposure to risk relating to an element of the senior management personnel's remuneration that is unvested, or is vested but remains subject to a holding lock.

The RC reviews the fairness and reasonableness of the termination clauses of the service agreements of Executive Directors to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key senior management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group. The Executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors and key senior management personnel in the event of such exceptional circumstances of breach of fiduciary duty.

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Board Matters (continued)

Remuneration Matters (continued)

Principle 6 (continued)

Provision 6.3 (continued)

During the reporting period of the year, the RC has:

- reviewed and approved remuneration for Executives which includes salary, Short Term and Long Term incentives;
- reviewed benchmarking of fees for Directors;
- reviewed the remuneration packages of employees in the Group which includes salary adjustments and bonus; and
- reviewed the remuneration package of the Executive Directors and CEO which includes salary, Short Term and Long Term incentives.

Provision 6.4 The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

The RC has access to expert professional advice on human resource and remuneration matters whenever there is a need to consult externally.

During the financial year, the fixed remuneration of executives was benchmarked against peers based on the industry salary surveys sourced from AON Hewitt McDonald.

Level and Mix Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1 A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

Executive Directors and key senior management personnel remuneration comprises a fixed and a variable component, the latter of which is in the form of a bonus linked to the performance of the individual as well as the Group. In addition, short-term and long-term incentives, such as the CESOS, CPSP and CPRP, are in place to strengthen the pay-for-performance framework by rewarding and recognising the key executives' contributions to the growth of the Group. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote long-term sustainability of the Group.

During FY2021, no Share Options under the CESOS were granted, as required under the ASX Listing Rules.
Refer to the Directors' Statement for details of Performance Rights granted to Executive Directors and key senior management personnel.

Provision 7.2 The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The remuneration of the Independent Directors is in the form of a fixed fee which is subject to shareholders' approval at the AGM. Each member of the RC abstains from voting on any resolution, participating in any deliberation of the RC, and making any recommendation in respect of their own remuneration.

The Independent Directors' fees were derived using the fee structure as follows:

	Annual Fees (S$)
Independent Director who is the Chairman of the Audit Committee	88,000
Other Independent Director	77,000

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Board Matters (continued)

Level and Mix Remuneration (continued)

Provision 7.3 Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

In making its recommendations to the Board on the level and mix of remuneration, the RC strives to be competitive, linking rewards with performance. It takes into consideration the essential factors to attract, retain and motivate the Directors and senior management needed to run the Company successfully, linking rewards to corporate and individual performance, and aligning their interest with those of the shareholders.

The Company has renewed the service agreements with the Executive Directors, Mr James Finbarr Fitzgerald, Mr Patrick John Tallon and Mr Kevin James Deery. Each service agreement is valid for a period of three (3) years with effect from the date of expiry of the previous period. During the renewal period of three (3) years, either party may terminate the Service Agreement at any time by giving to the other party not less than six (6) months' notice in writing, or in lieu of notice, payment of amount equivalent to six (6) months' salary. The Executive Directors do not receive Director's fees.

Pursuant to Article 118 of the Company's Constitution, all the Directors (including Independent Directors) are required to retire from office at every AGM of the Company, meaning that the Independent Directors are appointed for a one year term when elected.

The remuneration packages of the Executive Directors and the key senior management personnel are based on service agreements and their remuneration is determined having due regard to the performance of the individuals, the Group as well as market trends.

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

For competitive reasons and the sensitive nature of such information, the Board is of the opinion that it is in the best interests of the Company to not disclose remuneration of each individual Director for the year ended 30 June 2021. Instead, the Company discloses the bands of remuneration in the following tables to avoid such information being exploited by competitors and to maintain personal confidentiality on remuneration matters:

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Board Matters (continued)

Level and Mix Remuneration (continued)

Principle 8 (continued)

Provision 8.1 (continued)

For the year ended 30 June 2021					
Name of Director	Salary	Bonus	Directors' Fees	Allowances and Other Benefits	Total
A$650,000 to A$899,999					
James Finbarr Fitzgerald	73%	22%	-	5%	100%
Patrick John Tallon	73%	22%	-	5%	100%
Kevin James Deery	72%	22%	-	5%	100%
Below A$250,000					
Chong Teck Sin	-	-	100%	-	100%
Douglas Owen Chester	-	-	100%	-	100%
Wong Fook Choy Sunny	-	-	100%	-	100%

Details of remuneration paid to key senior management personnel (who are not Directors of the Company) of the Group for the financial year ended 30 June 2021 are set out below:

For the year ended 30 June 2021					
Name of Key Executive	Designation	Salary	Bonus	Allowances and Other Benefits	Total
A$300,000 to A$550,000					
Rodney Bowes	Executive Group Manager Proposals	76%	15%	9%	100%
Adam Goldsmith	Executive Group Manager Operational Support	76%	15%	9%	100%
Mylon Manusiu	Executive General Manager Maintenance	78%	17%	5%	100%
David Power	Executive General Manager Manufacturing	69%	23%	8%	100%
Charles Sweeney	Executive General Manager Construction	88%	3%	9%	100%

The annual aggregate remuneration paid to all the above-mentioned Directors and key senior management personnel of the Group is A$5,218,000 (2020: A$4,405,000) in FY2021.

The procedures for developing remuneration policies and for fixing the remuneration packages of individual Directors have been set out under principle 6 of the Corporate Governance Report above.

The relationships between the remuneration of the Board and key senior management personnel and the performance and value creation of the Company have been set out under principle 6 of the Corporate Governance Report above.

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Board Matters (continued)

Level and Mix Remuneration (continued)

Principle 8 (continued)

Provision 8.2 The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Name of Employee	Designation	Relationship
A$150,000 to A$249,999		
Thomas Tallon	Supervisor	Brother of CEO Patrick Tallon
Below A$100,000		
Sean Fitzgerald	Draftsperson	Child of Chairman James Fitzgerald
Claire Fitzgerald	Trades Assistant	Child of Chairman James Fitzgerald

The RC is of the view that the remuneration of these family members is in line with the Company remuneration guidelines and commensurate with their job scope and level of responsibilities.

Provision 8.3 The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

More details in relation to the CESOS, CPSP and CPRP can be found in the 'Directors' Statement' in the 'Financials' section of the Annual Report.

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Company has established a Risks and Conflicts Committee (RCC) to advise and make recommendations to the Board on risk and conflict matters.

The RCC is guided by its Terms of Reference which highlights its primary responsibilities are to:

- review and monitor the Group's risk management framework and activities, including the Group's levels of risk tolerance and risk policies;
- report to the Board regarding the Group's risk exposures, including the review risk assessment model used to monitor the risk exposures and senior management's views on the acceptable and appropriate level of risk faced by the Group's Business Units;
- recommend and adopt appropriate measures to control and mitigate the business risks of the Group, as and when these may arise; and
- perform any other functions as may be agreed by the Board.

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Board Matters (continued)

Risk Management and Internal Controls (continued)

Principle 9 (continued)

Provision 9.1 (continued)

During the reporting period of the year, the RCC has:

- reviewed the Risk Register and Risk Management Framework;
- requested revisions to the Risk Mitigation Plan presented by senior management to mitigate and monitor the risk exposure;
- reviewed the Project Risk and Opportunity Reporting Improvements; and
- reviewed the Policies adopted by the Company such as Bribery & Corruption Policy and Procedures and the Code of Conduct.

The RCC reviews all significant control policies and procedures and highlights all significant risk matters to the Board for discussion and to take appropriate actions, if required.

The RCC comprises three (3) members, all of whom, including the RCC Chairman are Independent Non-Executive Directors:

Mr Chong Teck Sin	RCC Chairman and Lead Independent Director
Mr Douglas Owen Chester	Member
Mr Wong Fook Choy Sunny	Member

Provision 9.2 The Board requires and discloses in the company's annual report that it has received assurance from:

(a) the CEO and the Chief Financial Officer ('CFO') that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The Group's internal controls and systems are designed to provide reasonable assurance on the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets. Procedures are in place to identify major business risks and to evaluate potential financial effects, as well as for the authorisation of capital expenditure and investments.

The external auditors carry out, in the course of their statutory audit, an annual review of the effectiveness of the Group's key internal controls, including financial, operational, compliance, information technology controls as well as risk management systems to the extent of their scope as laid out in their audit plan. Any material weaknesses in internal controls, together with recommendations for improvement, are reported to the AC and RCC.

The Company's internal audit function prepares an annual internal audit plan, which takes account of the Company's key risks and other assurance activities performed, enabling internal audit resources to be targeted to areas of greatest value across the Company's operations, including group and subsidiary structures. Processes subject to internal audit include financial, administrative, operational and project specific activities and systems. The internal audit function provides advice on the effectiveness of risk management processes and material internal controls, recommends corrective actions and control improvements and follows up on the implementation of action plans designed by management to address any control deficiencies or improvement opportunities. Internal audit reports containing internal audit results, recommendations and agreed action plans are presented to the AC on a quarterly basis.

The Company appoints internal auditors to carry out a review of the adequacy and effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology controls as well as risk management systems to the extent of their scope as laid out in their audit plan.

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

Risk Management and Internal Controls (continued)

Principle 9 (continued)

Provision 9.2 (continued)

In the absence of evidence to the contrary, the Board is satisfied the system of internal controls maintained by the Company and that was in place throughout the financial year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance risks. Based on the risk management and internal control systems established and implemented by the Group, and work conducted by the internal auditors, external auditors and our internal audit team, the Board, with the concurrence of the AC, is satisfied the Company's system of internal controls and risk management procedures maintained by the Group are adequate and effective to meet the needs of the Company in addressing the financial, operational, compliance, information technology controls and risk management systems in the Group's current business environment, with no material weaknesses identified.

The Board has received assurances from the CEO and Acting Chief Financial Officer that:

(i) the financial records have been properly maintained (and the financial statements comply with the appropriate accounting standards) and the financial statements give a true and fair view of the Company's operations and finances; and

(ii) the Company's risk management and internal control systems are adequate and effective.

The Board notes that all internal control systems are designed to manage rather than eliminate risks and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

The Company will publish its Sustainability Report later in 2021, which will further consider the management of any material economic, environmental and social sustainability risks faced by the Group.

Audit Committee

Principle 10: The Board has an Audit Committee ('AC') which discharges its duties objectively.

Provision 10.1 The duties of the AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on:

(i) the proposals to the shareholders on the appointment and removal of external auditors; and

(ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

Report on Corporate Governance

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Board Matters (continued)

Audit Committee (continued)

Principle 10 (continued)

Provision 10.1 (continued)

The AC is governed by terms of reference with its primary responsibilities as follows:

- to assist the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, and develop and maintain effective systems of internal control with the overall objective of ensuring that our management creates and maintains an effective control environment in the Group;
- to provide a channel of communication between the Board, the management team, the external auditors and internal auditors on matters relating to audit;
- to monitor senior management's commitment to the establishment and maintenance of a satisfactory control environment and an effective system of internal control (including any arrangements for internal audit);
- to monitor and review the scope and results of external audit and its cost effectiveness and the independence and objectivity of the external auditors; and
- to monitor and review the scope and results of internal audit and the cost effectiveness of the internal auditors.

In addition, the functions of the AC are to:

- review with the external auditors the audit plans, their evaluation of the system of internal controls, their management letter and the management's response thereto;
- review with the internal auditors the internal audit plans and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval;
- review the quarterly and annual financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual, ASX Listing Rules and any other relevant and statutory or regulatory requirements;
- review the internal control and procedures and ensure co-ordination between the external auditors and the management, review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- review and consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
- review and consider the appointment or re-appointment of the internal auditors and matters relating to resignation or dismissal of the auditors;
- review interested person transactions (if any);
- review the Group's hedging policies, procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging polices approved by the Board;
- review potential conflicts of interest, if any, and to set out a framework to resolve or mitigate such potential conflicts of interests;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- review and discuss with investigators, any suspected fraud, irregularity, or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response thereto;
- generally to undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual and ASX Listing Rules, and by such amendments made thereto from time to time;

Report on Corporate Governance

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Board Matters (continued)

Audit Committee (continued)

Principle 10 (continued)

Provision 10.1 (continued)

- review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;
- review the findings of internal investigation into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position;
- review key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET and ASX Online; and
- review the Group's compliance with such functions and duties as may be required under the relevant statutes or the SGX-ST Listing Manual and ASX Listing Rules, including such amendments made thereto from time to time.

The AC has the power to conduct or authorise investigations into any matters within its scope of responsibility. The AC is authorised to obtain independent professional advice whenever deemed necessary to discharge of its responsibilities at the Company's expenses.

The AC has the cooperation of and complete access to the Company's management. It has full discretion to invite any Director or Executive Officer to attend the meetings, and has been given reasonable resources to enable the discharge of its functions.

As at the reporting period of the year, the AC has:

- reviewed the scope of work of the external auditors;
- reviewed the scope of work of the internal auditors;
- reviewed audit plans and discussed the results of the respective findings and their evaluation of the Company's system of internal accounting controls;
- reviewed interested person transactions of the Company;
- met with the Company's external auditors and internal auditors without the presence of the management;
- reviewed the external auditors' independence and objectivity; and
- reviewed the Company's procedures for detecting fraud and whistle-blowing matters and to ensure that arrangements are in place by which any employee, may in confidence, raise concerns about improprieties in matters of financial reporting, financial control, or any other matters. A report is presented to the AC on a quarterly basis whenever there is a whistle-blowing issue.

The AC, having reviewed the external auditors' non-audit services, is satisfied there were no non-audit services rendered that would affect the independence of the external auditors. The AC recognises the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on monetary consideration.

The aggregate amount of agreed fees to be paid to the external auditors, Moore Stephens LLP for FY2021 is A$107,200 (equivalent S$108,000) which comprises audit fee of A$87,200 (equivalent S$88,000) and A$20,000 (equivalent S$20,000) non-audit fees. The AC has recommended to the Board the re-appointment of Moore Stephens LLP as the Company's external auditors at the forthcoming AGM.

Report on Corporate Governance

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Board Matters (continued)

Audit Committee (continued)

Principle 10 (continued)

Provision 10.1 (continued)

The AC is kept abreast by the external auditors of changes to accounting standards, SGX-ST Listing Rules and ASX Listing Rules, and other regulations which could have an impact on the Group's business and financial statements.

The Company has established a whistle-blowing policy where staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters, and has ensured that arrangements are in place for independent investigations of such matters and for appropriate follow up actions. All whistle-blowing reports will be addressed to the AC Chairman, either directly or through STOPline, the whistle-blowing service provider. Staff are regularly informed of the existence of the whistle-blowing mechanism and encouraged to report relevant matters.

There were no reports received through the whistle-blowing system during FY2021.

Provision 10.2 The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The Audit Committee comprises the following three (3) members, all of whom, including the AC Chairman, are Non-Executive Independent Directors:

Mr Chong Teck Sin	**AC Chairman and Lead Independent Director**
Mr Douglas Owen Chester	**Member**
Mr Wong Fook Choy Sunny	**Member**

The Board ensures that the members of the AC are appropriately qualified to discharge their responsibilities and they possess the requisite accounting and/or financial management expertise and experience.

Provision 10.3 The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation:

(a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case,

(b for as long as they have any financial interest in the auditing firm or auditing corporation.

None of the AC members are previous partners or Directors of the Group's auditors, Moore Stephens LLP and none of the AC members hold any financial interest in Moore Stephens LLP.

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

Audit Committee (continued)

Principle 10 (continued)

Provision 10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

The Board recognises the importance of maintaining an internal audit function, independent of the activities it audits, to maintain a sound system of internal control within the Company to safeguard shareholders' investments and the Company's assets.

The Company's internal audit function is outsourced to Deloitte, which is one of the Big Four multinational accounting organisations and it is independent of the Company's business activities. The internal audit team that provide expertise and industry insights to strengthen the Company's governance and risk management on an annual basis and comprises a Director, a senior manager and supported by other staff, which have more than 30 years of relevant experience combined. The internal auditors conduct the audit based on the standards set by internationally recognised professional bodies. The annual internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The internal auditors review the effectiveness of key internal controls in accordance with the internal audit plan.

Staffed by suitably qualified and experienced executives, the internal auditors have unrestricted direct access to the AC and unfettered access to all the Company's documents, properties and personnel. The internal auditors have a direct and primary reporting line to the AC and assist the AC in overseeing and monitoring the implementation and improvements required on internal control weaknesses identified. The AC reviews the adequacy and effectiveness of the internal audit function quarterly.

The role of the internal auditors is to support the AC in ensuring that the Group maintains a sound system of internal controls by monitoring and assessing the effectiveness of key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigations as directed by the AC.

The AC regularly reviews the performance of the internal auditors and determines their reappointment and level of remuneration.

The AC reviews the adequacy of the function of the internal audit annually and based on this review believes that the internal auditors have adequate resources to perform their function effectively and objectively and has unfettered access to the Company's documents, records, properties and personnel.

The AC is satisfied with the effectiveness of the existing internal control systems put in place by the senior management to meet the needs of the Group in its current business environment.

The Company's external auditors also conduct annual reviews of the effectiveness of the Group's material internal controls for financial reporting in accordance with the scope as laid out in their audit plans.

Provision 10.5: The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC has met with the Company's external auditors and internal auditors without the presence of the management and has full unfettered access to do so.

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

Shareholders Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company.
The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Annual General Meeting ('AGM') and other shareholders' meetings will always be held at a reasonable place and time. In FY2021, AGM will be held electronically due to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company ensures that shareholders have the opportunity to participate effectively and vote at shareholders' meetings. In this regard, shareholders are informed of shareholders' meetings through notices contained in annual reports or a circular sent to all shareholders. These notices are also published in the local newspaper and posted on SGXNET and ASX Online. Shareholders are able to send and receive communications electronically with the Company through its respective share registries platform in Singapore and Australian, details for doing so are available on the corporate website at www.civmec.com.au.

At AGM and other shareholders' meetings, the Executive Chairman ensures constructive dialogue between the Board and shareholders and upholds high standards of corporate governance. Shareholders are invited and given the opportunity to voice their views, put forth any questions and seek clarification on questions they may have regarding the Company. Shareholders are also informed of the rules and voting procedures governing such meetings under the relevant notice of meeting.

For greater transparency, the Company has adopted the voting of all its resolutions by poll at the general meetings and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages are announced at the meeting and via announcements on SGXNET and ASX Online made on the same day.

Provision 11.2 The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are 'bundled', the company explains the reasons and material implications in the notice of meeting.

Resolutions are, as far as possible, structured separately and may be voted on independently.

Provision 11.3 All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.

The Directors and the external auditors are available at the AGM to answer shareholders' queries. In FY2021, all Directors and the external auditor attended the AGM.

Provision 11.4 The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

The Group fully supports the Code's principle to encourage shareholders' participation in and vote at all the general meetings. The Company's Constitution allows the appointment of not more than two proxies by shareholders to attend the AGM and vote on his/her/their behalf. Shareholders who hold shares through nominees are allowed, upon prior request through their nominees, to attend the general meetings as proxies without being constrained by the two-proxy requirement.

The Company, however, has not implemented measures to allow shareholders who are unable to vote in person at the Company's AGM the option to vote in absentia, such as via mail, electronic mail or facsimile transactions as the authentication of shareholder indemnity information and other related security issues remain a concern. The Company will review its Constitution from time to time. Where amendment to its Constitution is required to align the relevant provisions with the requirements of the Listing Manual of the SGX-ST and the Listing Rules of the ASX, shareholders' approval will be obtained.

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

Shareholders Rights and Conduct of General Meetings (continued)

Principle 11 (continued)

Provision 11.5 The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company Secretaries prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and the senior management, and make these minutes available to shareholders at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898 during normal business hours upon written request.

For all future meetings, minutes will be published on the Company's corporate website within 30 days of the date of the meeting.

Provision 11.6 The company has a dividend policy and communicates it to shareholders.

