CAPITALISING ON **OPPORTUNITIES** THROUGH **DIVERSIFICATION**

2015 ANNUAL REPORT

CIVMEC

"CAPITALISING ON OPPORTUNITIES THROUGH DIVERSIFICATION"

Civmec is an integrated, multi-disciplined construction and engineering services provider to the resources and infrastructure sectors.

Our success is a direct result of an unwavering commitment to our clients, underscored by our responsive and flexible approach to meeting their complex requirements.

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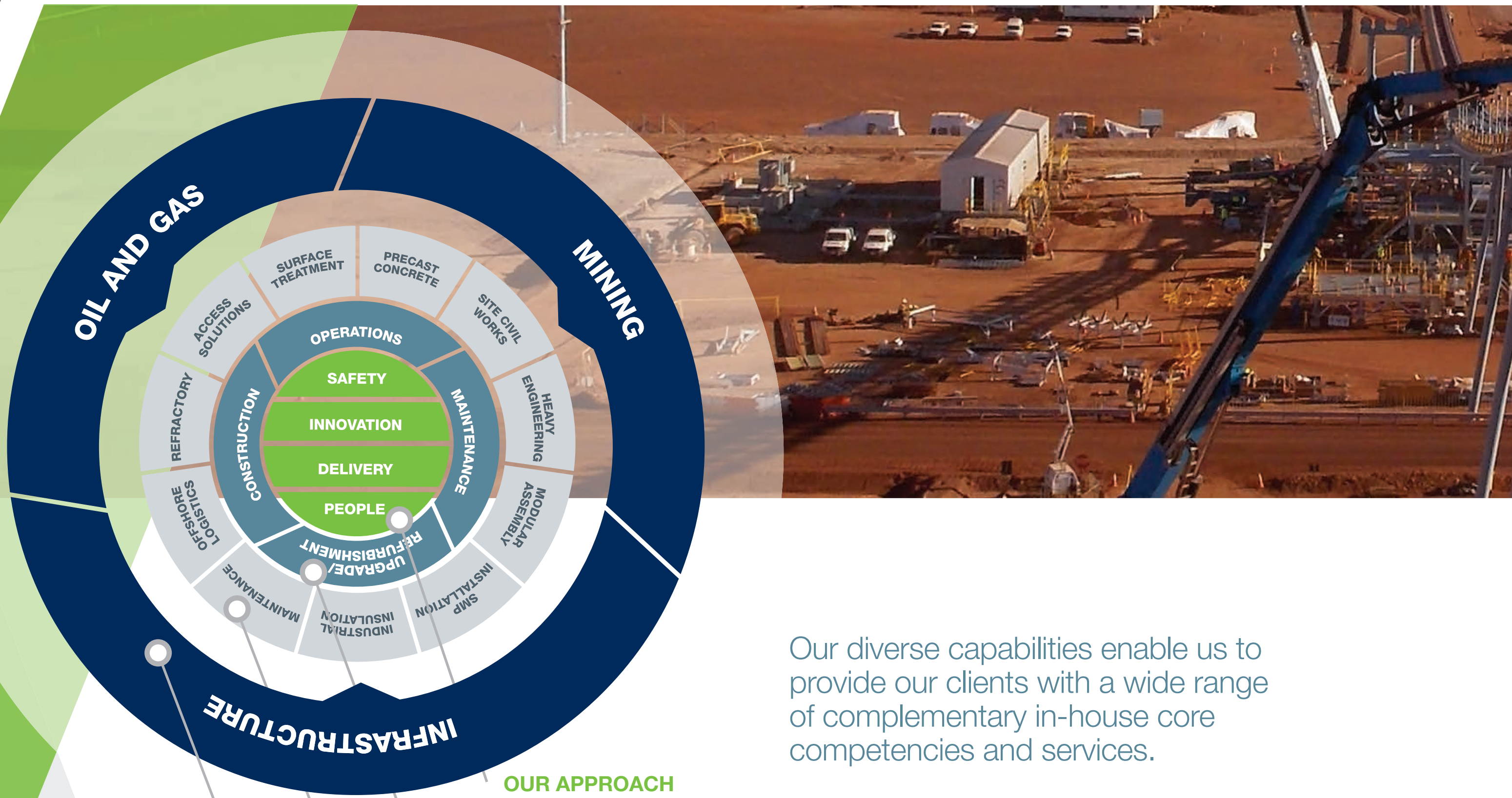
ABOUT OUR COMPANY



OUR APPROACH

At the core of our organisation lies Civmec's strength and the attitude of our people in achieving positive outcomes across all elements of our business.