Civmec Limited is committed to providing excellent returns to its shareholders through a combination of longer term capital growth and regular dividend payments. The Board considers a range of factors in determining the dividend payable in any year, including the business environment, balance sheet, working capital requirements of the business and potential investment opportunities. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. Any payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET and ASX Online when the Company discloses its financial results.

The Company's dividend policy is published on the Company's corporate website at www.civmec.com.au

The Company has proposed a tax exempt (foreign source) First and Final Dividend of A$0.01 per ordinary share for the financial year ended 30 June 2021, payment of which is subject to shareholders' approval at the forthcoming AGM. This dividend is fully franked for Australian tax resident shareholders.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1 The company provides avenues for communication between the Board and all shareholders and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Board is mindful of its obligations to furnish timely information to its shareholders, the public and regulators and to ensure full disclosure of material information to its shareholders in compliance with the statutory requirements and the SGX-ST Listing Manual and ASX Listing Rules.

In this respect the Board is responsible for the release of half yearly and full year results, price sensitive information, the annual report and other material corporate developments in a timely manner and within the legally-prescribed period. The Company does not practise selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Manual, the Companies Act of Singapore and the ASX Listing Rules, it is the Board's policy that all the shareholders should be equally informed, on a timely basis via SGXNET and ASX Online, of all major developments that will or expect to have an impact on the Company or the Group. The Company also updates shareholders of its corporate developments and Continuous Disclosure Policy through its corporate website at www.civmec.com.au

In addition, all price sensitive information was publicly released either before the Company met with any of the Company's investors or analysts or simultaneously with such meetings. Financial results and other corporate announcements of the Company are disseminated through announcements via SGXNET and ASX Online.

Report on Corporate Governance

30 JUNE 2021

Board Matters (continued)

Engagement with Shareholders (continued)

Principle 12 (continued)

Provision 12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Company has in place an investor relations policy which sets out the principles and practices that the Company applies in order to provide shareholders and prospective investors with information necessary to make well informed investment decisions and to ensure a level playing field.

In addition, the Group has in-house professionals that support the Company to promote relations with, and act as liaison for, institutional investors and public shareholders.

Provision 12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

Relevant contact information through which shareholders may contact the Company are published on its corporate website at www.civmec.com.au/investors-media/shareholder-services.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

Provision 13.2: The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Provision 13.3 The company maintains a current corporate website to communicate and engage with stakeholders.

The Company engages its stakeholders through different channels to establish, address and monitor the material environmental, social and governance (ESG) factors of the Company's operations and its impact on the various stakeholders. Such stakeholders include employees, community, government, regulators, shareholders and investors.

The Company engages stakeholders through the various channels that are already in place, to better understand its stakeholders' concerns, and address any issues that they may face. Engagement channels and frequencies are reviewed periodically to ensure that they are sufficient to deal with current identified stakeholders' ESG-related issues.

The Company is committed to enhance and improve the current engagement initiatives, while staying abreast of new trends or developments that may affect the sustainability standing of the Company, and eventually devise corresponding measures to resolve the new ESG issues.

The Company's website can be found at www.civmec.com.au and includes a tab labelled 'Investors' which provides investors with all the information they may require.

Other Governance Practices

Material Contracts

There were no material contracts of the Company and its subsidiaries, including loans, involving the interests of any Director, the CEO or the controlling shareholders either still subsisting at the end of FY2021.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and these interested persons' transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. There were no material interested person transactions for FY2021.

Independent Auditor's Report to the Members of Civmec Limited

(INCORPORATED IN SINGAPORE)

MOORE

MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Civmec Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2021, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report to the Members of Civmec Limited

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financials as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Accounting for construction contracts We refer to Note 3(a)(ii), 3(a)(iii) and 3(b)(i) under "Critical Accounting Judgements and Key Sources of Estimation Uncertainty", Note 4 and Note 33 to the financial statements. During the financial year ended 30 June 2021, revenue from construction contracts amounted to A$620.0 million which represented 92.0% of the total revenue of the Group. Contract revenue comprises the initial amount agreed in the contract and variations in the contract as constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently removed. The amount of revenue recognised is based on the Group's progress towards completion of the construction contract, determined based on the proportion of construction costs incurred to date to the estimated total contract costs ("input method"). The Group uses the input method to measure project progress and recognises contract revenue in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*.	***Our response*** • We performed procedures to understand the projects through discussions with management and examination of key project documents including contracts and correspondences with customers on delays and extension of time. We evaluated the relevant key controls put in place by the management over the construction contract revenue and costs recognition on construction contracts. • In relation to the contract revenue for projects, on a sample basis, we have: o Traced the contract sums to the contracts and variation orders entered into by the Group and its customers. o Challenged the appropriateness of the Group's judgement on the variations and claims included in the computation of the construction contract revenue via scrutiny of relevant customer correspondence, legal/specialist consultant correspondence and inspecting key clauses in the contracts and variation orders. o Held discussions with senior operational and financial management, as well as the Group's legal advisors and specialist consultants where appropriate, to evaluate management's assessment that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently removed.

Independent Auditor's Report to the Members of Civmec Limited

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Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Accounting for construction contracts (continued) Estimates of revenues, costs or the extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. The determination of estimated contract revenue, total contract costs and costs to complete require significant judgement which may impact on the amounts of construction contract revenue and profits recognised during the year, including the provision for onerous contracts. We have therefore, identified this as a key audit matter.	***Our response*** (continued) o Assessed the adequacy of the provision for onerous contracts based on our understanding of the projects. This includes reviewing management's assessment of provision for onerous contracts by focusing on projects with low or negative margins. We have also held discussions with senior operational and financial management, where appropriate on these projects. • In relation to total contract costs, on a sample basis, we have: o Tested costs incurred to date and agreed these to supporting documentation. o Evaluated the appropriateness of inputs, amongst others, materials, subcontractor and labour costs used by management in their estimation of the total cost to complete the contract or project, and obtained supporting documentation on the major inputs. o We examined key project documentation and discussed the progress of the significant projects with the Group's key project personnel and management for significant events that could impact the estimated total contract costs and stage of completion. • We have recomputed the percentage of completion based on actual cumulative contract costs incurred to date to the total estimated contract costs for individually significant projects. • We checked the arithmetic accuracy of the revenue and profit recognised based on the percentage of completion computation for individually significant projects and traced the revenue for the current year based on the measurement of progress to the accounting records.

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CIVMEC LIMITED
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Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Accounting for construction contracts (continued)	***Our response*** (continued) • We have also assessed the adequacy of the disclosures of the key accounting estimates and the sensitivity of the inputs to the estimates and found the disclosures in the financial statements to be appropriate. <u>Our audit findings:</u> We are satisfied that the judgements applied by management in accounting for construction contracts are reasonable.

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Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of trade and other receivables and contract assets We refer to Note 3(a)(i) under "Critical Accounting Judgements and Key Sources of Estimation Uncertainty", Note 4(b), Note 11 and Note 32(a) to the financial statements. The carrying amount of trade and other receivables and contract assets of the Group was A$87.5 million and A$82.6 million as at 30 June 2021 respectively. We focused on this area because of its significance and the degree of judgement required in determining the carrying amount of trade and other receivables as at the reporting date. In accordance with SFRS(I) 9 *Financial Instruments*, the Group assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.	***Our response*** • We obtained an understanding of the Group credit policy and evaluated the processes for identifying impairment indicators. • We have reviewed and tested the ageing of trade and other receivables. • We have reviewed management's assessment on the credit worthiness of selected customers. • We have also assessed current ongoing negotiations and settlements of significant contracts subject to modifications, to identify if the collectability of contract consideration is highly probable. • We further discussed with the key management and the component auditors on the adequacy of the allowance for impairment recorded by the Group and reviewed the supporting documents provided by management in relation to their assessment. • We have also reviewed the adequacy and appropriateness of the impairment charge based on the available information. Our audit findings: Based on our audit procedures, we found management's assessment of the recoverability of trade and other receivables and contract assets to be reasonable and the disclosures to be appropriate.

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Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of property, plant and equipment We refer to Note 3(a)(vi), Note 14 and Note 26 to the financial statements. The carrying amount of property, plant and equipment of the Group was A$412.0 million as at 30 June 2021, of which the fair value of the freehold land and buildings had been assessed as having a fair value of A$325.2 million. The valuation of property, plant and equipment is significant to our audit due to the use of various valuation techniques which involve significant judgements and critical estimates. The key assumptions used in the fair valuation are also disclosed in Note 14 to the financial statements. Management relied on independent external valuations for the fair valuation of its freehold land and buildings.	***Our response*** • We assessed the competence, capabilities and independence of the professional valuer engaged by the Group. • We discussed and considered the reasonableness of the valuation methodologies used, as well as reviewed the key assumptions and inputs used with the professional valuer in determining the valuation of each property. • We assessed the reasonableness of the market value of properties by benchmarking them against those of comparable properties when there are comparable market sales evidence. • We evaluated the reasonableness of the key data and assumptions used in the Depreciated Replacement Cost approach by the valuer when there are no comparable market sales evidence. • We also assessed the appropriateness of the disclosures relating to the valuation techniques and key inputs applied by the professional valuer. Our audit findings: The external valuer is a member of a recognised body for professional valuers. We found that the valuation methodologies used to be appropriate and the key assumptions used were within the range of market data.

Independent Auditor's Report to the Members of Civmec Limited

(INCORPORATED IN SINGAPORE)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

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Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Members of Civmec Limited

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CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report to the Members of Civmec Limited

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MOORE

MOORE STEPHENS LLP
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Christopher Bruce Johnson.

Moore Stephens LLP

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
26 August 2021

Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2021

	Note	Group 2021 A$'000	Group 2020 A$'000
Revenue	4(a)	674,186	391,868
Cost of sales		(599,148)	(347,217)
Gross profit		75,038	44,651
Other income	5	2,572	1,951
Share of (loss)/profit of joint venture	17	(97)	201
Administrative expenses		(18,987)	(16,953)
Other expenses		(1,848)	(4,532)
Finance costs	8	(6,481)	(2,552)
Profit before tax		50,197	22,766
Income tax expense	9	(15,569)	(5,217)
Profit for the year		34,628	17,549
Profit attributable to:			
Owners of the Company		34,771	17,586
Non-controlling interest		(143)	(37)
		34,628	17,549
		Cents per share	Cents per share
Earnings per share attributable to equity holders of the Company:			
Basic	10	6.94	3.51
Diluted	10	6.94	3.51

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income For The Year Ended 30 June 2021

(INCORPORATED IN SINGAPORE)

		Group	
	Note	2021 A$'000	2020 A$'000
Profit for the year		**34,628**	**17,549**
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss			
Net gain on revaluation of freehold land and buildings		1,871	78,487
Total comprehensive income for the year		36,499	96,036
Total comprehensive income attributable to:			
Owners of the Company		36,642	96,073
Non-controlling interest		(143)	(37)
		36,499	96,036

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

AS AT 30 JUNE 2021

	Note	Group 2021 A$'000	Group 2020 A$'000	Company 2021 A$'000	Company 2020 A$'000
ASSETS ***Current assets***					
Cash and cash equivalents	13	48,172	27,712	28	19
Trade and other receivables	11	87,488	74,523	50,481	39,682
Contract assets	4(b)	82,642	95,118	-	-
Other current assets	12	1,903	2,051	-	-
		220,205	199,404	50,509	39,701
Non-current assets					
Investment in subsidiaries	16	-	-	7,579	7,579
Investment in joint venture	17	57	242	-	-
Loan receivables	11	-	493	-	-
Property, plant and equipment	14	412,030	397,804	-	-
Intangible assets	15	10	10	-	-
Deferred tax assets	9	4,637	2,408	260	22
		416,734	400,957	7,839	7,601
TOTAL ASSETS		**636,939**	**600,361**	**58,348**	**47,302**
LIABILITIES AND EQUITY ***Current liabilities***					
Trade and other payables	20	87,413	91,075	192	168
Contract liabilities	4(b)	80,138	83,266	-	-
Lease liabilities	23	10,385	10,722	-	-
Borrowings	21	-	2,387	-	-
Income tax payable	9	14,978	2,862	17,835	2,840
Provisions	22	8,950	6,103	-	-
		201,864	196,415	18,027	3,008
Non-current liabilities					
Lease liabilities	23	44,372	43,339	-	-
Borrowings	21	60,000	60,000	-	-
Provisions	22	4,429	3,352	-	-
Deferred tax liabilities	9	34,406	34,182	-	-
		143,207	140,873	-	-
TOTAL LIABILITIES		**345,071**	**337,288**	**18,027**	**3,008**

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position (continued)

AS AT 30 JUNE 2021

	Note	Group 2021 A$'000	Group 2020 A$'000	Company 2021 A$'000	Company 2020 A$'000
Capital and Reserves					
Share capital	24(a)	29,807	29,807	29,807	29,807
Treasury shares	24(b)	(10)	(10)	(10)	(10)
Asset revaluation reserve	26	80,358	78,487	-	-
Other reserves	27	10,135	7,818	6,523	4,483
Retained earnings		171,836	147,086	4,001	10,014
Total equity attributable to the Owners of the Company		**292,126**	**263,188**	**40,321**	**44,294**
Non-controlling interest		(258)	(115)	-	-
TOTAL EQUITY		**291,868**	**263,073**	**40,321**	**44,294**
TOTAL LIABILITIES AND EQUITY		**636,939**	**600,361**	**58,348**	**47,302**

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

				Other reserves						
Group	Share capital A$'000	Treasury shares A$'000	Asset revaluation reserve A$'000	Merger reserve A$'000	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 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 (Note 21(c))	-	-	-	-	-	277	-	277	-	277
Share based payment	-	-	-	-	2,040	-	-	2,040	-	2,040
Dividends paid (Note 24(a))	-	-	-	-	-	-	(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**

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity (continued)

FOR THE YEAR ENDED 30 JUNE 2021

			Other reserves						
Group	Share capital A$'000	Treasury shares A$'000	Asset revaluation reserve A$'000	Merger reserve A$'000	Share option reserve A$'000	Retained earnings A$'000	Total A$'000	Non-controlling interest A$'000	Total A$'000
Balance as at 1 July 2019	29,807	(10)	-	7,578	240	136,591	174,206	(78)	174,128
Effects of the adoption of SFRS(I)16	-	-	-	-	-	(3,362)	(3,362)	-	(3,362)
Balance as at 1 July 2019, restated	29,807	(10)	-	7,578	240	133,229	170,844	(78)	170,766
Profit for the year	-	-	-	-	-	17,586	17,586	(37)	17,549
Other comprehensive income for the year:									
Net gain on revaluation of freehold land and buildings	-	-	78,487	-	-	-	78,487	-	78,487
Total comprehensive income for the year	-	-	78,487	-	-	17,586	96,073	(37)	96,036
Dividends paid (Note 24(a))	-	-	-	-	-	(3,729)	(3,729)	-	(3,729)
Balance as at 30 June 2020	**29,807**	**(10)**	**78,487**	**7,578**	**240**	**147,086**	**263,188**	**(115)**	**263,073**

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

		Group	
	Note	2021 A$'000	2020 A$'000
Cash Flows from Operating Activities			
Profit before income tax		50,197	22,766
Adjustments for:			
Depreciation of property, plant and equipment	14	14,174	10,464
(Gain)/loss on disposal of property, plant and equipment	5,6	(404)	197
Share of loss/(profit) of a joint venture	17	97	(201)
Impairment loss on loan to an associate	6,11	200	1,767
Impairment loss on trade receivables	6,11	-	911
Bad debts written off	6	1,646	-
Loss on revaluation of freehold land and buildings	14	-	1,611
Finance cost	6,8	9,399	5,304
Interest income	5	(230)	(229)
Foreign exchange differences		(55)	(117)
Share based payment		2,040	-
Operating cash flow before working capital changes		77,064	42,473
Changes in working capital:			
Increase in trade and other receivables		(14,613)	(13,748)
Decrease in contract assets		12,475	22,323
Decrease/(increase) in other current assets		148	(987)
(Decrease)/increase in trade and other payables		(3,003)	31,445
(Decrease)/increase in contract liabilities		(3,128)	13,933
Increase/(decrease) in provisions		3,924	(737)
Cash generated from operations		72,867	94,702
Interest received		31	176
Finance cost paid		(8,391)	(4,299)
Income tax refund		-	8,006
Income tax paid		(6,244)	(3,384)
Net cash generated from operating activities		**58,263**	**95,201**

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows (continued)

FOR THE YEAR ENDED 30 JUNE 2021

	Note	Group 2021 A$'000	Group 2020 A$'000
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		632	90
Purchase of property, plant and equipment	14	(21,616)	(70,039)
Repayment of loan to an associate		-	90
Repayment of loan/(advances to a joint venture)	11	493	(490)
Cash distribution from joint venture		88	65
Net cash used in investing activities		**(20,403)**	**(70,284)**
Cash Flows from Financing Activities			
Proceeds from borrowings		20,000	114,709
Repayment of borrowings		(20,334)	(142,844)
Repayment of principal lease liability		(7,045)	(6,003)
Dividends paid	24(a)	(10,021)	(3,729)
Net cash used in financing activities		**(17,400)**	**(37,867)**
Net increase/(decrease) in cash and cash equivalents		20,460	(12,950)
Cash and cash equivalents at the beginning of the financial year		27,712	40,662
Cash and cash equivalents at the end of the financial year	**13**	**48,172**	**27,712**

The reconciliation of movements of liabilities to cash flows arising from financing activities is presented below:

		Cash flows			Non-cash changes		
	Opening A$'000	Proceeds A$'000	Repayment A$'000	Reclassification A$'000	Addition A$'000	Others A$'000	Closing A$'000
2021							
Borrowings	62,387	20,000	(20,334)	(1,776)	-	(277)	60,000
Lease liabilities	54,061	972	(7,045)	1,776	3,368	1,625	54,757
2020							
Borrowings	98,016	114,709	(142,844)	(7,543)	-	49	62,387
Lease liabilities	49,377	-	(6,003)	7,543	3,144	-	54,061

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

30 JUNE 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General Information

Civmec Limited (the 'Company') was incorporated in the Republic of Singapore on 3 June 2010 under the Singapore Companies Act, Chapter 50 (the 'Act') as an investment holding company for the purpose of acquiring the subsidiary companies pursuant to the Restructuring Exercise. On 29 March 2012 the company changed its name to Civmec Limited. The Company was listed on the Singapore Exchange Securities Ltd ('SGX-ST') since 13 April 2012. On 22 June 2019, the Company was listed on the Australian Securities Exchange ('ASX'). The Company is now holding dual listing status. The Company has provided an option for shareholders to convert their shares with SGX-ST for shares with ASX, at the ratio of 1:1.

The registered office of the Company is at 80 Robinson Road #02-00, Singapore 068898 and the principal place of business is at 16 Nautical Drive, Henderson, WA 6166 Australia.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries, joint ventures, associate, and joint operations are set out in Notes 16, 17, 18 and 19 respectively.

The financial statements for the financial year ended 30 June 2021 were approved and authorised for issue on the date of the statement by the board of directors in accordance with a resolution of the directors on the date of the Directors' Statement.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ('SFRS(I)') under the historical cost convention, except for the revaluation on freehold land and buildings.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Group has adopted the new or amended SFRS(I) and SFRS(I) Interpretations ('SFRS(I) INTs') that are mandatory for application for the financial year. The details are disclosed in Note 34 to the financial statements.

(b) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(b) Basis of Consolidation (continued)

(i) Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in accordance with SFRS(I) 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Change in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(b) Basis of Consolidation (continued)

(ii) Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group reassesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change.

Joint venture

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method.

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

Joint operations

The Group's joint operations are joint arrangements whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations to the liabilities, relating to the arrangement.

The Group recognises, in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

When the Group sells or contributes assets to a joint operation, the Group recognises gains or losses on the sale or contribution of assets that are attributable to the interest of the other joint operations. The Group recognises the full amount of any loss when the sale or contribution of assets provides evidence of a reduction in the net realisable value, or an impairment loss, of those assets.

When the Group purchases assets from a joint operation, it does not recognise its share of the gains and losses until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of the assets to be purchased or and impairment loss.