PROJECT LIFECYCLE

Our diverse and integrated capabilities support construction and engineering activities across all stages of the project lifecycle.

CAPABILITIES

Our multi-disciplinary capability offerings, complemented by our strength in innovation, provide the foundation for the delivery of high quality, cost-effective solutions.

KEY MARKETS

We are strongly focussed on delivering innovative solutions and developing long-term partnerships that achieve positive outcomes across these markets.

Our diverse capabilities enable us to provide our clients with a wide range of complementary in-house core competencies and services.

We provide heavy engineering and other services including modular assembly; precast concrete; site civil works; structural, mechanical and process piping installation; industrial insulation; surface treatment; access solutions; offshore logistics; refractory and maintenance services.

Civmec operates a number of facilities strategically located in Australia's key energy, resources and urban regions.

Our headquarters and main facilities are located at Henderson, 35km south of Perth's CBD. Spread over 120,000m^2 of land with direct waterfront access, it is the largest heavy engineering facility of its kind in Australia.

In addition to this, we operate specialist facilities in Darwin (NT), Broome (WA), along with an office in Sydney (NSW), a facility in Gladstone (QLD) and a presence in Singapore.

With our diverse capabilities, resources and experience, our dedicated teams can deliver projects throughout Australia and beyond.

Civmec Limited has been listed on the Singapore Exchange (SGX) since April 2012.

GOAL
AND VALUES

“Our **goal** is to grow a sustainable company that will deliver mutually beneficial outcomes to our stakeholders, today and into the future.”

We are focussed on enhancing our future growth by embracing sound work ethics, innovation and technology while continually striving to provide outstanding service to our customers.

Our **values** shape every decision we make and every action we take as a business.

Our core values:

- Safety and wellbeing
- Accountability
- Teamwork
- Integrity
- Politeness and courtesy
- Openness and trust

Our values and goals are pivotal to our successful business model, positioning us to perform well, develop a strong client base and convert high levels of customer satisfaction into repeat business.

SAFETY & WELLBEING

ACCOUNTABILITY

TEAMWORK

INTEGRITY

POLITENESS & COURTESY

OPENNESS & TRUST

A YEAR IN REVIEW

July 2014

- Awarded contract on a major infrastructure project in Perth's CBD, **Elizabeth Quay,** for civil works and fabrication components

August 2014

- Commenced operations at our **12,000m^2** logistics base in Broome, Western Australia
- Secured contract for Technip on Shell's Prelude Floating Liquefied Natural Gas (FLNG) Project for **fabrication and testing** of subsea components
- Awarded contract by Technip on the Chevron-operated **Wheatstone LNG Project** for fabrication and testing of 5.5km of jumper spools
- Commenced construction of precast concrete modules on the **A$1 billion Gateway Project** - a major road infrastructure project for Western Australia

October 2014

- New Chief Financial Officer - **Ms Justine Campbell** - appointed
- Civmec Construction & Engineering **South East Asia presence commenced**
- Fabrication works commenced on the 55 million tonne per annum **Roy Hill Iron Ore Project**

December 2014

- CEO **Patrick Tallon** named "Construction Executive of the Year" by CEO Magazine

January 2015

- **Refractory Division** established to provide a comprehensive solution to all refractory service requirements

February 2015

- Awarded further contracts on the **Roy Hill project**, taking total to four contracts
- **Sydney office** opened

March 2015

- Awarded A$73 million new **Perth Stadium Steelwork Package** contract involving fabrication and site erection of steelwork

May 2015

- 3,305m^2 **Gladstone facility** established

June 2015

- Received 2015 Subsea Energy Australia (SEA) **Company of the Year** award
- Won the **Heavy Civil Construction Award** for Civtrac at the 2015 Singapore Business Review (SBR) Listed Companies Awards

LOCATIONS

Our strategy to pursue growth through diversification led to an expansion of our operating footprint during FY2015.

We opened a new office in Sydney to increase our exposure to the Australian Eastern seaboard and pursue new business opportunities in public infrastructure. In line with this goal, we also established a facility in Gladstone, Queensland, to expand our maintenance and refractory service offerings to the resources and infrastructure markets.