The accounting policies of the assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(c) Investment in Subsidiary Companies

Investments in subsidiary companies are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in the profit or loss.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(d) Investment in Associate

The Group recognises its interest in an associate as an investment and accounts for the investment using the equity method.

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

(e) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Construction Contract revenue

The Group provides engineering and construction services to customers through contracts. Contract revenue is recognised when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

For these contracts, revenue is recognised over time by reference to the Group's progress towards the 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 measurement of progress and instead are expensed as incurred.

In some circumstances, such as in the early stages of a contract where the Group may not be able to reasonably measure its progress but expects to recover the contract costs incurred, contract revenue is recognised only to the extent of the contract costs incurred until such time when the Group can reasonably measure its progress.

Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, adjusted for expected returns. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management and included in the transaction only to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Estimates of revenues, costs or the extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(e) Revenue Recognition (continued)

Construction Contract revenue (continued)

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

The period between the transfer of the promised services and customer payment may exceed one year. For such contracts, there is no significant financing component present as the payment terms are an industry practice to protect the customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which is within the scope of another SFRS(I) (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract cost assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Sale of goods and services

Revenue from the sale of goods and services in the ordinary course of business are recognised when the Group satisfies a PO by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for the time value of money if the contract includes a significant financing component. The consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The Group considers certain services to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and is available for customers from other providers in the market. A portion of the transaction price is therefore allocated to the maintenance services based on the stand-alone selling price of those services. Discounts are not considered as they are only given in rare circumstances and are never material. Revenue from the maintenance services is recognised over time. The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight-line basis over the period of service.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(f) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. As the grant relates to R&D expenditure already incurred it is recognised in the income statement in the period it became receivable.

(g) Contract Assets and Contract Liabilities

A contract asset is recognised when the Group recognises revenue as set out in Note 2(e) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ('ECLs') in accordance with the policy set out in Note 2(j) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue as set out in Note 2(e). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

(h) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax liabilities are recognised on all temporary differences except for taxable temporary differences associated with investments in subsidiaries and joint venture, where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries and interest in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured:

(i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(h) Income Tax (continued)

Current income taxes are recognised in profit and loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sale tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(i) Foreign Currency Translation

Functional and presentation currency

The financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to each entity (the ‘functional currency’). The financial statements are presented in Australian Dollars (‘A$’), which is the functional currency of the Company.

Prior to 1 July 2019, the financial statements were presented in Singapore Dollars (‘S$’). With effect from 1 July 2019, the Group changed its presentation currency from S$ to A$. The Group largely operates within Australia where virtually all its income is derived. Following the Group’s listing on the Australian Securities Exchange on 22 June 2019, the change will help to provide a clearer understanding of the Group’s financial results and improve comparability of the Group’s performance.

The effect of the change of presentation currency was applied retrospectively using the following procedures:

- Assets and liabilities of all corresponding figures presented (including opening balances from the beginning of earliest prior period presented) were translated at the closing rates of respective year end;
- Income and expenses for all corresponding figures presented were translated at the average exchange rate for the financial year approximating the exchange rates at the dates of transactions; and
- All resulting exchange differences were recognised in other comprehensive income.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(i) Foreign Currency Translation (continued)

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ('foreign currencies') are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Group companies

The consolidated results and financial position of foreign operations whose functional currency is different from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement;
- Income or expense for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and
- All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in other comprehensive income in the period in which they are incurred.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or loss of joint control over a jointly controlled entity that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

(j) Financial Assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ('FVOCI'); and
- Fair value through profit or loss ('FVPL').

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives, if any, are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(j) Financial Assets (continued)

Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

Debt instruments mainly comprise cash and cash equivalents, trade and other receivables and contract assets.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ('OCI') and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in 'other income / other expenses'. Interest income from these financial assets is recognised using the effective interest rate method and presented in 'interest income', if any.
- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in 'other income / other expenses', if any.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

For trade receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, the Group applies the general approach. For the purpose of impairment assessment for other receivables, the loss allowance is measured at an amount equal to 12-month ECL, which reflects the low credit risk of the exposures.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(j) Financial Assets (continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not other consider (e.g. the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to recovery efforts under the Group's recovery procedures. Any recoveries made are recognised in profit or loss.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(l) Property, Plant and Equipment

(i) Recognition and measurement

Freehold land and buildings

Before 1 July 2019, the Group was using cost model for this class of property. Freehold land and buildings were stated on the cost basis and are therefore carried at cost less accumulated depreciation and accumulated impairment losses. The cost includes construction costs and borrowing cost that are eligible to be capitalised.

From 1 July 2019, under the revaluation model, freehold land and buildings are initially recognised at cost. Such costs, including the construction costs and borrowing costs that are eligible for capitalisation, are subsequently carried at their revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amount do not differ materially from those that would be determined using fair values at the end of the reporting period.

Freehold land and buildings are revalued by independent professional valuers on triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(l) Property, Plant and Equipment (continued)

(i) Recognition and measurement (continued)

Other property, plant and equipment

All other items of property are measured at cost less accumulated depreciation and accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognized either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 3 for details of critical judgements of impairment of property, plant and equipment).

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

(ii) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Assets under construction are not depreciated.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Buildings	2% - 33.33%
Plant and equipment	3.1% - 33.33%
Leasehold land	2.9% - 3.6%
Leased assets	5% - 15%
Small tools	5% - 33.33%
Motor vehicles	6.67% - 20%
Office and IT equipment	5% - 33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(m) Impairment of Non-Financial Assets

Non-financial assets are tested for impairment whenever there is any indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(n) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, for which it is more likely than not that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

(o) Financial Liability and Equity Instruments Issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

An entity shall recognise a financial liability on its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial liability is recognised initially at fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the liabilities are derecognised, and through amortisation process.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(o) Financial Liability and Equity Instruments Issued by the Group (continued)

Borrowings

Borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) Leases

The Group as Lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets in 'Property, plant and equipment' and lease liabilities in 'Lease liabilities' in the statements of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(q) Leases (continued)

The Group as Lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

(r) Employee Benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed. The Group has no further payment obligations once the contributions have been paid.

Provision for employee benefits

Provisions are made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using the market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(r) Employee Benefits (continued)

Share-based payments

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

(s) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

(t) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Treasury shares

When any entity within the Group purchases the Company’s ordinary shares (‘treasury shares’), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company’s equity holders, until they are cancelled, sold or re-issued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of the earnings of the Company.

When treasury shares are subsequently sold or re-issued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

Notes to the Financial Statements

30 JUNE 2021

2. Significant Accounting Policies (continued)

(u) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

a. A person or a close member of that person's family is related to a reporting entity if that person:
   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
b. An entity is related to a reporting entity if any of the following conditions applies:
   i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   iii. both entities are joint ventures of the same third party;
   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
   vi. the entity is controlled or jointly controlled by a person identified in (a);
   vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
   viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical Judgements in applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements are discussed as follows.

(i) Impairment of trade and other receivables and contract assets

As at 30 June 2021, the Group's trade and other receivables and contract assets amounted to A$87,488,000 (2020: A$75,016,000) and A$82,642,000 (2020: A$95,118,000) respectively, net of allowance for impairment, if any, arising from the Group's different revenue segments as disclosed in Note 31 to the financial statements.

Based on the Group's historical credit loss experience, trade receivables exhibited different loss patterns for each revenue segment. Within each revenue segment, the Group has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment. An allowance for impairment of A$200,000 (2020: A$2,678,000) and a A$1,646,000 (2020: Nil) write-off for trade and other receivables were recognised as at 30 June 2021. No allowance for impairment for contract assets was recognised as at 30 June 2021 (2020: Nil).

Notes to the Financial Statements

30 JUNE 2021

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

(a) Critical Judgements in applying the Group's Accounting Policies (continued)

(i) Impairment of trade and other receivables and contract assets (continued)

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. So far as management is aware, there is no major customer in financial difficulties during the financial year except for those customers with impairment loss being recognised.

The Group's and the Company's credit risk exposure for trade receivables by different revenue segment are set out in Note 32(a).

(ii) Judgement and method used in estimating construction contract revenue

As discussed in Note 2(e) to the financial statements, 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.

(iii) 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.

(iv) Impairment of property, plant and equipment

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

Impairment assessment of property, plant and equipment 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.

No impairment loss on property, plant and equipment was recorded for the financial years ended 30 June 2021 and 2020 except for a loss on revaluation of buildings of A$1,611,000 during the previous financial year. The carrying amount of property, plant and equipment at 30 June 2021 is A$412,030,000 (2020: A$397,804,000).

Notes to the Financial Statements

30 JUNE 2021

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

(a) Critical Judgements in applying the Group's Accounting Policies (continued)

(v) 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.

(vi) Valuation of freehold land and buildings

The Group carries its freehold land and building 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 the comparables in terms of location, tenure, size, shape, design and layout, age and condition of the building, 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 property. 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.

The carrying amount of the freehold land and buildings at the reporting date is disclosed in Note 14. If the selling prices and price per unit measurement of the freehold land and buildings determined by valuation experts had been 5% higher/lower, the carrying amount of the freehold land and buildings would have been A$16,260,000 higher/lower.

Notes to the Financial Statements

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3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

(b) Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Estimation of total contract costs for construction contracts

The Group has significant ongoing construction contracts as at 30 June 2021 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.

If the estimated total contract sum decreases by 1% from management's estimates, the Group's profit before income tax will decrease by approximately A$6,200,000 (2020: A$3,901,000).

If the remaining estimated contract costs increase by 1% from management's estimates, the Group's profit before income tax will decrease by approximately A$5,991,000 (2020: A$3,472,000).

(ii) Estimation of useful lives of property, plant and equipment

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 during the current financial year.

The carrying amount of the Group's property, plant and equipment as at 30 June 2021 was A$412,030,000 (2020: A$397,804,000) (Note 14). A 10% difference in the expected useful lives of these assets from management's estimate would result in an approximately A$1,417,000 (2020: A$1,046,000) variance in the Group's profit before tax.

(iii) 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.

The carrying amounts of the Group's and Company's current income tax positions as at 30 June 2021 were income tax payable of A$14,978,000 (2020: A$2,862,000) and A$17,835,000 (2020: A$2,840,000) respectively. The carrying amounts of the Group's and Company's deferred tax assets and deferred tax liabilities as at 30 June 2021 are disclosed in Note 9 to the financial statements.

(iv) 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.

Notes to the Financial Statements

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4. Revenue from Contracts with Customers

(a) Disaggregation of Revenue from Contracts with Customers

The Group derives revenue from the transfer of goods and services over time and at a point in time as follows:

	Group	
	2021 A$'000	2020 A$'000
Over time:		
Construction contract revenue	620,019	390,235
Revenue from rendering of services	53,284	728
	673,303	**390,963**
At a point in time:		
Revenue from sales of goods	883	905
	674,186	**391,868**

Revenue from the rendering of services

In the current year, Contracts where payment is made for the provision of labour and materials without any risk or penalty for performance is classified as revenue from the rendering of services.

Segment analysis

The segment analysis of the Group is disclosed in Note 31 to the financial statements.

(b) Contract Assets and Liabilities

	Group	
	2021 A$'000	2020 A$'000
Contract assets	82,642	95,118
Contract liabilities	(80,138)	(83,266)

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date on construction contracts. The contract assets are transferred to trade receivables when the rights become unconditional, which usually occurs when the customer certifies the progress claims.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for construction contracts and progress billings issued in excess of the Group's rights to the consideration in respect of construction contract revenue.

Notes to the Financial Statements

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4. Revenue from Contracts with Customers (continued)

(b) Contract Assets and Liabilities (continued)

(i) Significant changes in contract balances

	Group	
	2021 A$'000	2020 A$'000
Contract assets:		
Contract assets reclassified to trade receivables	(28,740)	(44,655)
Contract assets adjustments	-	(15,008)
Changes in measurement of progress	16,264	37,338
Contract liabilities:		
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period	51,711	69,296
Increase due to cash received, excluding amounts recognised as revenue during the year	(48,583)	(83,229)

In accordance with Note 2(e) to the financial statements, contract assets adjustments relating to changes in the estimated transaction price were made following receipt of revised independent legal and expert advice on completed contracts.

(ii) Unsatisfied performance obligations

	Group	
	2021 A$'000	2020 A$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 30 June	1,005,664	899,498

The Group expects that the aggregate amount of the transaction price allocated to unsatisfied performance obligations as of 30 June 2021 will be recognised as revenue as the Group continue to perform to complete the construction, which is expected to occur over the next few years up to 2029. The amount disclosed above does not include variable consideration which is subject to constraint.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods of one year or less, or are billed based on time incurred, is not disclosed.

Notes to the Financial Statements

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5. Other Income

	Group	
	2021 A$'000	2020 A$'000
Insurance recoveries	1,605	1,121
Fuel tax rebate	183	354
Interest income:		
- Bank balances	31	67
- Tax authorities	-	62
- Related party	199	65
- Others	-	35
	230	229
Gain on disposal of property, plant and equipment	404	-
Net foreign exchange gain	54	-
Miscellaneous income	96	247
	2,572	**1,951**

Insurance recoveries

During the current financial year, the Group recognised other income of A$1,605,000 from an insurance claim recovered for property repairs and business interruptions which were caused by a storm.

During the previous financial year, the Group recognised other income of A$650,000 from an insurance claim recovered for a defective works by a subcontractor. The Group also recognised insurance recoveries of A$471,000 relating to damages caused by a cyclone and electrical fire.

6. Profit before Income Tax

The following items have been included in arriving at profit before income tax:

	Group	
	2021 A$'000	2020 A$'000
Included in cost of sales:		
Direct materials	134,984	89,064
Employee benefits (Note 7)	289,405	150,572
Subcontract works	83,984	54,803
Workshop and other overheads	73,926	39,792
Depreciation of property, plant and equipment (Note 14)	13,931	10,234
Finance costs on lease liabilities (Note 8)	2,918	2,752

During the previous financial year, included in the subcontract works are amounts either paid to subcontractors or accrued costs for payment to subcontractors totalling A$12,000,000 that are currently under dispute.

Notes to the Financial Statements

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6. Profit before Income Tax (continued)

	Group	
	2021 A$'000	2020 A$'000
Included in administrative expenses:		
Audit fees:		
- Auditor of the Company	87	92
- Other auditors	98	119
Non-audit fees:		
- Auditor of the Company	20	21
- Other auditors	154	152
Business development	237	426
Communications	2,497	1,626
Depreciation of property, plant and equipment (Note 14)	243	230
Directors' fee	241	253
Employee benefits (Note 7)	12,113	10,595
Occupancy expenses	382	529
Office costs	599	549
Other administrative expenses	141	323
Other professional fees	1,565	1,305
Tax fees	610	616
Net foreign exchange loss	-	117
Included in other expenses:		
Impairment loss on loan to an associate (Note 11)	200	1,767
Impairment loss on trade receivables (Note 11)	-	911
Bad debts written off	1,646	-
Loss on revaluation of freehold land and buildings (Note 14)	-	1,611
Loss on disposal of property, plant and equipment	-	197
Other expenses	2	46

Notes to the Financial Statements

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7. Employee Benefits Expenses

	Group	
	2021 A$'000	2020 A$'000
Included in cost of sales: (Note 6)		
Wages and salaries	272,280	140,362
Contributions to defined contribution plans	15,025	8,841
Other employee benefits	2,100	1,369
	289,405	**150,572**
Included in administrative expenses: (Note 6)		
Wages and salaries	7,706	9,079
Contributions to defined contribution plans	2,111	1,264
Other employee benefits	256	252
Share based payment	2,040	-
	12,113	**10,595**

8. Finance Costs

	Group	
	2021 A$'000	2020 A$'000
Bank bills and line fees	1,190	1,091
Trade finances	4	26
Lease liabilities	994	1,248
Finance leases	4,200	-
Other finance costs	93	187
	6,481	**2,552**
Included in cost of sales:		
Lease liabilities (Note 6)	**2,918**	**2,752**

During the previous financial year, A$3,850,000 of finance cost incurred for the Assembly Hall was capitalised in property, plant and equipment.

Notes to the Financial Statements

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9. Income Tax Expense

	Group	
	2021 A$'000	**2020 A$'000**
Current income tax	18,375	6,513
Deferred income tax	(2,506)	(985)
	15,869	**5,528**
Under/(over) provision in prior years		
- Current income tax	1	-
- Deferred income tax	(301)	(311)
	(300)	**(311)**
	15,569	**5,217**
Deferred income tax expense on revaluation of freehold land and buildings recognised in other comprehensive income	**802**	**33,638**

The Group's tax on profit before income tax differs from the amount that would arise using the Australian standard rate of income tax as follows:

	Group	
	2021 A$'000	**2020 A$'000**
Profit before income tax	**50,197**	**22,766**
Income tax at 30%	15,059	6,830
Add/(deduct) the tax effects of:		
Under provision of current tax expense in prior years	1	-
Over provision of deferred tax expense in prior years	(301)	(311)
Non-assessable income	-	(1,774)
Non-deductible expenses	665	-
Deferred tax asset not recognised	145	472
	15,569	**5,217**
Weighted average effective tax rates	**31.0%**	**22.9%**

As at 30 June 2021, the Group has capital tax losses of approximately A$2,094,000 (2020: A$1,611,000) that are available for offset against future capital gains of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these capital tax losses is subject to the agreement of tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The deferred tax assets arising from these capital losses amounted to A$628,000 (2020: A$483,000) and are not recognised as there is no reasonable certainty that future capital gains will be available to utilise the capital tax losses.

The non-deductible expenses of the Group mainly relate to share option expenses which are being treated as non-deductible for tax purposes.

The tax rate used for the 2021 and 2020 reconciliations above is the corporate tax rate of 30% payable by corporate entities in Australia on taxable profits under the tax law in that jurisdiction. The Group's operations are primarily located in Australia.

Notes to the Financial Statements

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9. Income Tax Expense (continued)

Current tax payable

During the current financial year, current tax payable arose from the Group's payment of income tax during the year.

Deferred taxes

	Group			
	Opening A$'000	Charged to profit or loss A$'000	Charged to OCI* A$'000	Closing A$'000
2021				
Property, plant and equipment	(37,046)	(3,702)	(802)	(41,550)
Receivables	551	(114)	-	437
Trade and other payables	1,005	4,695	-	5,700
Provisions	3,218	1,893	-	5,111
Carried forward tax losses	142	(141)	-	1
Others	356	176	-	532
	(31,774)	**2,807**	**(802)**	**(29,769)**
2020				
Property, plant and equipment	(4,099)	691	(33,638)	(37,046)
Receivables	3	548	-	551
Trade and other payables	904	101	-	1,005
Provisions	3,224	(6)	-	3,218
Carried forward tax losses	433	(291)	-	142
Others	103	253	-	356
	568	**1,296**	**(33,638)**	**(31,774)**

** Other Comprehensive Income*

Notes to the Financial Statements

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9. Income Tax Expense (continued)

Deferred taxes (continued)

	Company		
	Opening A$'000	Charged to profit or loss A$'000	Closing A$'000
2021			
Loan receivables	17	7	24
Trade and other payables	1	9	10
Carried forward tax losses	2	(1)	1
Investment in subsidiaries	-	224	224
Others	2	(1)	1
	22	**238**	**260**
2020			
Loan receivables	3	14	17
Trade and other payables	11	(10)	1
Carried forward tax losses	377	(375)	2
Others	3	(1)	2
	394	**(372)**	**22**

10. Earnings per Share

Basic earnings per share is calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial year by the weighted average number of ordinary shares issued.

	Group	
	2021 A$'000	2020 A$'000
Profit attributable to the owners of the Company	34,771	17,586
Share capital	29,807	29,807
Weighted average number of ordinary shares issued		
- Basic	501,083,288	500,985,000
- Diluted	501,094,247	500,985,000
Earnings per ordinary share (A$ cents)		
- Basic	6.94	3.51
- Diluted	6.94	3.51

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 year.