Our primary facilities in Henderson, Western Australia, are now fully developed in line with our initial plans. In 2015, we completed a 1,200m² specialist subsea facility and built a new 2,300m² operational readiness facility to further improve our core capabilities.

We are now present in:

- Perth
- Darwin
- Sydney
- Broome
- Gladstone
- Singapore


6,000T Wharf
3,000T Wharf
15,000T Wharf
Floating Dock
Heavy Engineering Facility - 29,300m²
Surface Treatment Facility - 4,800m²
Specialist Subsea Facility - 1,200m²
Office Headquarters - 6,500m²
Operational Readiness Facility - 2,300m²

CAPABILITIES
OVERVIEW

Civmec is a leading end-to-end provider of specialist heavy engineering and construction services and we do this by offering a comprehensive suite of in-house core competencies.

We combine state-of-the-art facilities with experienced people to deliver exceptional results for our clients to succeed, safely and efficiently.

Heavy Engineering:

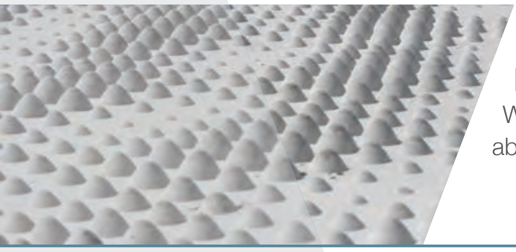
We undertake large and small fabrication projects ranging from structural and platework packages to complex structures which require specialist welding of exotic materials such as titanium, stainless steels, duplex steel and copper alloys.

Modular Assembly:

Our large custom-built manufacturing facility enables large modular assemblies to be fabricated and assembled offsite into single units for safe and efficient construction.

Structural, Mechanical, Piping, Electrical and Instrumentation (SMPE&I) Installation:

We carry out complex site structural, mechanical and piping installation projects for the energy and resources sectors. We have an extensive range of suitable heavy lift cranes and other equipment to deliver large projects.



Precast Concrete:

We manufacture reinforced concrete products of all sizes and complexities with the ability to produce from our Henderson facility or from remote set-ups closer to site.

Site Civil Works:

We offer a full range of civil works services and are at the forefront of creating innovative construction techniques. We have an extensive range of plant and equipment to ensure site efficiency.

Painting, Insulation and Fireproofing:
With support from our technologically advanced engineering facilities, we are able to provide integrated painting, insulation and fireproofing solutions for both onsite and offsite operations.

Refractory:
We provide a complete refractory lining service for new build and ongoing maintenance and deliver tailored solutions specific to clients' individual needs.

Access Solutions:
Our access solutions provide support for our clients across all aspects of project, maintenance and shutdown works.

Offshore Logistics:
We provide comprehensive, integrated supply chain solutions to the onshore and offshore industry.

Maintenance Services:
Our diverse capabilities enable us to provide a single solution for industrial maintenance such as plant shutdowns, ensuring our clients maximise their output.

FINANCIAL HIGHLIGHTS

REPORTING CURRENCY (S$)

RECORD REVENUE OF
S$499.2m

2012	328.7
2013	405.9
2014	433.7
2015	499.2

EBITDA OF
S$45.8m

2012	48.6
2013	54.3
2014	53.8
2015	45.8

NET PROFIT AFTER TAX OF
S$30.3m

2012	30.3
2013	36.0
2014	35.1
2015	30.3

OPERATING CASH FLOW
S$45.0m

2012	26.1
2013	8.6
2014	30.3
2015	45.0

EARNINGS PER SHARE
6.05 cents

2012	6.1
2013	7.2
2014	7.0
2015	6.05

DIVIDENDS PER SHARE
0.7 cents

2012	0.6
2013	0.7
2014	0.7
2015	0.7

Reporting Currency S$'000	2015	2014	Change
Sales revenue	499,153	433,677	+15.1%
EBITDA	45,802	53,779	-14.8%
Net profit after tax	30,308	35,079	-13.6%
Operating cash flow	44,905	25,855	+73.7
Earnings per share (basic)	6.05	7.01	-13.6%
Dividend per share (cents)	0.7	0.7	-
Return on equity (%)	20.0	24.3	-17.7%

Financials

The strength of our client service model has enabled us to achieve record turnover of S$499.2 million for FY2015, delivering a net profit after tax (NPAT) of S$30.3 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was S$45.8 million, and earnings before interest and tax (EBIT) was S$35.7 million.

While we realised a slight movement in margins when compared to FY2014, they remain very healthy at 9.2% for EBITDA, 7.1% for EBIT and 6.1% for NPAT.

This resulted in a return on equity of 20% and earnings per share of 6.05 cents.

Our continued focus on cash flow discipline resulted in a cash balance at year end of S$37.6 million with S$33.8 million of borrowings repaid during the year as at 30 June 2015. We now have a stronger balance sheet with total net assets of S$151.7 million in FY2015.

The Group's FY2015 total comprehensive income included a negative on unrealised foreign exchange of S$19.2 million arising from the weakening of the Australian dollar (the Group's functional currency) against the Singapore dollar (the Group's reporting currency).

In A$ terms, the Group achieved record growth of 20.9% at A$453.4 million with net profit after tax of A$27.3 million.

The chart below outlines our comparative performance in our present operating currency (A$).

Operating Currency A$'000	2015	2014	Change
Sales Revenue	453,381	374,927	+20.9%
EBITDA	41,385	46,480	-10.9%
Net Profit After Tax	27,338	30,231	-9.6%

OPERATING CURRENCY (A$)

RECORD REVENUE OF

A$453.4m

NET PROFIT AFTER TAX OF

A$27.3m

EXECUTIVE CHAIRMAN'S STATEMENT

It is my pleasure to present Civmec Limited's 2015 Annual Report.

The company has had a solid 12 months to 30 June 2015. In the face of some challenges, particularly in terms of the documented downturn in the resources sector, we have continued to grow the company by moving into new markets and broadening the range of services we offer our clients.

FINANCIAL PERFORMANCE

As a result, Civmec has delivered revenue of S$499.2 million, a record for the company with net profit after tax for the year of S$30.3 million.

The company remains in a very strong financial position and so, in line with our commitment to maximise returns to our shareholders, the Board has recommended a cash dividend of 0.7 cent per share, subject to shareholders' approval at our Annual General Meeting on 29 October 2015. The dividend will be paid on 15 December 2015.

EXECUTING OUR STRATEGY

The success of the past year can in no small part be attributed to the company's diversification strategy which has been a focus for the Board and Executive Team over the past two years.

During FY2015, we expanded into new geographical markets opening an office in Sydney and establishing a facility in Gladstone Queensland, from where we can offer our clients infrastructure, maintenance and refractory services – an example of our determination to expand our service offerings, as we continually evolve to meet the changing environment of our major clients.

We have successfully diversified into the public infrastructure space, securing a number of significant projects which demonstrate our flexibility to operate in a sector which is continuing to present significant growth opportunities.

As our company grows, we never lose sight of the fact that safety remains at the very core of our business. At 30 June 2015, our Total Reportable Injury Frequency Rate (TRIFR) was 3.79; however our goal is zero and with continual focus we believe this can be achieved. In FY2016, we are embracing an awareness campaign of "Never Assume", meaning never assume you are not responsible for safety. Our philosophy still stands – a safe day is a good day.

It is very pleasing to see that we are continuing to receive industry recognition, with the company being presented a number of major awards over the past 12 months. These include being named Company of the Year at the Subsea Energy Australia Business Awards; receiving the Heavy Civil Construction Award for our in-house Civtrac Management System at the Singapore Business Review Listed Companies Awards; and our Chief Executive Officer, Mr. Patrick Tallon being named Construction Executive of the Year by CEO Magazine.

OUTLOOK

The Board remains very optimistic about the outlook for the business over the next financial year and beyond.

Our broadened range of service offerings and capabilities allow us to pursue business opportunities in the growing Australian public infrastructure sector as well as the resources industry as it shifts towards operating expenditure investments. As always, our focus remains on working hard to solidify our position as a leading heavy engineering company and enhance value for our shareholders.

Areas such as subsea and other complex technical work, along with the opportunities arising from further tendering activity in the engineering, procurement and construction (EPC) sector, are all regarded as sources of future growth. We will also continue to explore business opportunities in other geographic locations, both in Australia and worldwide.

We believe our strategy to diversify has placed us in an excellent position to capitalise on these opportunities and continue to grow the business.