As at 30 June 2021, the diluted earnings per share includes the effect of 4,000,000 unissued ordinary shares granted under the CESOS (Note 25(b)) (2020: 4,000,000, anti-dilutive).

Notes to the Financial Statements

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11. Trade and Other Receivables

	Group		Company	
	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Current: Trade receivables				
- Third parties	87,064	73,985	-	-
- Retention sum receivables	173	197	-	-
Allowance for impairment loss	(11)	(911)	-	-
	87,226	73,271	-	-
Receivables from subsidiaries	-	-	50,481	39,682
Loan to an associate	1,967	1,767	-	-
Allowance for impairment loss	(1,967)	(1,767)	-	-
Other receivables	262	1,252	-	-
	87,488	**74,523**	**50,481**	**39,682**
Non-current:				
Loan receivable from a joint venture	-	493	-	-
	87,488	**75,016**	**50,481**	**39,682**

The receivables from subsidiaries are non-trade, unsecured, interest-free and repayable on demand in cash.

The Group provided working capital funding to an associate, Civtec Africa Ltd. The loan is unsecured, interest bearing at 7% to 9% plus 2% and repayable on demand. The Group has fully impaired the amount of A$1,967,000 (2020: A$1,767,000) due to cashflow constraints of the borrower caused by the COVID-19 lockdown limiting their ability to repay the loan.

The loan receivable from a joint venture was non-trade, unsecured and interest bearing at a market rate of Australian Bank Bill Swap Bid Rate ('BBSY') plus 3%. The loan was repaid in full on 24 July 2020.

Notes to the Financial Statements

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11. Trade and Other Receivables (continued)

The movements in allowance for impairment loss of trade and other receivables during the year are as follows:

	Group		
	Trade receivables A$'000	Other receivables A$'000	Total A$'000
2021			
Balance at 1 July 2020	911	1,767	2,678
Impairment loss recognised in profit or loss during the year on:			
- Changes in credit risk (Note 6)	-	200	200
- Written off	(900)	-	(900)
As at 30 June 2021	**11**	**1,967**	**1,978**
2020			
Balance at 1 July 2019	-	-	-
Impairment loss recognised in profit or loss during the year on:			
- Changes in credit risk (Note 6)	911	1,767	2,678
As at 30 June 2020	**911**	**1,767**	**2,678**

Apart from the credit allowance provided, management has assessed that there is no other significant expected credit loss for the financial year ended 30 June 2021.

The Group's internal credit evaluation practices and basis for recognition and measurement for expected credit losses are disclosed in Note 32(a) to the financial statements.

12. Other Assets

	Group		Company	
	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Prepayments	1,311	1,432	-	-
Consumables inventory	592	619	-	-
	1,903	**2,051**	**-**	**-**

13. Cash and Cash Equivalents

	Group		Company	
	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Cash at banks and in hand	**48,172**	**27,712**	**28**	**19**

Cash at banks earn interest at floating rates ranging from 0.01% to 0.35% (2020: 0.01% to 0.25%) per annum.

A floating charge over cash and cash equivalents has been provided for certain debt.

Notes to the Financial Statements

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14. Property, Plant and Equipment

	Freehold land A$'000	Leasehold land A$'000	Buildings A$'000	Plant and equipment A$'000	Small tools A$'000	Motor vehicles A$'000	Office equipment A$'000	IT equipment A$'000	Assets under construction A$'000	Total A$'000
2021 *Cost or valuation*										
At 1 July 2020	19,500	29,310	301,002	70,201	6,342	6,916	712	3,081	11,037	448,101
Additions	-	-	9,236	1,372	1,026	599	25	248	9,110	21,616
Additions – ROU	-	1,669	-	1,928	-	742	-	-	-	4,339
Transfer	-	-	-	185	(140)	-	-	-	(45)	-
Revaluation increase	-	-	4,223	-	-	-	-	-	-	4,223
Revaluation decrease	(1,550)	-	-	-	-	-	-	-	-	(1,550)
Disposals	-	-	-	(1,028)	(210)	(900)	-	-	-	(2,138)
At cost at 30 June 2021	-	30,979	-	72,658	7,018	7,357	737	3,329	20,102	142,180
At valuation at 30 June 2021	17,950	-	314,461	-	-	-	-	-	-	332,411
At 30 June 2021	17,950	30,979	314,461	72,658	7,018	7,357	737	3,329	20,102	474,591
Accumulated depreciation										
At 1 July 2019	-	(2,824)	-	(33,916)	(5,204)	(5,055)	(642)	(2,656)	-	(50,297)
Depreciation for the year	-	(595)	(7,198)	(5,045)	(477)	(618)	(37)	(204)	-	(14,174)
Transfer	-	-	-	(11)	20	(9)	-	-	-	-
Disposals	-	-	-	873	204	833	-	-	-	1,910
At 30 June 2021	-	(3,419)	(7,198)	(38,099)	(5,457)	(4,849)	(679)	(2,860)	-	(62,561)
Net carrying amount										
At cost	-	27,560	-	34,559	1,561	2,508	58	469	20,102	86,817
At valuation	17,950	-	307,263	-	-	-	-	-	-	325,213
At 30 June 2021	**17,950**	**27,560**	**307,263**	**34,559**	**1,561**	**2,508**	**58**	**469**	**20,102**	**412,030**

Notes to the Financial Statements

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14. Property, Plant and Equipment (continued)

	Freehold land A$'000	Leasehold land A$'000	Buildings A$'000	Plant and equipment A$'000	Small tools A$'000	Motor vehicles A$'000	Office equipment A$'000	IT equipment A$'000	Assets under construction A$'000	Total A$'000
2020 *Cost or valuation*										
At 1 July 2019	16,254	-	66,357	68,643	7,099	7,045	1,414	2,410	85,652	254,874
Adoption of SFRS(I) 16	-	27,145	-	-	-	-	-	-	-	27,145
At 1 July 2019, restated	16,254	27,145	66,357	68,643	7,099	7,045	1,414	2,410	85,652	282,019
Additions	-	-	57,365	252	17	-	-	-	4,862	62,496*
Additions – ROU	-	2,165	-	-	-	-	-	-	7,543	9,708*
Transfer	-	-	85,607	1,761	(317)	-	(702)	671	(87,020)	-
Revaluation increase	3,246	-	93,284	-	-	-	-	-	-	96,530
Loss on revaluation	-	-	(1,611)	-	-	-	-	-	-	(1,611)
Disposals	-	-	-	(455)	(457)	(129)	-	-	-	(1,041)
At cost at 30 June 2020	-	29,310	-	70,201	6,342	6,916	712	3,081	11,037	127,599
At valuation at 30 June 2020	19,500	-	301,002	-	-	-	-	-	-	320,502
At 30 June 2020	19,500	29,310	301,002	70,201	6,342	6,916	712	3,081	11,037	448,101
Accumulated depreciation										
At 1 July 2019	-	-	(13,253)	(27,860)	(5,124)	(4,525)	(998)	(2,110)	-	(53,870)
Adoption of SFRS(I) 16	-	(2,312)	-	-	-	-	-	-	-	(2,312)
At 1 July 2019, restated	-	(2,312)	(13,253)	(27,860)	(5,124)	(4,525)	(998)	(2,110)	-	(56,182)
Depreciation for the year	-	(512)	(2,657)	(5,672)	(527)	(659)	(252)	(185)	-	(10,464)
Transfer	-	-	315	(616)	54	-	608	(361)	-	-
Revaluation	-	-	15,595	-	-	-	-	-	-	15,595
Disposals	-	-	-	232	393	129	-	-	-	754
At 30 June 2020	-	(2,824)	-	(33,916)	(5,204)	(5,055)	(642)	(2,656)	-	(50,297)
Net carrying amount										
At cost	-	26,486	-	36,285	1,138	1,861	70	425	11,037	77,302
At valuation	19,500	-	301,002	-	-	-	-	-	-	320,502
At 30 June 2020	**19,500**	**26,486**	**301,002**	**36,285**	**1,138**	**1,861**	**70**	**425**	**11,037**	**397,804**

** The cash purchases of property, plant and equipment during the financial year are amounting to A$70,039,000.*

Notes to the Financial Statements

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14. Property, Plant and Equipment (continued)

Depreciation expenses are classified as follows:

	2021 A$'000	2020 A$'000
Included in cost of sales	13,931	10,234
Included in administrative expenses	243	230
	14,174	**10,464**

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 maintenance facility	Leasehold land leases: (i) 34-years lease from August 2010, with further 35 years option (ii) 30-years lease from March 2014, with further 35 years option (iii) 28-years lease from December 2016, with further 45 years option
35-39 Old Punt Road Tomago New South Wales	Land and buildings Manufacturing facility modular assembly laydown area	Freehold
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

Freehold land and buildings carried at fair value

An independent valuation was carried out by Griffin Valuation Advisory on the newly constructed Submarine Rescue Facility and the existing freehold land and buildings at 35-39 Old Punt Road, Tomago, New South Wales in June 2021. 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.

Notes to the Financial Statements

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14. Property, Plant and Equipment (continued)

Freehold land and buildings carried at fair value (continued)

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 30 June 2021 and 30 June 2020 are as follows:

	Level 1 A$'000	Level 2 A$'000	Level 3 A$'000	Fair Value as at 30 June 2021 A$'000
Freehold land	-	17,950	-	17,950
Buildings	-	1,917	305,346	307,263

	Level 1 A$'000	Level 2 A$'000	Level 3 A$'000	Fair Value as at 30 June 2020 A$'000
Freehold land	-	19,500	-	19,500
Buildings	-	2,000	299,002	301,002

Level 2 fair value of the Group's freehold land and building have been derived using the market data approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes as disclosed in Note 3(a)(vi) to the financial statements. The most significant input in this valuation approach is the selling price per square meter and the usage of the property.

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) as at 30 June 2021 and 2020:

Description	Fair value as at 30 June 2021 A$'000	Valuation techniques	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Buildings	305,346	Depreciated Replacement Cost (DRC)	Depreciation rates	2% to 33.33%	The higher the depreciation rates, the lower the fair value.
			Estimated construction costs per square metre	$984 to $4,857	The higher the construction costs, the higher the fair value.
			Developer profit margin	4% to 6%	The higher the profit margin, the higher the fair value.

Description	Fair value as at 30 June 2020 A$'000	Valuation techniques	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Buildings	299,002	Depreciated Replacement Cost (DRC)	Depreciation rates	2% to 33.33%	The higher the depreciation rates, the lower the fair value.
			Estimated construction costs per square metre	$1,245 to $4,857	The higher the construction costs, the higher the fair value.
			Developer profit margin	4% to 6%	The higher the profit margin, the higher the fair value.

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14. Property, Plant and Equipment (continued)

Freehold land and buildings carried at fair value (continued)

Valuation techniques used to derive Level 3 fair values (continued)

The following table represents the changes in level 3 items for the financial year ended 30 June 2021 and 30 June 2020:

	Buildings 2020 A$'000
Net book value	50,162
Acquisition	57,365
Depreciation	(2,215)
Transfer from assets under construction	85,607
Total cost of buildings	**190,919**

	2021 A$'000	2020 A$'000
At the beginning of the year	299,002	-
Acquisition	9,236	-
Depreciation	(7,115)	-
Transfer from cost to revaluation method (Level 3)	-	190,919
Gain on revaluation of buildings	4,223	108,083
Closing balance	**305,346**	**299,002**

There were no transfers between Level 1 and Level 2 during the year.

If the freehold land and building were stated on the historical cost basis, the carrying amount would be as follows:

	2021 A$'000	2020 A$'000
Freehold land	16,254	16,254
Buildings	218,565	209,330
Accumulated depreciation	(21,461)	(15,595)
Net book value	**213,358**	**209,989**

Notes to the Financial Statements

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14. Property, Plant and Equipment (continued)

Right-of-use assets

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are also disclosed in Note 23.

(a) As at the balance sheet date, the net book value of property, plant and equipment that were under lease liabilities was A$55,063,000 (2020: A$53,308,000) (Note 23).

(b) The carrying amount of property, plant and equipment that are pledged for security are as follows.

		Group	
Description	**Borrowings**	**2021 A$'000**	**2020 A$'000**
Leased plant and equipment	Lease liabilities	27,472	26,813
Remaining property, plant and equipment	Bank bills	384,558	370,991
		412,030	**397,804**

The details of the borrowings are disclosed in Note 21 to the financial statements.

15. Intangible Assets

	2021 A$'000	2020 A$'000
Goodwill	10	10

Goodwill arose from the excess of the consideration paid for a business acquired from a third party. Goodwill has been allocated to the cash-generating unit, Metals and Minerals division.

Management is of the opinion that the recoverable amount will exceed the carrying amount on the basis that this cash generating unit has been generating profit since acquisition and management forecasts the results of this subsidiary to be in a net profit position for the financial year ended 30 June 2021. In arriving at this assessment, management has determined the recoverable amount using a two (2020: two) years forecasting process based on the current order book, projected orders and a consumer price index ('CPI') factor of 3.8% (2020: 1.6%) per annum on direct costs and overhead costs.

16. Investment in Subsidiaries

	Company	
	2021 A$'000	**2020 A$'000**
Unquoted equity shares, at cost Interest-free loan receivable	7,579	7,579
Interest-free loan receivable	746	-
	8,325	7,579
Less: impairment loss	(746)	-
	7,579	**7,579**

There is no material non-controlling interest to be disclosed for the financial year ended 30 June 2021.

Notes to the Financial Statements

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16. Investment in Subsidiaries (continued)

The details of the Company's subsidiaries are as follows:

Name of Entity	Principal Activities	Country of incorporation	Equity held by the Group 2021 %	Equity held by the Group 2020 %
Held by the Company				
Civmec Construction & Engineering Pty Ltd*	Engineering and construction services	Australia	100	100
Civmec Construction & Engineering Singapore Pte Ltd**	Engineering and construction services	Singapore	100	100
Held by Civmec Construction & Engineering, Singapore Pte Ltd				
Civmec-Mala PNG[(1)]	Engineering and construction services	Papua New Guinea	-	88
Held by Civmec Construction & Engineering Pty Ltd				
Civmec Holdings Pty Ltd*	Asset holding company	Australia	100	100
Multidiscipline Solutions Pty Ltd*	Asset holding company and labour supply	Australia	100	100
Civmec Pipe Products Pty Ltd*	Asset holding company	Australia	83.5	83.5
Civmec Electrical and Instrumentation Pty Ltd*	Electrical services	Australia	100	100
Civmec DLG Pty Ltd*	Engineering and construction services	Australia	100	100
Forgacs Marine and Defence Pty Ltd*	Marine and defence services	Australia	100	100
Civmec Construction & Engineering Africa Ltd*	Asset holding company	Mauritius	100	100
Civmec-Mala PNG[(1)]	Engineering and construction services	Papua New Guinea	88	-
Held by Forgacs Marine and Defence Pty Ltd				
Forgacs Valco Pty Ltd[(2)]	Valve services	Australia	50	50
Held by Civmec Construction & Engineering Africa Ltd				
Civmec Construction & Engineering Uganda Ltd*	Asset holding company	Uganda	100	100

* *Audited by Moore Australia (WA) Pty Ltd, Australia.*
** *Audited by Moore Stephens LLP, Singapore.*
(1) *Ownership in Civmec-Mala PNG was transferred from Civmec Construction and Engineering Singapore Pte Ltd to Civmec Construction & Engineering Pty Ltd on 4 September 2020.*
(2) *The company was deregistered on 15/08/2021.*

Notes to the Financial Statements

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17. Investment in Joint Venture

	Group	
	2021 A$'000	2020 A$'000
Unquoted cost of investment	242	41
Share of (loss)/profit	(97)	201
	145	242
Cash distribution to shareholders	(88)	-
As at 30 June	**57**	**242**

Details of the Group's joint venture that is accounted for using the equity method at the end of the reporting period are as follows:

			Ownership interest held by the Group	
Name of Entity	**Principal Activities**	**Country of incorporation**	**2021 %**	**2020 %**
Held by Civmec Construction & Engineering Pty Ltd				
Australian Maritime Shipbuilding and Export Group Ltd (AMSEG) (1)	Shipbuilding	Australia	50	50
Brown & Root Civmec Pty Ltd(2)	Engineering and maintenance services	Australia	49	49

(1) *Incorporated with Luerssen Australia Pty Ltd on 17 May 2018.*
(2) *Incorporated with Kellogg Brown & Root Pty Ltd on 13 April 2019.*

Notes to the Financial Statements

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17. Investment in Joint Venture (continued)

The summarised financial information below represents amounts shown in the joint venture's financial statements.

Brown & Root Civmec Pty Ltd

Summarised statement of financial position:

	2021 A$'000	2020 A$'000
Other receivables	-	586
Current assets	115	1,441
Total assets	115	2,027
Other payables	-	1,533
Net assets	**115**	**494**

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2021 A$'000	2020 A$'000
Net assets	115	494
Proportion of the Group's ownership interest in the joint venture	49.0%	49.0%
Carrying amount of the Group's interest in the joint venture	**57**	**242**

Summarised statement of comprehensive income:

	2021 A$'000	2020 A$'000
Revenue	-	3,831
Operating expenses	-	(3,328)
Business income	-	79
Finance cost	-	(30)
Administrative expenses	(8)	(140)
(Loss)/profit before tax	(8)	412
Income tax expense	(189)	-
(Loss)/profit after tax	**(197)**	**412**

Notes to the Financial Statements

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18. Investment in Associate

Details of the Group's associate that is accounted for using the equity method at the end of the reporting period are as follows:

Name of Entity	Principal Activities	Country of incorporation	Ownership interest held by the Group 2021 %	Ownership interest held by the Group 2020 %
Held by Civmec Construction & Engineering Uganda Ltd				
Civtec Africa Ltd	Engineering and construction services	Uganda	32	32

Civtec Africa Ltd

The summarised financial information below represents amounts shown in the associate's financial statements.

	2021 A$'000	2020 A$'000
Statement of financial position:		
Current assets	206	3,729
Non-current assets	91	93
Current liabilities	(1,113)	(1,965)
Non-current liabilities	(2,272)	(2,179)
Statement of comprehensive income:		
Revenue	-	5,548
(Loss)/profit from continuing operations	(504)	939
(Loss)/profit for the year	(922)	535
Total comprehensive (loss)/profit for the year	**(922)**	**575**

The carrying amount of investment in associate has been reduced to nil on the basis that the associate was reported a net liability position as at 30 June 2021.

The Group has not recognised its share of loss of A$294,000 for the financial year ended 30 June 2021 (2020: A$183,000, profit) because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised loss amount to A$338,000 (2020: A$44,000) at reporting date.

Notes to the Financial Statements

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19. Joint Operations

The Group has interests in the following joint operations which are proportionately consolidated:

			Ownership interest held by the Group	
Name of Entity	Principal Activities	Country of incorporation	2021 %	2020 %
Black & Veatch Civmec JV ('BCJV')	Engineering and construction services	Australia	50	50
Amec Foster Wheeler Civmec JV ('ACJV')	Engineering and construction services	Australia	50	50

BCJV project is for the design and construction of a wastewater treatment plant upgrade.

ACJV is for the design, procurement and installation of a process plant, administration office and warehouse. The joint operation is settled on 31 March 2021.

The Group is entitled to a proportionate share of the construction contract revenue earned and bears a proportionate share of the joint operations' expenses.

20. Trade and Other Payables

	Group		Company	
	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Trade creditors	41,293	39,028	60	54
Sundry payables and accruals	38,303	34,513	132	114
Goods and services tax payable	2,601	13,472	-	-
Other taxes payable	5,216	4,062	-	-
	87,413	**91,075**	**192**	**168**

Trade and other payables are usually paid within 45 days.