While we may experience a slowing in some of the sectors we operate in we are committed to achieving sustainable growth. Most importantly, we have a strong balance sheet which provides a solid foundation for our development and enables us to pursue opportunities as they arise.

In closing, I wish to place on record the Board's appreciation for the hard work and outstanding achievements of Mr. Patrick Tallon, the Executive Team and the Civmec staff over the past 12 months. We are fortunate to have a highly skilled team, at all levels, committed to delivering real value and service to our clients, and it is this commitment that enables us to deliver consistently for our shareholders.

Yours sincerely,

James Finbarr Fitzgerald

Executive Chairman
Civmec Limited

PHOTO: CEO Patrick Tallon (left) with MC for the 2015 CEO Magazine Awards, Mr Eddie McGuire.

CEO'S REPORT

As we reflect on the 12 months to 30 June 2015, I am pleased to report that Civmec has had another strong year.

BUSINESS PERFORMANCE

During FY2015, we have continued to diversify our capabilities, expanded our geographic footprint within Australia and solidified our reputation as a strong, multi-disciplined provider.

The company's success was reflected in a 15% increase in revenue to S$499.2 million with a healthy NPAT margin of 6.1%. Our move towards infrastructure projects and some significant awards in this sector, combined with an increase in maintenance activities, has assisted in offsetting a slowdown in other areas.

As the business has matured, so has our safety culture. Our robust systems, investment in our Health, Safety and Environmental department and our focus on giving supervisors more knowledge, training and support will improve our performance. A highlight in the past year was securing Environmental Accreditation ISO 14001.

This year has been marked by the successful award and commencement of major projects in the public infrastructure, mining and oil and gas sectors, providing a platform for continued, sustainable growth. Our decision to focus heavily on infrastructure work was validated with the award of a major contract on the prestigious new Perth Stadium Project, along with involvement on some of WA's most iconic projects including Elizabeth Quay – a major Perth city public space development - and the Gateway WA Project – Perth's largest roads infrastructure project.

The successful delivery of separate packages on the Yandicoogina Sustaining Project (civil and structural, mechanical and process piping (SMP)) and full vertical package delivery on the Nammuldi Iron Ore project (civil, SMP, electrical and instrumentation (E&I)) strengthened our proven delivery capability in the sector. Our ability to leverage our capabilities in this sector also led to the award of multiple packages for the Roy Hill Iron Ore Project, with more than 500 personnel mobilised to deliver the project.

Our oil and gas division performed well in FY2015, completing a major service order for Shell's Prelude Floating LNG Development, along with the fabrication and testing of subsea jumper spools for the Chevron-Operated Wheatstone LNG Project.

At our Henderson waterfront facility, the completion of our 1,200m^2 specialist subsea facility has enhanced our ability to produce high quality products without the threat of material cross-contamination. With contracts currently being delivered for GE Oil and Gas, Technip and FMC Technologies, we are well-positioned and resourced to grow our presence in this sector.

During the year, we established a new entity with the David Liddiard Group (DLG) – known as Civmec DLG. Our vision for this entity is to provide Indigenous Australians with more opportunities to participate in the economy through employment and career enhancement. The company is specifically targeting opportunities within the Australian defence sector and is already engaged in tendering activity.

STRATEGY

Our strategic focus for the past two years has been to build on our capabilities and offer clients an end-to-end vertically integrated, turn-key project solution. The approach is paying dividends, as evidenced by our success in both winning repeat work from existing clients, as well as attracting new clients.

Since its establishment in January 2015, our new refractory division has secured several contracts, demonstrating the high level of demand for our services and the confidence our clients have in our ability to deliver excellent results.

Our focus on developing innovative project delivery methodologies has, in many instances, resulted in us being requested to collaborate with the client early in the planning process. This strengthens client relationships and potentially opens up new areas of opportunities for us going forward.

We are continuing to improve productivity and drive efficiencies by enhancing our internal systems and processes; seeking new ways to develop every aspect of our operations in response to the current climate. While the majority of materials will continue to be procured in Australia, we can now leverage off our size to investigate procurement opportunities globally. We have also updated our organisational structure to streamline the way we do business and how we work with clients. Additionally, our business management tools and the transparency we provide through our award-winning *Civtrac* – a fully integrated project progress tracking system – has positioned us favourably for the future.