Notes to the Financial Statements

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21. Borrowings

	Group 2021 A$'000	Group 2020 A$'000
Current:		
Bank bills – secured [Note 21(a)]	-	2,067
Loan from related party – unsecured [Note 21(c)]	-	320
	-	2,387
Non-current:		
Senior secured notes [Note 21(c)]	60,000	60,000
	60,000	60,000
	60,000	**62,387**

(a) Bank Bills

Banking covenants

The Group is required by the banks to maintain certain financial ratios such as loan value ratio and interest cover ratio. As at 30 June 2021, the Group met all of these financial covenants.

As at 30 June 2021, the Group has a commercial bank facility amounting to A$40,000,000 (2020: A$32,067,000) which was not utilised (2020: 6% utilised). Interest rates are variable and ranged between 1.34% to 4.13% (2020: 1.67% to 2.25%) per annum during the current financial year.

The bank bills are secured by certain property, plant and equipment as disclosed in Note 14 to the financial statements.

(b) Senior Secured Notes

The Group secured a A$60,000,000 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 are unconditionally and irrevocably guaranteed by the Company and are redeemable after two years at the Company's option. The senior secured notes are collectively under a security trust deed and hold first ranking over all assets held with the subsidiary, Civmec Holdings Pty Ltd, including interests in land at the Company's Stuart Drive Henderson site in Western Australia and the Tomago site in New South Wales Australia.

The senior secured notes bear a fixed interest rate of 7% per annum.

(c) Loan from a Related Party

Loan from a related party is non-trade, unsecured, interest-free and repayable on demand. The loan was forgiven and the Group has no other further liability under the agreement.

Notes to the Financial Statements

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22. Provisions

	Group	
	2021 A$'000	**2020 A$'000**
Current:		
Provision for employee benefits	8,950	6,103
Non-current:		
Provision for employee benefits	4,429	3,352
	13,379	**9,455**

The movements in provisions are as follows:

	Group	
	2021 A$'000	**2020 A$'000**
Current:		
At the beginning of the year	6,103	5,557
Provisions made during the year - Included in employee benefits	16,567	9,061
Provisions utilised during the year	(13,720)	(8,515)
At the end of the year	**8,950**	**6,103**
Non-current:		
At the beginning of the year	3,352	4,634
Provisions made during the year - Included in employee benefits	1,381	1,170
Adjustment due to change in probability %	(52)	(2,272)
Provisions utilised during the year	(252)	(180)
At the end of the year	**4,429**	**3,352**

Provisions pertain to employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data and the discount rate used ranges from 0.18 % to 2.66% (2020: 1.29% to 2.53%).

Notes to the Financial Statements

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23. Lease Liabilities

The Group as Lessee

The Group has entered into leases of land and buildings in respect of its offices, facilities and workshops. The Group has the following leases:

- The Henderson land lease at Lot 804 (16) Nautical Drive, Henderson, Western Australia is for a 34-year period from August 2010 with an option to renew for a further 35 years (reasonably certain to be exercised). Rent increases as per the CPI Index.
- The Henderson land lease on extended area at Lot 804 (16) Nautical Drive, Henderson, Western Australia is for a 28-year period from December 2016 with an option to renew for a further 45 years (reasonably certain to be exercised). Rent increases as per the CPI Index.
- The Henderson land lease at Lot 101 Welding Pass, Henderson, Western Australian is for a 28-year period from November 2019 with 2 options of 3 years each (reasonably certain to be exercised). Rent increases as per the CPI Index.
- A workshop lease at 1 Boys Road, Gladstone in Queensland for 2-year period and 1-year option (reasonably certain to be exercised).
- The Henderson land lease at 1 Welding Pass, Henderson, Western Australia is 28-year lease from April 2020 with further 22 years option (reasonably certain to be exercised). Rent increases as per the CPI Index.

The Group also leases motor vehicles, workshop equipment and office fitout from non-related parties under lease liabilities. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term. The average lease term is between 4 and 5 years.

The present values of lease liabilities are analysed as follows:

	Minimum lease payments A$'000	Future finance charges A$'000	Net present value of minimum lease payments A$'000
2021			
Not later than one year	14,060	(3,675)	10,385
Between one and five years	43,272	(15,433)	27,839
Later than five years	97,666	(81,133)	16,533
	140,938	(96,566)	44,372
	154,998	**(100,241)**	**54,757**
2020			
Not later than one year	14,405	(3,683)	10,722
Between one and five years	37,087	(12,373)	24,714
Later than five years	149,165	(130,540)	18,625
	186,252	(142,913)	43,339
	200,657	**(146,596)**	**54,061**

Notes to the Financial Statements

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23. Lease Liabilities (continued)

The Group as Lessee (continued)

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2021 A$'000	2020 A$'000
Present value of lease liabilities		
Less than one year	10,385	10,722
Between one and five years	27,839	24,714
Later than five years	16,533	18,625
	44,372	43,339
	54,757	**54,061**

The effective interest rates range from 2.14% to 8.6% (2020: 3.24% to 8.6%) per annum.

The carrying amount of right-of-use assets classified within Property, Plant and Equipment (Note 14) is as follows:

	Group	
	2021 A$'000	2020 A$'000
Leasehold land & buildings	27,560	26,495
Small tools	-	299
Plant and equipment	26,138	17,876
Motor vehicles	1,339	1,042
Office equipment	26	53
Asset under construction	-	7,543
	55,063	**53,308**

There was an addition of A$4,339,000 to right-of-use assets during the year.

Amounts recognised in profit or loss

	2021 A$'000	2020 A$'000
Depreciation charged for the year:		
- Small tools	-	64
- Plant and equipment	2,018	1,756
- Motor vehicles	296	280
- Office equipment	27	27
- Leasehold land	-	512
Interest on lease liabilities (Note 8)	3,912	4,000
Expenses relating to short-term leases	371	376

Other disclosures

	2021 A$'000	2020 A$'000
Total cash outflow for leases	**7,045**	**6,003**

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24. Share Capital

(a) Fully Paid Ordinary Shares

	Group and Company			
	No. of shares	A$'000	No. of shares	A$'000
At the beginning and end of the year	501,000,000	29,807	501,000,000	29,807
Shares issued during the year - Conversion of performance rights	100,000	-	-	-
At the end of the year	**501,100,000**	**29,807**	**501,000,000**	**29,807**

The ordinary shares of the Company have no par value. All issued ordinary shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share without restrictions at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The Company approved the payment of a First and Final dividend of 1.0 (2020: 0.7 Singapore cents) Australia cents per ordinary share amounting to A$5,010,850 (2020: S$3,507,000) for the financial year ended 30 June 2020. The dividend payment was made on 8 December 2020.

The Company also approved the payment of an Interim dividend of 1.0 Australia cents per ordinary share amounting to A$5,010,850 for the financial year ended 30 June 2021. The dividend payment was made on 26 March 2021.

The Board has recommended a Final dividend of 1.0 Australian cents per ordinary share for the financial year ended 30 June 2021, subject to shareholders' approval at the forthcoming Annual General Meeting.

(b) Treasury Shares

	Group and Company			
	No. of shares	A$'000	No. of shares	A$'000
At the beginning and end of the year	**15,000**	**10**	**15,000**	**10**

Treasury shares relate to ordinary shares of the Company that are held by the Company.

(c) Share Options

	Group and Company			
	2021		2020	
	No. of shares	A$'000	No. of shares	A$'000
At the beginning of the year	4,000,000	0.65	4,000,000	0.65
- Options cancelled during the year	-	-	-	-
At the end of the year	**4,000,000**	**0.65**	**4,000,000**	**0.65**

These options vested but were not exercised during the reporting period. Share options granted under the Civmec Employee Share Option plan carry no rights to dividends and no voting rights. Further details of the employee option plan are disclosed in Note 25(b) to the financial statements.

Notes to the Financial Statements

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25. Share-Based Payments

(a) Performance Share Plan

The Civmec Performance Share Plan (the 'CPSP') for key management personnel and employees of the Group was approved and adopted by shareholders at the Extraordinary General Meeting held on 25 October 2012.

Under the CPSP, 1,199,000 ordinary shares with a market value of S$0.70 equivalent to A$0.74 per share were fully allotted out of treasury shares issued by the Company on 13 June 2014.

No issuance of share-based payment transactions in the current financial year.

(b) Employee Share Option Scheme

The Civmec Employee Share Option Scheme (the 'CESOS') was established on 27 March 2012 and formed part of the Civmec Limited prospectus dated 5 April 2012. The CESOS is a long term incentive scheme to reward and retain key management and employees of the Group whose service are integral to the success and the continued growth of the Group. Executive and non-executive directors (including independent directors) and employees of the Company, who are not controlling shareholders or their associates, are eligible to participate in the scheme. Controlling shareholders or their associates cannot participate in the scheme unless certain conditions are satisfied and shareholder approval is obtained.

The options are issued for no consideration and carry no entitlements to voting rights or dividends of the Group and are not transferable. The number of options granted is subject to approval by the Remuneration Committee and is based on a performance framework which incorporates financial and/or non-financial performance measurement criteria.

Options are forfeited immediately after the holder ceases to be employed by the Group (except in the case of ill health, retirement, redundancy or bankruptcy), unless the committee determines otherwise.

The options are issued with a strike price that is at the Remuneration Committee's discretion, set at a price as quoted on the Singapore Exchange for three market days immediately preceding the relevant date of grant of the option or at a discount to the market price (subject to a maximum discount of 20%).

The vesting period for options issued with no discount to market price is over one year.

On 11 September 2013, 6,000,000 options were granted to employees under the CESOS to take up ordinary shares at an exercise price of S$0.65 equivalent to A$0.64 per share. The options are exercisable on or before 11 September 2023.

Options granted to employees are as follows:

Grant date	Total number granted	Vesting period
11 September 2013	6,000,000	1 year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in share options during the year:

	2021		2020	
	No.	WAEP	No.	WAEP
Outstanding at the beginning of the year	4,000,000	0.65	4,000,000	0.65
- Cancelled during the year	-		-	
Outstanding at the end of the year	**4,000,000**	0.65	**4,000,000**	0.65
Exercisable at the end of the year	**4,000,000**		**4,000,000**	

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25. Share-Based Payments (continued)

(b) Employee Share Option Scheme (continued)

The weighted average remaining contractual life of options outstanding as at 30 June 2021 is 2 (2020: 3) years. The exercise price of outstanding shares was S$0.65 (2020: S$0.65) equivalent to A$0.64 (2020: A$0.68).

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted was S$0.35 (2020: S$0.35) equivalent to A$0.35 (2020: A$0.37). These values were calculated using the Binomial option pricing model applying the following inputs:

Grant date:	11 September 2013
Vesting period	1 year
Dividend yield	11%
Weighted average exercise price	S$0.65
Share price	S$0.65
Expected average life of the option	5.9 years
Expected share price volatility	26%
Risk-free interest rate	2.68%

The expected volatility of the Company has been determined having regard to the historical volatility of the market price of the Company's shares and the mean reversion tendency of volatilities.

The life of the options is based on the expected exercise patterns, which may not eventuate in the future.

A liquidity discount has also been applied to the value of the options to account for historically low trading volume of the shares.

(c) Performance Rights Plan

The Civmec Limited Performance Rights Plan (the 'CPRP') for key senior executives of the Group was approved and adopted by shareholders at the Annual General meeting held on 25 October 2019.

A Performance Right refers to a right to one issued ordinary share of the Company granted under the scheme for no consideration. To the extent the gateway hurdles are satisfied, 100% of the vesting will be based on the absolute earnings per share (aEPS) outcome. aEPS is based on the achievement of certain predetermined performance targets determined by the Committee. The Committee has the discretion to determine whether the performance targets have been met.

The balances of Performance Rights are as follows:

Grant	Balance at 1 July	Issued	Vested	Forfeited /Lapsed /Expired	Balance at 30 June
FY 2019	**-**	**8,109,993**	**-**	**-**	**8,109,993**
FY 2020	**8,109,993**	**-**	**-**	**(750,000)**	**7,359,993**
FY 2021	**7,359,993**	**8,578,000**	**(100,000)**	**(4,198,993)**	**11,639,000**

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26. Asset Revaluation Reserve

	Group		Company	
	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Balance at beginning of year	78,487	-	-	-
Gain on revaluation of freehold land and buildings	2,673	112,125	-	-
Deferred tax liability arising on revaluation (Note 9)	(802)	(33,638)	-	-
Balance at end of year	**80,358**	**78,487**	**-**	**-**

27. Other Reserves

	Group		Company	
	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Merger reserve	7,578	7,578	7,578	7,578
Waiver of interest receivable from a subsidiary	-	-	(3,335)	(3,335)
Waiver of loan payable to a related party	277	-	-	-
Equity-settled employee benefits reserve	2,280	240	2,280	240
	10,135	**7,818**	**6,523**	**4,483**

(a) Merger Reserve

Pursuant to the completion of the Restructuring Exercise, the share capital of Civmec Construction & Engineering Pty Ltd and Controlled Entities is adjusted to merger reserve based on the 'pooling of interest method'.

(b) Equity-settled employee benefits

The equity-settled employee benefits reserve relates to share options granted to employees under the employee share option plan and performance rights.

28. Capital Expenditure Commitments

The Group has contracted capital expenditure commitments at the reporting date but not recognised in the financial statement as follows:

	Group	
	2021 A$'000	2020 A$'000
Plant and equipment purchases	1,862	3,401
Capital projects	3,068	2,677
	4,930	**6,078**

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29. Guarantees

The Group is, in the normal course of business, required to provide guarantees in respect of their contractual performance related obligations. These guarantees and indemnities only give rise to a liability where it fails to perform its contractual obligations.

During the course of business, the Company also provides letters of credit for international trading when required.

As at 30 June 2021 and 2020, the Group has given the following:

	Group	
	2021 A$'000	**2020 A$'000**
Group		
Bank guarantee	1,879	1,943
Surety bond facility	160,885	160,489
Letter of credit	380	392
	163,144	**162,824**
Company		
Senior secured notes	**60,000**	**60,000**

The surety bond facility is provided for the provision of performance bonds to customers of the Group. It has a limit of A$305 million (2020: A$265 million) as at 30 June 2021.

The Company provided guarantee in respect of the senior secured notes issued to a subsidiary.

30. 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) (19.47%) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust) (19.47%).

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	
	2021 A$'000	**2020 A$'000**
Directors' remuneration		
- Salaries and other related costs	2,420	1,723
- Directors' fees	241	253
- Benefits including defined contribution plans	125	127
Other key management personnel		
- Salaries and other related costs	2,243	2,091
- Benefits including defined contribution plans	189	211
	5,218	**4,405**

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30. 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	
	2021 No.	2020 No.
Share options		
Directors	-	-
Key management personnel	2,000,000	2,000,000
Performance rights		
Directors	5,171,000	2,250,000
Key management personnel	4,184,000	2,330,000

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.

The following transactions occurred with related parties:

	Group	
	2021 A$'000	2020 A$'000
Waiver of loan payable to a related party	277	-
Purchase of goods and services - Consultant fee paid to a related party (who is a director of the Company)	(15)	(8)

31. Financial Information by Segments

Management has determined the operating segments based on the internal reports which are regularly reviewed by the Operations Management that are used to make strategic decisions.

The Operations Management comprises of the Executive Chairman, Chief Executive Officer, Chief Operations Officer, Acting Chief Financial Officer and the department heads of each operating segment.

The business is managed primarily on the basis of different products and services as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria.

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31. Financial Information by Segments (continued)

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements.

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

The three main reportable segments for the Group are: (1) Energy (2) Resources and (3) Infrastructure and Defence. The business activities include civil construction, fabrication, precast concrete, SMP (Structural, Mechanical and Piping Erection), insulation, maintenance and plant hire.

Basis of accounting for purpose of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the consolidated financial statements of the Group.

(b) Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reviewed quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs.

(c) Segment assets and liabilities

The Group does not identify nor segregate its assets and liabilities in operating segments as these are managed on a 'group basis'.

Geographical segments (secondary reporting)

Revenue is based on the location of customers regardless of where the services are rendered. Non-current assets are based on the location of those assets:

	Revenue		Non-current assets	
	2021 A$'000	2020 A$'000	2021 A$'000	2020 A$'000
Australia	674,186	391,159	416,734	400,957
Papua New Guinea	-	709	-	-
	674,186	**391,868**	**416,734**	**400,957**

Major customers

The Group has a number of customers to whom it provides both products and services. For the year ended 30 June 2021, the Group supplies to three (2020: two and one, Resources and Infrastructure and Defence) external customers in the Resources segment. The major customers account for approximately 55.1% (2020: 66.4%) of external revenue.

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31. Financial Information by Segments (continued)

	2021				2020			
	Energy A$'000	Resources A$'000	Infrastructure and Defence A$'000	Total A$'000	Energy A$'000	Resources A$'000	Infrastructure and Defence A$'000	Total A$'000
Revenue – external sales	38,317	559,781	76,088	674,186	14,102	338,674	39,092	391,868
Cost of sales (excluding depreciation)	(32,447)	(486,096)	(66,674)	(585,217)	(11,967)	(293,730)	(31,286)	(336,983)
Depreciation expense	(1,581)	(8,197)	(4,153)	(13,931)	(729)	(5,179)	(4,326)	(10,234)
Segment results	**4,289**	**65,488**	**5,261**	**75,038**	**1,406**	**39,765**	**3,480**	**44,651**
Other income				2,572				1,951
Share of (loss)/profit of joint venture/associate				(97)	201	-	-	201
Unallocated costs								
Finance costs				(6,481)				(2,552)
Administrative expenses*				(18,744)				(16,723)
Depreciation in admin expenses*				(243)				(230)
Impairment loss on trade and other receivables and write-off	-	(1,846)	-	(1,846)	(11)	(2,667)	-	(2,678)
Loss on revaluation of freehold land and buildings				-				(1,611)
Other expenses				(2)				(243)
Profit before income tax				50,197				22,766
Income tax expense				(15,569)				(5,217)
Net profit for the year				**34,628**				**17,549**
Segment assets:								
Intangible assets	-	10	-	10	-	10	-	10
Unallocated assets:								
Assets				630,389				595,892
Other current assets				1,903				2,051
Deferred tax assets				4,637				2,408
Total assets				**636,939**				**600,361**
Segment liabilities:								
Unallocated liabilities								
Liabilities				271,692				265,446
Borrowings				60,000				62,387
Provisions				13,379				9,455
Total liabilities				**345,071**				**337,288**
Other segment information								
Capital expenditure during the year				**21,616**				**70,039**

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

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32. Financial Risk Management Objectives and Policies

The Group and the Company financial risk management policies set out the Group's and the Company's overall business strategies and its risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. The Group and the Company do not hold or issue derivative financial instruments for speculative purposes.

As at 30 June 2021, the Group's and the Company's financial instruments mainly consisted of cash and cash equivalents, trade and other receivables, contract assets, trade and other payables, contract liabilities and borrowings.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables, contract assets and cash and cash equivalents. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk; and
- High credit quality counterparties of at least an 'A' rating by external credit rating companies.

Financial assets that are potentially subject to concentration of credit risk consist are principally bank deposits and receivables. The Group places its deposits with financial institutions and other creditworthy issuers and limits the amount of credit exposure to any one party. As at 30 June 2021, the Group has a concentration of credit risk on one debtor (2020: one debtor) that individually represents more than 49.1% (2020: 24.9%) of total trade and other receivables and contract assets.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except for financial guarantees as disclosed in Note 29 to the financial statements.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement for expected credit losses ('ECL'):

Internal rating grades	Definition	Basis for recognition and measurement of ECL
(i) Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
(ii) Under-performing	There has been a significant increase in credit risk since initial recognition (>60 days past due).	Lifetime ECL (not credit-impaired)
(iii) Non-performing	There is evidence indicating that the asset is credit-impaired (>90 days past due).	Lifetime ECL (credit-impaired)
(iv) Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

Notes to the Financial Statements

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32. Financial Risk Management Objectives and Policies (continued)

(a) Credit Risk (continued)

Trade receivables and contract assets

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group has adopted the policy of dealing with customers with an appropriate credit history as a means of mitigating the credit risk exposures. Credit evaluation which takes into account qualitative and quantitative profile of each customer is performed and approved by management before credit is being granted. The Group also closely monitors customers' payment pattern and credit exposures on an on-going basis.

The Group applies the simplified approach to provide for the ECL for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to the lifetime ECL.

The Group uses a provision matrix to measure the lifetime ECL allowance for trade receivables and contract assets. In measuring the ECL, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate mainly to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the ECL rates, the Group considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data. The Group has identified the gross domestic product ('GDP') growth of the countries in which it sells goods and services to be the most relevant factor, and accordingly adjust the historical loss rates based on expected changes in this factor.

The Group considers a financial asset as in default when the counterparty fail to make contractual payments for a prolonged period of time when they fall due, and the Group may also consider internal and external information, such as significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flow, such as a debtor failing to engage in a repayment plan with the Group and it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management has assessed and concluded that the ECL rate for trade receivables past due less than 1 year approximates Nil and is immaterial, while the ECL rate for trade receivables past due more than 1 year approximates 50% to 100%, except for specific cases where management has assessed the amount is still fully recoverable.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 June 2021 and 2020 are set out in the provision matrix as follows:

		Past due			
	Current A$'000	Within 60 days A$'000	61 to 90 days A$'000	More than 90 days A$'000	Total A$'000
Group *2021*					
Trade receivables	83,878	3,283	18	58	87,237
Loss allowance	-	-	-	(11)*	(11)
	83,878	**3,283**	**18**	**47**	**87,226**
2020					
Trade receivables	61,698	9,559	6	2,919	74,182
Loss allowance	-	-	-	(911)*	(911)
	61,698	**9,559**	**6**	**2,008**	**73,271**

** Risk profile of the corresponding receivable is assessed separately from the other trade receivables.*

Notes to the Financial Statements

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32. Financial Risk Management Objectives and Policies (continued)

(a) Credit Risk (continued)

Trade receivables and contract assets (continued)

There is no ageing analysis for contract assets as these mainly relate to variable considerations which have yet to be invoiced.

The Group has assessed and concluded that trade receivables are subject to immaterial credit loss. There has been no change in the estimation techniques or significant assumptions made during the current reporting year.

Other receivables and receivables from subsidiaries and a related party

The Group applies the general approach to provide for the ECL for other receivables and receivables from subsidiaries and a related party. Under the general approach, the loss allowance is measured at an amount equal to the 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

Impairment of these balances have been measured on the 12-month ECL basis which reflects the low credit risk of exposures. These amounts are subject to immaterial credit loss.

Impact of COVID-19

Judgement has been exercised in considering the impacts that 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. Unless otherwise addressed in specific notes, it has had no significant impact on the Group's overall credit risk.

Cash and cash equivalents

The cash and bank balances are entered into with bank and financial institution counterparties, which are rated at least AA, based on international credit rating agencies.

For the purpose of impairment, cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Financial guarantees

The Company has issued financial guarantees to financial institutions for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have the financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

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32. Financial Risk Management Objectives and Policies (continued)

(b) Interest Rate Risk (continued)

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt. At 30 June 2021, approximately 83% (2020: 97%) of the Group's debt is fixed. The Group's borrowings at variable rates are denominated mainly in A$. If the A$ interest rates increase/decrease by 1% (2020: 1%) with all other variables remain constant, the Group's profit before tax will be approximately lower/higher by Nil (2020: A$21,000) as a result of higher/lower interest expenses on these borrowings.

The Group and the Company has cash balances placed with reputable banks and financial institutions. Such balances are placed on varying maturities and generate interest income for the Group and the Company.

The Group obtains additional financing through bank borrowings and leasing arrangements. Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's borrowings and leasing obligations. They are both fixed and floating rates of interest. The policy is to retain flexibility in selecting borrowings at both fixed and floating rates interest.

	Variable rates		Fixed rates			
	Within 1 year A$'000	Between 2 to 5 years A$'000	Within 1 year A$'000	Between 2 to 5 years A$'000	Non-interest bearing A$'000	Total A$'000
Group *2021*						
Finance assets						
Cash and cash equivalents	48,144	-	-	-	28	48,172
Trade and other receivables	-	-	-	-	87,488	87,488
	48,144	**-**	**-**	**-**	**87,516**	**135,660**
Financial liabilities						
Trade and other payables	-	-	-	-	79,596	79,596
Contract liabilities	-	-	-	-	80,138	80,138
Lease liabilities	7,190	12,933	3,195	31,439	-	54,757
Borrowings - Senior secured notes	-	-	-	60,000	-	60,000
	7,190	**12,933**	**3,195**	**91,439**	**159,734**	**274,491**

Notes to the Financial Statements

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32. Financial Risk Management Objectives and Policies (continued)

(b) Interest Rate Risk (continued)

	Variable rates		Fixed rates			
	Within 1 year A$'000	Between 2 to 5 years A$'000	Within 1 year A$'000	Between 2 to 5 years A$'000	Non-interest bearing A$'000	Total A$'000
Group *2020*						
Finance assets						
Cash and cash equivalents	27,693	-	-	-	19	27,712
Trade and other receivables	-	493	-	-	74,523	75,016
	27,693	**493**	**-**	**-**	**74,542**	**102,728**
Financial liabilities						
Trade and other payables	-	-	-	-	73,541	73,541
Contract liabilities	-	-	-	-	83,266	83,266
Borrowings	8,005	13,161	2,717	30,178	-	54,061
- Senior secured notes	-	-	-	60,000	-	60,000
- Bank bills	2,067	-	-	-	-	2,067
- Related party	-	-	-	-	320	320
	10,072	**13,161**	**2,717**	**90,178**	**157,127**	**273,255**

Notes to the Financial Statements

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32. Financial Risk Management Objectives and Policies (continued)

(b) Interest Rate Risk (continued)

	Variable rates		Fixed rates			
	Within 1 year A$'000	Between 2 to 5 years A$'000	Within 1 year A$'000	Between 2 to 5 years A$'000	Non-interest bearing A$'000	Total A$'000
Company ***2021***						
Finance assets						
Cash and cash equivalents	-	-	-	-	28	28
Trade and other receivables	-	-	-	-	50,481	50,481
	-	**-**	**-**	**-**	**50,509**	**50,509**
Financial liabilities						
Trade and other payables	-	-	-	-	192	192
	-	**-**	**-**	**-**	**192**	**192**
Company ***2020***						
Finance assets						
Cash and cash equivalents	-	-	-	-	19	19
Trade and other receivables	-	-	-	-	39,682	39,682
	-	**-**	**-**	**-**	**39,701**	**39,701**
Financial liabilities						
Trade and other payables	-	-	-	-	168	168
	-	**-**	**-**	**-**	**168**	**168**

(c) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting its commitments concerning its financial liabilities. The Group and the Company manages this risk through the following mechanism:

- Preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- Monitoring undrawn credit facilities;
- Maintaining credit risk related to financial assets;
- Obtaining funding from a variety of sources;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward. Balances due within 12 months equal their carrying amount as the impact of discounting is not significant.

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32. Financial Risk Management Objectives and Policies (continued)

(c) Liquidity Risk (continued)

The table below reflects an undiscounted contractual maturity analysis for financial liabilities (exclude contract liabilities).

		Contractual undiscounted cash flows			
	Carrying amount A$'000	Within 1 year A$'000	Between 2 to 5 years A$'000	More than 5 years A$'000	Total A$'000
Group ***2021***					
Financial liabilities					
Trade and other payables	79,596	79,596	-	-	79,596
Lease liabilities	54,757	14,060	43,272	97,666	154,998
Borrowings					
- Senior secured notes	60,000	4,200	64,200	-	68,400
Total financial liabilities	**194,353**	**97,856**	**107,472**	**97,666**	**302,994**
Group ***2020***					
Financial liabilities					
Trade and other payables		73,541	73,541	-	73,541
Lease liabilities		54,061	11,613	46,314	57,927
Borrowings					
- Senior secured notes		60,000	4,200	68,694	72,894
- Bank bills		2,067	2,108	-	2,108
- Related party		320	320	-	320
Total financial liabilities		**189,989**	**91,782**	**115,008**	**206,790**

		Contractual undiscounted cash flows		
	Carrying amount A$'000	Within 1 year A$'000	Between 2 to 5 years A$'000	Total A$'000
Company ***2021***				
Financial liabilities				
Trade and other payables	192	192	-	192
Total financial liabilities	**192**	**192**	**-**	**192**
2020				
Financial liabilities				
Trade and other payables	168	168	-	168
Total financial liabilities	**168**	**168**	**-**	**168**

The Group's undrawn borrowings facilities and guarantee are disclosed in Notes 21 and 29 to the financial statements respectively.

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32. Financial Risk Management Objectives and Policies (continued)

(d) Capital Management

Management controls the capital of the Group in order to maintain a good debt-to-equity ratio, provide the shareholders with adequate returns and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

The Group and the Company have no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distribution to shareholders and share issues.

The net debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total financial liabilities less cash and cash equivalents.

	Group	
	2021 A$'000	2020 A$'000
Net debt	226,319	245,543
Total equity	291,868	263,073
Net debt-to-equity ratio	**0.78**	**0.93**

There were no changes in the Group's approach to capital management during the current financial year.

(e) Fair Value Estimation

Financial instruments

The fair values of financial assets and financial liabilities can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated.

The fair value of current financial assets and financial liabilities approximate the carrying value due to the liquid nature of these assets and/or the short-term nature of these financial rights and obligations.

The fair value of non-current receivables and borrowings are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the reporting date. The carrying amounts of financial assets and financial liabilities are assumed to approximate their respective fair values. The Group does not anticipate that the carrying amounts recorded at the balance sheet date would be significantly different from the values that would eventually be received or settled.

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32. Financial Risk Management Objectives and Policies (continued)

(e) Fair Value Estimation (continued)

Fair value hierarchy

The Group categories fair value measurement using a fair value hierarchy that is depend on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

33. Litigation

Perth Stadium Project

In February 2019, the Group lodged a writ in the Supreme Court of Western Australia against Brookfield Multiplex Engineering and Infrastructure Pty Ltd ('Brookfield Multiplex'), in relation to the valuation of additional time and changes to the works undertaken in the delivery of the new Perth Stadium project in Western Australia.

The Group is seeking a determination from the Supreme Court to recover costs associated with the changes in scope and nature of the works required to be completed and for the granting of Practical Completion.

34. Adoption of New Standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2020.

- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of materia*l;
- Amendments to SFRS(I) 3 *Definition of business*;
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest rate benchmark reform*;
- Amendments to SFRS(I) 16 Related rent concessions.

The application of the above standards and interpretations did not have a material effect on the consolidated financial statements.

Notes to the Financial Statements

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35. New Standards and Interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning on or after 1 July 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning on or after 1 January 2021:

Applicable to 2022 financial statements:

- *SFRS(I) 17 Insurance Contracts*

Applicable to 2023 financial statements:

- *Onerous Contracts – Cost of fulfilling a contract* (Amendments to SFRS(I) 1-37)
- Annual Improvements to SFRS(I)s 2018-2020
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment—Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)

Applicable to 2024 financial statements:

- *Classification of liabilities as current or non-current (Amendments to SFRS(I) 1-1)*
- *Definition of accounting estimates (Amendments to SFRS(I) 1-8)*

Mandatory effective date deferred:

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I)1-28).*

Statistics of Shareholders

FOR THE YEAR ENDED 30 JUNE 2021

Shareholders' Statistics and Distribution as at 16 September 2021

Class of Shares:	Ordinary Shares
Voting Rights (excluding treasury shares):	One vote per Ordinary Share
No. of issued shares:	501,100,000
No. of issued shares excluding treasury shares:	502,435,000
No. of treasury shares:	15,000

Distribution of Shareholdings

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.67	184	0.00
100 - 1,000	34	4.53	24,819	0.00
1,001 - 10,000	296	39.41	1,793,467	0.36
10,001 - 1,000,000	386	51.40	37,292,923	7.42
1,000,001 and Above	30	3.99	463,323,607	92.22
TOTAL	751	100.00	502,435,000	100.00

Twenty Largest Shareholders as at 16 September 2021

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	CHESS DEPOSITARY NOMINEES PTY LIMITED	238,797,076	47.53
2	DBS NOMINEES PTE LTD	43,689,979	8.70
3	CITIBANK NOMINEES SINGAPORE PTE LTD	41,098,071	8.18
4	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	36,041,021	7.17
5	MAYBANK KIM ENG SECURITIES PTE. LTD	25,355,674	5.05
6	RAFFLES NOMINEES (PTE) LIMITED	19,326,200	3.85
7	LEE TECK LENG	5,700,200	1.13
8	FOO SIANG GUAN	5,015,249	1.00
9	GOH GEOK LING	4,974,434	0.99
10	PHILLIP SECURITIES PTE LTD	3,805,600	0.76
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,556,800	0.71
12	NG KEE CHOE	3,330,134	0.66
13	LAI VOON NEE	3,300,000	0.66
14	HENG KHENG LONG	3,130,845	0.62
15	OCBC SECURITIES PRIVATE LTD	2,414,800	0.48
16	PANG CHIN FATT	2,273,000	0.45
17	HSBC (SINGAPORE) NOMINEES PTE LTD	2,260,700	0.45
18	DIANA SNG SIEW KHIM	1,997,500	0.40
19	WONG YEW MENG	1,916,000	0.38
20	HO KONG CHEW	1,820,000	0.36
	Total:	**449,803,283**	**89.53**

Note: The percentage is based on 502,435,000 shares (excluding 15,000 shares held as treasury shares) as at 16 September 2021.

Statistics of Shareholders

FOR THE YEAR ENDED 30 JUNE 2021

Substantial Shareholders

	Direct Interest		Deemed interest	
Name	No. of Shares	%	No. of Shares	%
JF & OT Fitzgerald Family Trust (1)	97,720,806	19.51	-	-
Kariong Investment Trust (2)	97,566,806	19.47	-	-
Michael Lorrain Vaz (3)	15,133,000	3.02	23,812,000	4.75
James Finbarr Fitzgerald (and Olive Teresa Fitzgerald) (1)	-	-	97,720,806	19.51
Goldfirm Pty Ltd (2)	-	-	97,566,806	19.47
Patrick John Tallon (2)	54,000	0.01	97,566,806	19.47

Note:

1. *Mr James Finbarr Fitzgerald and his spouse (Olive Teresa Fitzgerald) are the trustees of the JF & OT Fitzgerald Family Trust. Pursuant to Section 4(3) of the Securities and Futures Act (SFA), Mr James Finbarr Fitzgerald and his spouse (Olive Teresa Fitzgerald), their children (Sean Fitzgerald, Claire Fitzgerald and Sarah Fitzgerald) and Parglade Holdings Pty Ltd (which is equally held by Mr James Finbarr Fitzgerald and his spouse) are deemed to have an interest in the Shares owned by JF & OT Fitzgerald Family Trust, which are legally held in the names of Mr James Finbarr Fitzgerald and his spouse, Olive Teresa Fitzgerald, as trustees.*
2. *Goldfirm Pty Ltd is the trustee of the Kariong Investment Trust. Mr Patrick John Tallon has a deemed interest in the Shares which are held by Goldfirm Pty Ltd as trustee. Pursuant to Section 4(3) of the SFA, Mr Patrick John Tallon is also deemed to have interest in the Shares owned by the Kariong Investment Trust, which are legally held in the name of Goldfirm Pty Ltd, as trustee.*
3. *Michael Lorrain Vaz has deemed interest in 23,812,000 shares which are held by Clarendon Pacific Ventures Pte. Ltd.*

Percentage of Shareholding in Public's Hands

Based on Shareholders' Information as at 16 September 2021 and to the best knowledge of the Directors, approximately 54.6% of the issued ordinary shares of the Company is held in the hands of the public (on basis of information available to the Company). Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

CIVMEC LIMITED
Company Registration No. 201011837H
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held by electronic means on Friday, 29 October 2021 at 10:30 a.m. to transact the following businesses:

As Ordinary Business:

1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Directors' Statement and Independent Auditors' Report thereon.	*Ordinary Resolution 1*
2	To approve the payment of a tax exempt (foreign sourced) Final Dividend of 1.0 Australian cents per ordinary share for the financial year ended 30 June 2021.	*Ordinary Resolution 2*
3	For the purposes of ASX Listing Rule 10.17, and for all other purposes, to approve the payment of non-executive Directors' fees of S$257,000 for the financial year ending 30 June 2022, to be paid quarterly in arrears. (FY2021: S$242,000). *[See Explanatory Note (i)]*	*Ordinary Resolution 3*
	Voting Exclusion: In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out by or on behalf of a Director or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:	
	(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or	
	(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or	
	(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.	
4	To re-elect the following Directors retiring pursuant to Regulation 118 of the Company's Constitution and for the purposes of ASX Listing Rule 14.5:	
	(a) Mr James Finbarr Fitzgerald *[See Explanatory Note (v)]*	*Ordinary Resolution 4*
	(b) Mr Patrick John Tallon *[See Explanatory Note (v)]*	*Ordinary Resolution 5*
	(c) Mr Kevin James Deery *[See Explanatory Note (v)]*	*Ordinary Resolution 6*
5	To re-elect the following Directors retiring pursuant to Regulation 118 of the Company's Constitution and for the purposes of ASX Listing Rule 14.5, and Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST that take effect from 1 January 2022:	
	(a) Mr Chong Teck Sin *[See Explanatory Notes (ii) and (v)]*	*Ordinary Resolution 7*
	(b) Mr Wong Fook Choy Sunny *[See Explanatory Notes (iii) and (v)]*	*Ordinary Resolution 8*
	(c) Mr Douglas Owen Chester *[See Explanatory Notes (iv) and (v)*	*Ordinary Resolution 9*
6	To re-appoint Messrs Moore Stephens LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.	*Ordinary Resolution 10*

Notice of Annual General Meeting

As Special Business:

To consider and, if thought fit, to pass with or without modifications the following resolutions, will be proposed as Ordinary Resolutions:-

7	**Authority to allot and issue shares** THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), and subject to the Company's compliance with the requirements of the ASX Listing Rules, authority be and is hereby given for the Directors of the Company ("**Directors**") at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:	*Ordinary Resolution 11*
	(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;	
	(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;	
	(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;	
	and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuant to any Instrument made or granted by the Directors while the Resolution was in force, provided always that:	
	(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the Company's total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) shall be the Company's total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) at the time this Resolution is passed, after adjusting for:	
	(i) new shares arising from the conversion or exercise of convertible securities, or	
	(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, and	
	(iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares;	
	Adjustments in accordance with (i), (ii) and (iii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution.	
	(b) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and	
	such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. *[See Explanatory Note (vi)]*	

Notice of Annual General Meeting

As Special Business (continued)

8	**Adoption of Civmec Key Senior Executives Performance Rights Plan** That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled "Civmec Key Senior Executives Performance Rights Plan" and for the issue of securities under that Plan, on the terms and conditions set out in Explanatory Note (vii). *[See Explanatory Note (vii)]*	*Ordinary Resolution 12*
	Voting Exclusion: In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:	
	(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or	
	(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or	
	(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:	
	(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and	
	(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.	
9	**Proposed Grant of Performance Rights to Mr Kevin James Deery, a Director of the Company, under the Civmec Key Senior Executives Performance Rights Plan** THAT, subject to the passing of Resolution 19, for the purposes of ASX Listing Rule 10.14, and for all other purposes:	*Ordinary Resolution 13*
	(a) approval be given for the grant of Performance Rights covering 334,000 fully-paid Shares to Mr Kevin James Deery, upon such terms to be determined by the Remuneration Committee, in accordance with the rules of the Civmec PRP; and	
	(b) the Directors be and are hereby authorised to allot and issue from time to time such number of fully-paid Shares as may be required to be delivered pursuant to the vesting of such Performance Rights under the Civmec PRP. [See Explanatory Note (viii)]	
	Voting Exclusion: In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Kevin James Deery) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:	
	(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or	
	(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or	
	(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:	
	(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and	
	(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.	

Notice of Annual General Meeting

As Special Business (continued)

10	**Continued appointment of Mr Chong Teck Sin as an Independent Director for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST by shareholders, excluding Directors and the Chief Executive Officer ("CEO") of the Company, and associates of such Directors and CEO (which will take effect from 1 January 2022)**	*Ordinary Resolution 14*
	Subject to and contingent upon the passing of Resolution 8 and pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), shareholders (excluding Directors and the CEO of the Company, and associates of such Directors and CEO) to approve Mr Wong Fook Choy Sunny's continued appointment as an Independent Director in accordance with Rule 210(5)(d)(iii)(B) of the SGX-ST Listing Manual, and such Resolution shall remain in force until the earlier of (i) Mr Wong Fook Choy Sunny's retirement or resignation; or (ii) the conclusion of the third AGM following the passing of this Resolution. *[See Explanatory Notes (ii)]*	
	Voting Exclusion: For the purposes of this Resolution, the Directors and the CEO of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST):	
	(a) shall abstain from voting; and	
	(b) must not accept appointment as proxies unless specific instructions as to voting are given. Any votes cast by such persons in contravention of the foregoing shall be disregarded for the purposes of determining if this Resolution has been passed in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST.	
11	**Continued appointment of Mr Wong Fook Choy Sunny as an Independent Director for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST by shareholders, excluding Directors and the Chief Executive Officer ("CEO") of the Company, and associates of such Directors and CEO (which will take effect from 1 January 2022)**	*Ordinary Resolution 15*
	Subject to and contingent upon the passing of Resolution 8 and pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), shareholders (excluding Directors and the CEO of the Company, and associates of such Directors and CEO) to approve Mr Wong Fook Choy Sunny's continued appointment as an Independent Director in accordance with Rule 210(5)(d)(iii)(B) of the SGX-ST Listing Manual, and such Resolution shall remain in force until the earlier of (i) Mr Wong Fook Choy Sunny's retirement or resignation; or (ii) the conclusion of the third AGM following the passing of this Resolution. *[See Explanatory Notes (ii)]*	
	Voting Exclusion: For the purposes of this Resolution, the Directors and the CEO of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST):	
	(a) shall abstain from voting; and	
	(b) must not accept appointment as proxies unless specific instructions as to voting are given. Any votes cast by such persons in contravention of the foregoing shall be disregarded for the purposes of determining if this Resolution has been passed in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST.	

Notice of Annual General Meeting

As Special Business (continued)

12	**Continued appointment of Mr Douglas Owen Chester as an Independent Director for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST by shareholders, excluding Directors and the Chief Executive Officer ("CEO") of the Company, and associates of such Directors and CEO (which will take effect from 1 January 2022)**	*Ordinary Resolution 16*
	Subject to and contingent upon the passing of Resolution 9 above and pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), shareholders (excluding Directors and the CEO of the Company, and associates of such Directors and CEO) to approve Mr Douglas Owen Chester's continued appointment as an Independent Director in accordance with Rule 210(5)(d)(iii)(B) of the SGX-ST Listing Manual, and such Resolution shall remain in force until the earlier of (i) Mr Douglas Owen Chester's retirement or resignation; or (ii) the conclusion of the third AGM following the passing of this Resolution. *[See Explanatory Notes (iii)]*	
	Voting Exclusion: For the purposes of this Resolution, the Directors and the CEO of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST):	
	(a) shall abstain from voting; and	
	(b) must not accept appointment as proxies unless specific instructions as to voting are given. Any votes cast by such persons in contravention of the foregoing shall be disregarded for the purposes of determining if this Resolution has been passed in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST.	
13	To transact any other business which may properly be transacted at an Annual General Meeting.	

BY ORDER OF THE BOARD

James Finbarr Fitzgerald

Executive Chairman

14 October 2021

Notice of Annual General Meeting

Explanatory Notes: -

(i) Ordinary Resolution 3 seeks Shareholder approval for the purposes of ASX Listing Rule 10.17 (and for all other purposes) to increase the total aggregate amount of fees payable to non-executive Directors to S$257,000.

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Directors' fees include all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any of its child entities (including attending and participating in any board committee meetings), superannuation contributions for the benefit of a non-executive director and any fees which a non-executive director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with an entity's constitution, or securities issued to a non-executive director under Listing Rules 10.11 or 10.14 with the approval of the holders of its ordinary securities.

If Ordinary Resolution 3 is passed, the maximum aggregate amount of fees payable to the non-executive Directors will increase by S$15,000 to S$257,000. The increase to maximum aggregate amount of fees payable may enable the Company to:

(a) fairly remunerate both existing and any new non-executive directors joining the Board;

(b) remunerate its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and

(c) have the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

If Ordinary Resolution 3 is not passed, the maximum aggregate amount of fees payable to non-executive Directors will remain at S$242,000. This may inhibit the ability of the Company to remunerate, attract and retain appropriately skilled non-executive directors.

In the past three years, the Company has not issued any securities to non-executive Directors pursuant to ASX Listing Rules 10.11 and 10.14.

(ii) Ordinary Resolution 7 and 14 relate to Mr Chong Teck Sin's re-election as a Director of the Company and his continued designation as an Independent Non-Executive Director. As of 1 January 2022, Mr Chong would have been a Director of the Company for an aggregate period of more than 9 years and will cease to be regarded as independent on such date pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will come into effect on 1 January 2022), unless Resolution 7 and Resolution 14 are both passed.

If Resolution 7 and Resolution 14 are both passed, Mr Chong will continue to be designated as an Independent Non-Executive Director of the Company for the duration specified in Resolution 14.

If only Resolution 7 is passed but Resolution 14 is not passed, Mr Chong shall continue to be designated as an Independent Non-Executive Director of the Company up to and including 31 December 2021, and shall thereafter be re-designated as a non-independent Non-Executive Director as of and from 1 January 2022.

Mr Chong will, upon re-election as Director of the Company, remain as Chairman of Audit Committee and Risks and Conflicts Committee and a member of Nominating and Remuneration Committees.
Key information on Mr Chong can be found on the section "Board of Directors" of the Annual Report 2021.

(iii) Ordinary Resolution 8 and 15 relate to Mr Wong Fook Choy's re-election as a Director of the Company and his continued designation as an Independent Non-Executive Director. As of 1 January 2022, Mr Wong would have been a Director of the Company for an aggregate period of more than 9 years and will cease to be regarded as independent on such date pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will come into effect on 1 January 2022), unless Resolution 8 and Resolution 15 are both passed.

If Resolution 8 and Resolution 15 are both passed, Mr Wong will continue to be designated as an Independent Non-Executive Director of the Company for the duration specified in Resolution 15.

If only Resolution 8 is passed but Resolution 15 is not passed, Mr Wong shall continue to be designated as an Independent Non-Executive Director of the Company up to and including 31 December 2021, and shall thereafter be re-designated as a non-independent Non-Executive Director as of and from 1 January 2022.

Notice of Annual General Meeting

Explanatory Notes (continued)

Mr Wong, will, upon re-election as Director of the Company, remain as Chairman of Remuneration Committee and a member of Audit, Risks and Conflicts and Nominating Committees. Key information on Mr Wong can be found on the section "Board of Directors" of the Annual Report 2021.

(iv) Ordinary Resolution 9 and 16 relate to Mr Douglas Owen Chester's re-election as a Director of the Company and his continued designation as an Independent Non-Executive Director. As of 1 January 2022, Mr Chester would have been a Director of the Company for an aggregate period of more than 9 years and will cease to be regarded as independent on such date pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will come into effect on 1 January 2022), unless Resolution 9 and Resolution 16 are both passed.

If Resolution 9 and Resolution 16 are both passed, Mr Chester will continue to be designated as an Independent Non-Executive Director of the Company for the duration specified in Resolution 16.

If only Resolution 9 is passed but Resolution 16 is not passed, Mr Chester shall continue to be designated as an Independent Non-Executive Director of the Company up to and including 31 December 2021, and shall thereafter be re-designated as a non-independent Non-Executive Director as of and from 1 January 2022.

Mr Chester, will, upon re-election as Director of the Company, remain as Chairman of Nominating Committee and a member of Audit, Risks and Conflicts and Remuneration Committees. Key information on Mr Douglas Chester can be found on the section "Board of Directors" of the Annual Report 2021.

(v) Each of Resolutions No. 4 to 9 are also included for the purpose of ASX Listing Rule 14.5, which provides that an entity which has directors must hold an election of directors at each annual general meeting.

(vi) Resolution No. 11, if passed, will empower the Directors of the Company from the date of the passing of Resolution No. 11 to the date of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares (excluding treasury shares and shares (if any) held by a subsidiary) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares and shares (if any) held by a subsidiary) for issues other than on a pro-rata basis to shareholders.

Any issue of securities pursuant to Resolution No. 11 will be made subject to the Company's compliance with ASX Listing Rule requirements including, but not limited to, the Company's ability to issue securities under ASX Listing Rule 7.1 at any given time. Resolution No. 11 is not a prior approval for the issue of securities pursuant to ASX Listing Rule 7.1.

(vii) Resolution 12 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Civmec Key Senior Executives Performance Rights Plan" (Civmec PRP) and for the issue of Performance Rights under the Civmec PRP in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

The objective of the Civmec PRP is to attract, motivate and retain key senior executives and the Company considers that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Civmec PRP will provide selected employees with the opportunity to participate in the future growth of the Company.

As summarised in Explanatory Note (vi) above, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to ASX Listing Rule 7.2 (Exception 13(b). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

Notice of Annual General Meeting

Explanatory Notes (continued)

If Resolution 12 is passed, the Company will be able to issue Performance Rights under the Civmec PRP to eligible participants over a period of 3 years. The issue of any Performance Rights to eligible participants under the Civmec PRP (up to the maximum number of Performance Rights stated in sub-section (b) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under ASX Listing Rule 10.14 in respect of any future issues of Performance Rights under the Civmec PRP to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained. To this end, the Company is seeking approval for the issue of Performance Rights under the Civmec PRP to Mr Kevin James Deery pursuant to Resolutions 13.

If Resolution 12 is not passed, the Company will be able to proceed with the issue of Performance Rights under the Civmec PRP to eligible participants, but any issues of Performance Rights will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the issue of the Performance Rights.

Pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 12:

(a) a summary of the key terms and conditions of the Civmec PRP is set out in the Schedule;

(b) the Company has issued 15,937,993 Performance Rights under the Civmec PRP since the Civmec PRP was last approved by Shareholders on 25 October 2018; and

(c) the maximum number of securities proposed to be issued under the Civmec PRP, following Shareholder approval, is 50,000,000 Performance Rights which includes the Performance Rights proposed to be issued under Resolutions 13. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

(viii) Resolution No. 13 seeks shareholders' approval for the grant of Performance Rights covering 334,000 Shares to Mr Kevin James Deery upon such terms to be determined by the Remuneration Committee in accordance with the rules of the Civmec PRP, and the allotment and issuance from time to time such number of fully-paid Shares as may be required to be delivered pursuant to the vesting of such Performance Rights under the Civmec PRP. Mr Kevin James Deery is Chief Operating Officer of the Company.

ASX Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

10.14.1 a director of the entity; or

10.14.2 an associate of a director of the entity; or

10.14.3 a person whose relationship with the entity or a person referred to in ASX Listing Rules 10.14.1 to 0.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Performance Rights to Mr Kevin James Deery falls within ASX Listing Rule 10.14.1 and therefore requires the approval of shareholders under ASX Listing Rule 10.14.

If Resolution No. 13 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Kevin James Deery under the Civmec PRP within 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under ASX Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

If Resolution No. 13 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Kevin James Deery under the Civmec PRP.

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Performance Rights.

Notice of Annual General Meeting

Explanatory Notes (continued)

(a) The Performance Rights will be issued to Mr Kevin James Deery, who falls within the category set out in Listing Rule 10.14.1, by virtue of being a Director.

(b) The maximum number of Performance Rights to be issued to Mr Kevin James Deery is 334,000.

(c) The current total remuneration package for Mr Kevin James Deery is $593,568, comprising of salary and allowances of $570,000, a superannuation payment of $23,568 and share-based payments of $NIL. If the Performance Rights are issued, the total remuneration package of Mr Kevin James Deery will increase by $167,000 to $760,568, being the value of the Performance Rights (based on the Black-Scholes methodology).

(d) The Civmec PRP was adopted by shareholders on 25 October 2018. 1,940,000 Performance Rights have previously been issued to Mr Kevin James Deery for nil cash consideration under the Civmec PRP. Of those rights previously issued, 522,000 have been cancelled, 228,000 have vested and been converted to shares and 1,190,000 remain.

(e) The Performance Rights are unquoted performance rights. The Company has chosen to grant the Performance Rights to Mr Kevin James Deery for the following reasons:

a. the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on shareholders;

b. the issue of Performance Rights to Mr Kevin James Deery will align the interests of Mr Kevin James Deery with those of shareholders;

c. the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Kevin James Deery; and

d. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.

(f) The Company values the Performance Rights at A$167,000 (being A$0.50 per Performance Right) based on the Black-Scholes methodology using the following assumptions:

Valuation of the underlying Shares	S0.575
Valuation date	01 October 2021
Commencement of performance/vesting period	01 July 2021
Performance measurement/vesting date	30 June 2024
Expiry date	30 June 2031
Term of the Performance Right	3 Years
Volatility (discount)	25%
Risk free interest rate	0.1%
Gross Dividend Yield	5.0%

(g) The issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights.

(h) A summary of the material terms and conditions of the Civmec PRP is set out in the Schedule.

(i) No loan is being made to Mr Kevin James Deery in connection with the acquisition of the Performance Rights.

(j) Details of any Performance Rights issued under the Civmec PRP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

(k) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Civmec PRP after Resolution No. 12 is approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.

Notice of Annual General Meeting

Explanatory Notes (continued)

(l) Key Senior Executives (including Controlling Shareholders and Associates of such Controlling Shareholders, each as defined in the Listing Manual of the SGX-ST) who have attained the age of 21 years and hold such rank as may be designated by the Remuneration Committee from time to time, will be eligible to participate in the Civmec PRP. Directors, James Finbarr Fitzgerald, Patrick John Tallon and Kevin James Deery, are eligible to participate in the Civmec PRP. Non-Executive Directors are not eligible to participate in the Civmec PRP. Subject to the absolute discretion of the Remuneration Committee, Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Civmec PRP, provided that (i) the participation of each Controlling Shareholder or his Associate, and (ii) the actual number and terms of the Performance Rights to be granted to them have been approved by independent shareholders in separate resolutions for each such person – accordingly approval is being sought for the issue of Performance Rights to Mr Kevin James Deery.

(m) The Performance Rights will be issued to Mr Kevin James Deery no later than 12 months after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Performance Rights will be issued on one date.

(n) The terms of the Performance Rights are in accordance with the Civmec PRP subject to the key terms and conditions of the Performance Rights set out below.

The Performance Rights to be granted to Mr Kevin James Deery will vest based on the performance of Mr Kevin James Deery over a three (3) year performance period from 1 July 2021 to 30 June 2024.
The aggregate number of Performance Rights which shall vest in favour of Mr Kevin James Deery, will be based on the achievement of certain predetermined performance targets (which are based on absolute earnings per share ("aEPS")) as determined by the Remuneration Committee in accordance with the Civmec PRP. The vesting schedule is as follows:

Long Term Incentive Proportion Vesting – Number of Performance Rights to be vested, calculated as a percentage of the number of Performance Rights for each performance period	Absolute Earnings per Share
50%	Target – If the aEPS achieved is equal to 90% of the three-year average annual result
On a pro rata basis between 50% and 100%	Between Target and Stretch – If the aEPS achieved is more than 90% but not more than 110% of the three-year average annual result
100%	Stretch – If the aEPS achieved is more than 110% of three-year average annual result

In addition:

- Upon satisfaction of the relevant vesting condition attached to a Performance Right, the Performance Right shall vest and will convert into 1 fully paid ordinary share in the capital of the Company.
- A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- The Performance Rights are not transferable.
- If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules at the time of reorganisation.
- The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- If the vesting condition attached to the relevant Performance Right has not been satisfied within the relevant time period set out above, the relevant Performance Rights will automatically lapse.

Notes:

i. Alternative arrangements relating to attendance at the Annual General Meeting ("AGM") via electronic means (including arrangements by shareholders can participate at the AGM by observing and/or listening to the proceedings of the AGM through either live audio-visual webcast or live audio-only stream ("electronic means"), submission of questions in advance of the AGM, addressing of substantial and relevant questions, are set out in the Company's announcement dated 14 October 2021 (the "Announcement"), which has been uploaded together with this Notice of AGM on SGXNet on the same day. The Announcement may also be assessed on the Company's website www.civmec.com.au . For the avoidance of doubt, the aforesaid section is circulated together with and forms part of this Notice of AGM.

Notice of Annual General Meeting

Notes (continued)

ii. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person. A member of the Company (whether individual or corporate and including a Relevant Intermediary*) must appoint the Chairman of the AGM in as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM, if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate and including a Relevant Intermediary*) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

iii. The Chairman of the AGM, as proxy, need not be a member of the Company.

iv. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 10:30am. on 26 October 2021), as certified by The Central Depository (Pte) Limited to the Company.

v. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10:30 am. on 20 October 2021). SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to the appointment of the Chairman of the AGM as proxy for the AGM.

vi. Voting by holders of CDIs: Holders of CHESS Depositary Interests over Shares ("CDIs") are entitled to attend the Annual General Meeting, provided that they cannot vote at the meeting, and if they wish to vote they must direct CHESS Depositary Nominees Pty Ltd ("CDN"), the holder of legal title of the CDIs, how to vote in advance of the meeting pursuant to the instructions set out in the accompanying voting instruction form. If you are a holder of CDIs, please sign and date the enclosed voting instruction form and return it in accordance with the instructions on your voting instruction form.

vii. The instrument appointing the Chairman of the AGM as a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:

(a) be deposited at the office of the Company's Share Registrar at 80 Robinson Road #11-02, Singapore 068898; or

(b) send electronic mail to agm@civmec.com.au enclosing signed PDF copy of the Proxy Form;

not less than seventy-two (72) hours before the time appointed for the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

RECORD DATE

Subject to members' approval to the proposed final dividend at the forthcoming Annual General Meeting, the Register of Members and Share Transfer Books of Civmec Limited (the "Company") will be closed on 7 December 2021, for the preparation of dividend warrants to the proposed tax exempt (Foreign Sourced) Final dividend of A$0.01 for the financial year ended 30 June 2021 ("Final Dividend").

Duly completed registrable transfers in respect of the shares in the Company received up to 5:00 p.m. on 6 December 2021 ("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.

The Proposed Final Dividend, if approved at the forthcoming Annual General Meeting, will be paid on 17 December 2021.

Notice of Annual General Meeting

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the Annual General Meeting as proxy to vote at the Annual General Meeting and/or any adjournment thereof, and/or (b) by registering to attend the AGM via electronic means, and/ or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) processing the pre-registration forms for purposes of granting access to members (or their corporate representatives in the case of members who are legal entities) to participate at the AGM by electronic means to observe the proceedings of the AGM and providing them with any technical assistance, where necessary;

(iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) preparation and compilation of the attendance lists, proxy list, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (of its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

SCHEDULE – SUMMARY OF CIVMEC PRP

The key terms of the Civmec PRP are as follows:

(a) Eligibility

Key Senior Executives (including Controlling Shareholders and Associates of such Controlling Shareholders, each as defined in the Listing Manual) who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time, will be eligible to participate in the Civmec PRP.

Subject to the absolute discretion of the Committee, Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Civmec PRP, provided that (i) the participation of each Controlling Shareholder or his Associate, and (ii) the actual number and terms of the Performance Rights to be granted to them have been approved by independent Shareholders in separate resolutions for each such person.

Non-Executive Directors shall not be eligible to participate in the Civmec PRP.

(b) Performance Rights

Performance Rights represent the right of a Participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets are met and/or after expiry of the prescribed vesting period(s) (where applicable), in accordance with the rules of the Civmec PRP.

A Performance Right shall be personal to the Participant to whom it is granted and, prior to the delivery to the Participant of the Award Shares, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.

(c) Participants

The selection of a Participant and the number of Award Shares to be granted to a Participant in accordance with the Civmec PRP shall be determined at the discretion of the Committee, which may take into account such criteria as it considers fit, including (but not limited to) his rank, job performance, creativity, innovativeness, entrepreneurship, resourcefulness, years of service and potential for future development, his contribution to the success and development of the Group and the degree of difficulty of fulfilling the performance condition(s) within the performance period.

Notice of Annual General Meeting

SCHEDULE – SUMMARY OF CIVMEC PRP (continued)

(d) Details of Performance Rights

The Committee shall decide, in relation to each Performance Right to be granted to a Participant:

(i) the Award Date;

(ii) the performance condition(s) and relevant performance period;

(iii) the number of Performance Rights which shall vest on the performance condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;

(iv) the vesting date(s);

(v) the vesting period(s), if any; and

(vi) whether:

(1) the Award Shares shall be delivered within the prescribed automatic timeline stipulated in the Civmec PRP; or

(2) the Participant has the ability to elect to choose a deferred timeline whereby the Company shall deliver the Award Shares to the Participant, subject to the following:

(a) such election must be made by the Participant and notified to the Company prior to expiration of the Relevant Period; and

(b) in the event that no election is made by the Participant in respect of a vested Performance Right prior to the expiration of the Relevant Period, the Company shall deliver the aggregate number of Award Shares underlying the aggregate corresponding number of vested Performance Rights within [14] calendar days from the expiration of the Relevant Period;

(vii) the time and circumstances when Performance Rights lapse, provided that once vested, the Performance Rights shall not lapse; and

(viii) any other condition which the Committee may determine in relation to that Performance Right.

(e) Timing

The Committee may grant Performance Rights at any time during the period when the Civmec PRP is in force. An Award Letter confirming the Performance Right and specifying, inter alia, the Award Date, the number of Award Shares, the prescribed performance condition(s), the performance period during which the prescribed performance condition(s) is/are to be attained or fulfilled, the extent to which the Award Shares will vest on satisfaction of the prescribed performance condition(s), the vesting date(s) and the vesting period(s) (if any) will be sent to each Participant as soon as is reasonably practicable after the grant of a Performance Right.

(f) Events Prior to Vesting

Special provisions for the vesting and lapsing of Performance Rights apply in certain circumstances including the following:

(i) the Participant ceasing to be in the employment of the Group for any reason whatsoever (other than as specified in paragraphs (vi), (vii) and (viii) below);

(ii) the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Performance Right;

(iii) the misconduct on the part of a Participant as determined by the Committee in its discretion;

(iv) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency;

(v) any breach of the rules of the Civmec PRP by the Participant;

(vi) the retirement of the Participant;

(vii) the Participant ceasing to be in the employment of the Group by reason of retirement, or ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee) or death, or redundancy, or any other reason approved in writing by the Committee; or

(viii) the Participant ceasing to be in the employment of the Group by reason of:

(1) the company by which he is employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;

(2) (where applicable) the Participant's transfer of employment between members of the Group; or

(3) any other event approved by the Committee.

Notice of Annual General Meeting

SCHEDULE – SUMMARY OF CIVMEC PRP (continued)

(f) Events Prior to Vesting (continued)

Upon the occurrence of any of the events specified in paragraphs (i), (ii), (iii), (iv) and (v) above, a Performance Right then held by a Participant shall, as provided in the rules of the Civmec PRP and to the extent not yet vested, lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in paragraphs (vi), (vii) and (viii) above, the Committee may, in its discretion, determine whether a Performance Right then held by such Participant, to the extent not yet vested, shall lapse or that all or any part of such Performance Right shall be vested. If the Committee determines that a Performance Right (to the extent not yet vested) shall lapse, then such Performance Right shall lapse without any claim whatsoever against the Company. If the Committee determines that a certain number of, or all Performance Rights shall be vested, the aggregate number of Award Shares underlying that aggregate number of vested Performance Rights shall be delivered to the Participant within the prescribed automatic timeline stipulated in the Civmec PRP.

In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the prescribed performance condition(s) has/have been satisfied.

(g) Size and Duration

The total number of Award Shares which may be delivered pursuant to Performance Rights granted under the Civmec PRP on any date, when added to:

(i) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares delivered and/or to be delivered, pursuant to Performance Rights granted under the Civmec PRP; and

(ii) the number of new Shares allotted and issued and/or to be allotted and issued and issued Shares delivered and/or to be delivered, in respect of any other options or grants under share option schemes or share schemes adopted by the Company for the time being in force, as the case may be,

shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (or such other limit as may be prescribed by the SGX-ST) of the Company on the date preceding the date of grant of the relevant Performance Right.

The maximum limit of 15% will provide for sufficient Shares to support the use of Performance Rights in the Company's overall long-term incentive and compensation strategy. In addition, it will provide the Company with the means and flexibility to grant Performance Rights as incentive tools in a meaningful and effective manner to encourage staff retention and to align Participants' interests more closely with those of Shareholders.

Furthermore, the aggregate number of Award Shares available to Controlling Shareholders and their Associates shall not exceed 25% of all Award Shares available under the Civmec PRP, and the number of Award Shares available to each Controlling Shareholder or his Associate shall not exceed 10% of all Awards Shares available under the Civmec PRP.

The Civmec PRP shall continue in force at the absolute discretion of the Committee, subject to a maximum of 10 years commencing from the date it is adopted by the Company in general meeting, provided always that the Civmec PRP may continue beyond this stipulated period with the approval of Shareholders in general meeting and relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Civmec PRP, any Performance Rights granted to Participants prior to such expiry or termination, whether such Performance Rights have been vested (whether fully or partially) or not, will continue to remain valid.

(h) Operation

Subject to the prevailing legislation and the Listing Manual, the Company will have the flexibility to deliver Award Shares to Participants by way of:

(a) an issue of new Shares; and/or

(b) the delivery of existing Shares (including treasury shares).

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the vesting of a Performance Right, shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank pari passu with other existing Shares then in issue.

Notice of Annual General Meeting

SCHEDULE – SUMMARY OF CIVMEC PRP (continued)

(h) Operation (continued)

The Committee shall have the discretion to determine whether the performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee may make reference to the audited results of the Company or the Group (as the case may be), taking into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the Committee shall have the right to amend the performance condition if the Committee decides that a changed performance target would be a fairer measure of performance from the Company's perspective.

In this Schedule, the following definitions apply unless otherwise stated:

"Associate":	Associate shall bear the same meaning as set out in the Listing Manual.
"Award Date":	The date on which the Performance Right is granted pursuant to the Civmec PRP.
"Award Letter":	A letter in such form as the Committee shall approve confirming a Performance Right granted to a Participant.
"Award Shares":	Means a fully paid Ordinary Share in the capital of the Company.
"Board":	The board of Directors of the Company from time to time.
"CDP":	The Central Depository (Pte) Limited.
"Companies Act":	The Companies Act, Chapter 50 of Singapore.
"Controlling Shareholder":	A person who: (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the Company. The SGX-ST may determine that a person who satisfies the aforesaid is not a Controlling Shareholder; or (b) in fact exercises control over the Company.
"Civmec PRP":	The Civmec Key Senior Executives Performance Rights Plan.
"Committee":	A committee comprising Directors duly authorised and appointed by the Board of Directors to administer the Civmec PRP.
"Directors":	The directors of the Company for the time being.
"Executive Director":	A Director who performs an executive function.
"Group":	The Company and its subsidiaries.
"Key Senior Executive":	Means: (a) the Executive Chairman; (b) the Chief Executive Officer ("CEO"); (c) Executives who report directly to the CEO; and (d) selected other individuals, being employees of any member of the Group <u>holding the rank of senior manager (or such other equivalent rank which may from time to time be determined by the Committee) and above</u>, who do not fall within the ambit of paragraphs (a) to (c) above, who have been selected to participate in the Civmec PRP.
"Listing Manual":	The listing manual of the SGX-ST.
"Non-Executive Director":	A Director, other than an Executive Director, and "**Non-Executive Directors**" shall be construed accordingly.
"Participant":	A Key Senior Executive who has been granted a Performance Right or Performance Rights.
"Performance Right":	A right to one Share granted under, and which shall be subject to the satisfaction of performance conditions in accordance with, the rules of the Civmec PRP and "**Performance Rights**" shall be construed accordingly.
"Relevant Period":	In relation to a Performance Right, a period of ten (10) years from the Award Date.
"Shareholders":	Registered holders of Shares except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares.
"Shares":	Issued ordinary shares of the Company.
"Subsidiary holdings":	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.
"%" or "per cent.":	Per centum or percentage.

Disclosure of Information on Directors Seeking Re-Election

James Finbarr Fitzgerald, Patrick John Tallon, Kevin James Deery, Chong Teck Sin, Wong Fook Choy Sunny and Douglas Owen Chester are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 October 2021 ('AGM') (collectively, the 'Retiring Directors' and each a 'Retiring Director').

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	James Finbarr Fitzgerald	Patrick John Tallon	Kevin James Deery	Chong Teck Sin	Wong Fook Choy Sunny	Douglas Owen Chester
Date of Appointment	27 March 2012	27 March 2012	27 March 2012	27 March 2012	27 March 2012	2 November 2012
Date of last re-appointment	30 October 2020	30 October 2020	30 October 2020	30 October 2020	30 October 2020	30 October 2020
Age	57	51	50	66	65	69
Country of principal residence	Australia	Australia	Australia	Singapore	Singapore	Australia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Refer to Report on Corporate Governance (Board Membership) included in this Annual Report (pages 68-70).					
Whether appointment is executive, and if so, the area of responsibility	Refer to overview of Board of Directors included in this Annual Report (page 50).					
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc.)	Executive Chairman	Chief Executive Officer	Chief Operating Officer	Lead Independent Director • Audit Committee Chairman • Nominating Committee Member • Remuneration Committee Member • Risks and Conflicts Committee Chairman	Independent Director • Audit Committee Member • Nominating Committee Member • Remuneration Committee Chairman • Risks and Conflicts Committee Member	Independent Director • Audit Committee Member • Nominating Committee Chairman • Remuneration Committee Member • Risks and Conflicts Committee Member
Professional qualifications	Refer to overview of Board of Directors included in this Annual Report (page 50).					
Working experience and occupation(s) during the past 10 years	Refer to overview of Board of Directors included in this Annual Report (page 50).					
Shareholding interest in the listed issuer and its subsidiaries	97,720,806	97,620,806	13,295,250	Nil	Nil	70,000
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None	None	None	None

Disclosure of Information on Directors Seeking Re-Election

		James Finbarr Fitzgerald	Patrick John Tallon	Kevin James Deery	Chong Teck Sin	Wong Fook Choy Sunny	Douglas Owen Chester
Conflict of Interest (including any competing business)		None	None	None	None	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer		Yes	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years) Present		Refer to Report on Corporate Governance (Board Membership) included in this Annual Report (pages 68-70).					
Disclose the following matters concerning an appointment of Director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is 'yes', full details must be given.							
a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No	No

Disclosure of Information on Directors Seeking Re-Election

		James Finbarr Fitzgerald	Patrick John Tallon	Kevin James Deery	Chong Teck Sin	Wong Fook Choy Sunny	Douglas Owen Chester
c)	Whether there is any unsatisfied judgment against him?	No	No	No	No	No	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No	No
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No	No
h)	Whether he has ever been disqualified from acting as a Director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No	No

Disclosure of Information on Directors Seeking Re-Election

		James Finbarr Fitzgerald	Patrick John Tallon	Kevin James Deery	Chong Teck Sin	Wong Fook Choy Sunny	Douglas Owen Chester
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No	No
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No	No
Disclosure applicable to the appointment of Director only							
Any prior experience as a Director of a listed company? If yes, please provide details of prior experience. If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable).		N/A	N/A	N/A	N/A	N/A	N/A

Corporate Registry

30 JUNE 2021

Board of Directors

Mr James Finbarr Fitzgerald
(Executive Chairman)

Mr Patrick John Tallon
(Chief Executive Officer)

Mr Kevin James Deery
(Chief Operating Officer)

Mr Chong Teck Sin
(Lead Independent Director)

Mr Wong Fook Choy Sunny
(Independent Director)

Mr Douglas Owen Chester
(Independent Director)

Audit Committee

Mr Chong Teck Sin
(Chairman)

Mr Douglas Owen Chester

Mr Wong Fook Choy Sunny

Remuneration Committee

Mr Wong Fook Choy Sunny
(Chairman)

Mr Douglas Owen Chester

Mr Chong Teck Sin

Nominating Committee

Mr Douglas Owen Chester
(Chairman)

Mr Wong Fook Choy Sunny

Mr Chong Teck Sin

Risks & Conflicts Committee

Mr Chong Teck Sin
(Chairman)

Mr Douglas Owen Chester

Mr Wong Fook Choy Sunny

Company Secretaries

Ms Chan Lai Yin

Ms Lee Pay Lee

Registered Office

80 Robinson Road #02-00
Singapore 068898

Tel: (65) 6236 3333
Fax: (65) 6236 4399

Principal Office and Contact Details

16 Nautical Drive,
Henderson WA 6166
Australia

Tel: (61) 8 9437 6288
Fax: (61) 8 9437 6388

Share Registrar and Share Transfer Agent

Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd)

80 Robinson Road #02-00
Singapore 068898

Computershare
Level 11
172 St Georges Terrace
Perth WA 6000
Australia

Auditors

Moore Stephens LLP
10 Anson Road, #29-15 International Plaza
Singapore 079903

Partner in Charge: Christopher Bruce Johnson
(Appointed since the financial year ended
30 June 2021)

Principal Banker

National Australia Bank
Level 14
100 St Georges Terrace
Perth WA 6000
Australia

Corporate Website

http://www.civmec.com.au

Company Registration No. 201011837H
(Incorporated in the Republic of Singapore)

PROXY FORM
2021 ANNUAL GENERAL MEETING

DETACH HERE

CIVMEC LIMITED
Company Registration No. 201011837H
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING 2021

IMPORTANT:

1. The Annual General Meeting of the Company ("AGM") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM, are set out in the accompanying Company's announcement dated 14 October 2021 (the "Announcement"), which has been uploaded together with the Notice of AGM dated 14 October 2021 on SGXNet on the same day. The Announcement may also be accessed at the Company's corporate website at civmec.com.au. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of AGM dated 14 October 2021 in respect of the AGM.
3. A member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate and including a Relevant Intermediary*) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate and including a Relevant Intermediary*) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
4. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their SRS Operators to submit their votes by 10:30 a.m. on 20 October 2021.

By submitting an instrument appointing the Chairman of the AGM as proxy, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 October 2021.

*I/We (name):

NRIC/Passport No./Co. Registration No.:

of (Address):

being *a member/members of Civmec Limited (the "Company"), hereby appoint the Chairman of the Annual General Meeting as *my/our *proxy/proxies to attend and to vote for *me/us on my/our behalf at the Annual General Meeting (the "AGM") of the Company to be held by electronic means on Friday, 29 October 2021 at 10:30am. and at any adjournment thereof. **The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX and SGX announcement will be made immediately disclosing the reasons for the change.**

*I/We direct *my/our *proxy/proxies to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any matter arising at the AGM and at any adjournment thereof.

Voting will be conducted by poll.

*Please delete accordingly

PROXY FORM
ANNUAL GENERAL MEETING 2021

DETACH HERE

No.	Ordinary Resolutions	For#	Against#	Abstain#
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Directors' Statement and Independent Auditors' Report thereon.			
2.	Approval of payment of a tax exempt (foreign sourced) Final Dividend of 1.0 Australian cents per ordinary share for the financial year ended 30 June 2021.			
3.	Approval of the payment of Directors' fees of S$257,000 for the financial year ending 30 June 2022 to be paid quarterly in arrears.			
4.	Re-election of Mr James Finbarr Fitzgerald as a Director of the Company.			
5.	Re-election of Mr Patrick John Tallon as a Director of the Company.			
6.	Re-election of Mr Kevin James Deery as a Director of the Company.			
	Re-election of Mr Chong Teck Sin as a Director of the Company.			
	Re-election of Mr Wong Fook Choy Sunny as a Director of the Company.			
No.	Ordinary Resolutions			
7.	Re-election of Mr Chong Teck Sin as a Director of the Company.			
8.	Re-election of Mr Wong Fook Choy Sunny as a Director of the Company.			
9.	Re-election of Mr Douglas Owen Chester as a Director of the Company			
10.	Re-appointment of Messrs Moore Stephens LLP as the Auditors.			
11.	Authority to allot and issue shares.			
12.	Adoption of Civmec Key Senior Executives Performance Rights Plan.			
13.	Grant of Performance Rights to Mr Kevin James Deery, a Director of the Company, under the Civmec Key Senior Executives Performance Rights Plan.			
14.	Approval of Mr Chong Teck Sin's continued appointment as an Independent Non-Executive Director by shareholders (excluding Directors, Chief Executive Officer and their associates).			
15.	Approval of Mr Wong Fook Choy Sunny's continued appointment as an Independent Non-Executive Director by shareholders (excluding Directors, Chief Executive Officer and their associates).			
16.	Approval of Mr Douglas Owen Chester's continued appointment as an Independent Non-Executive Director by shareholders (excluding Directors, Chief Executive Officer and their associates).			

Dated this day of 2021

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/Common Seal

* *Delete accordingly*
\# *If you wish to exercise all your votes "For" or "Against" the relevant resolution, please indicate with an "X" within the box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please insert the relevant number of shares in the box provided. If you mark the "Abstain" box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a poll and your votes will not be counted in computing the required majority on a poll.*

PROXY FORM
ANNUAL GENERAL MEETING 2021

IMPORTANT. PLEASE READ NOTES BELOW.

Notes:

1. *Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.*

2. *Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person and must appoint the Chairman of the AGM as proxy to attend, speak and vote on the member's behalf at the AGM and at any adjournment thereof. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. If a member (whether individual or corporate and including a Relevant Intermediary*) wishes to exercise his/her/its votes, he/she/it must submit this Proxy Form to appoint the Chairman of the AGM to vote on his/her/its behalf. A member (whether individual or corporate including a Relevant Intermediary*) appointing the Chairman of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in this Proxy Form, failing which the appointment will be treated as invalid.*

3. *SRS Investors who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10:30am. on 20 October 2021). SRS Investors should not directly appoint the Chairman as proxy to direct the vote.*

4. *Relevant Intermediaries shall also appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM. Together with the instrument appointing a proxy, the Relevant Intermediaries shall provide to the Company a list of attendees who would like to participate at the AGM by observing and/or listening to the proceedings of the AGM through either live audio-visual webcast or live audio-only stream with such information that may be requested by the Company.*

   ** A Relevant Intermediary is:*
   (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. *The Chairman of the AGM, as proxy, need not be a member of the Company.*

6. *The instrument appointing the Chairman of the AGM as proxy must be deposited at the office of the Company's Share Registrar at 80 Robinson Road #11-02, Singapore 068898 or send electronic mail to agm@civmec.com.au enclosing signed PDF copy of the Proxy Form not less than seventy-two (72) hours before the time appointed for the meeting.*

7. *The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorized officer.*

8. *Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.*

9. *A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.*

10. *The Company shall be entitled to reject an instrument appointing the Chairman of the AGM as proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the AGM as proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.*

11. *Holders of CHESS Depositary Interests over Shares ("CDIs") are entitled to attend the Annual General Meeting, provided that they cannot vote at the meeting, and if they wish to vote they must direct CHESS Depositary Nominees Pty Ltd ("CDN"), the holder of legal title of the CDIs, how to vote in advance of the meeting pursuant to the instructions set out in the accompanying voting instruction form. If you are a holder of CDIs, please sign and date the enclosed voting instruction form and return it in accordance with the instructions on your voting instruction form.*

12. *By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 October 2021.*

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civmec.com.au