Our geographic expansion continued in FY2015 with an office established in Sydney and a facility in Queensland's resources hub of Gladstone – which will assist us in capitalising on opportunities available on Australia's East Coast. Overseas, our Singapore presence serves as a base to establish a global footprint and we look to offer our multi-disciplined service providing beyond Australia.

Over the past 12 months we have completed the Phase A development of our facility at Henderson, including our operational readiness facility for our construction projects and the specialist subsea facility for exotic materials. Our location, with immediate access to wharves, undoubtedly gives us a strategic advantage in the market.

We have continued to strengthen our team during FY2015 including the introduction of a General Manager to drive our Singapore and South East Asian expansion plans along with the appointment of Ms. Justine Campbell as the company's new Chief Financial Officer. We now have a very experienced team in place that is highly focussed on growing the business and capitalising on any opportunities we identify.

LOOKING FORWARD

We are seeing an increase in infrastructure spending within the Australian market, potentially creating immediate opportunities for our civil, precast and fabrication capabilities on the East Coast and for the expansion of our maintenance offering.

As the resources sector shifts from a capital expenditure phase to an operating environment, we are focussed on securing sustainable work with repeat, longstanding clients as well as building on our relationships with some new clients such as Samsung C&T, Brookfield Multiplex and FMC Technologies.

The efficiency, quality standards and schedule surety our fabrication business unit delivers will assist us in attracting prestige projects in the future. With our facilities adapting to growing demand, we can now offer economies of scale and capitalise on these prospects.

The changing face of our industry and the challenges faced during FY2015 created multiple opportunities for our company. In response, we have made significant investments in our people and our service offerings. We firmly believe our diverse capabilities are evidence of our ability to not only survive any period of economic uncertainty, but thrive and grow.

Yours sincerely,

Patrick Tallon

Chief Executive Officer
Civmec Limited

OIL AND GAS

PHOTO: As part of the Prelude Floating LNG Project, Civmec fabricated eight Pipe Line End Teminations (PLETs), along with associated buckle triggers and suction piles.

HIGHLIGHTS

- **Improved turnover of S$146.8 million, a 12.5% increase from the previous period**
- **Delivering contracts on four of Australia's LNG projects –Prelude, Wheatstone, Gorgon and Ichthys**
- **S$106.5 million in signed new contracts and extensions**

Our oil and gas division delivered strong results in FY2015, supporting our strategy to increase tendering in the sector while pursuing larger and longer-term projects.

In August 2014, we were awarded major contracts for two prominent projects in Western Australia by global engineering and construction company, Technip Oceania. The first was a master service order contract for the fabrication and testing of subsea components for the Prelude Floating Liquefied Natural Gas (FLNG) development, owned by Shell. Civmec's scope of work on the world's first floating LNG project includes the manufacture of eight Pipe Line End Termination (PLETs), associated buckle triggers and suction piles.

The second major contract was with Chevron's Wheatstone Liquefied Natural Gas (LNG) Project for the fabrication and testing of 5.5km of subsea jumper spools and supporting site works.

Combined with the award of modular and site works for Chevron's Gorgon LNG Project and a precast contract on INPEX's Ichthys Project, we are now working across four major LNG projects in Australia.

Civmec also successfully delivered diverless spools for Woodside's Xena Subsea Installation Project for our client, Fugro-TSM.

These projects reaffirm our position in the oil and gas market as a leading provider of high quality, complex fabrication, precast supply and onsite construction. These credentials have been widely recognised by the market, providing access to opportunities in other sectors with significant capital expenditure budgeted in the near future.

Looking forward, a key component of our oil and gas strategy is to strengthen our relationships with current clients while positioning ourselves for strategic long-term works. As these projects move from construction to first gas, our maintenance capability, along with our ability to operate across both upstream and downstream construction, will ensure opportunities are presented across all stages of the project lifecycle. We are actively positioning ourselves for the transition to commissioning and operations, and are well placed to extend our geographic reach across Australia through our new locations on the Eastern Seaboard. Also instrumental in our growth strategy was the completion of our specialist subsea facility at Henderson.

PHOTO: As part of Woodside's Xena Subsea Installation Project, Civmec fabricated 8-inch super duplex rigid pipe tie-in spools, complete with diverless connections.

MINING

HIGHLIGHTS

- **Annual turnover of S$352.3 million, a 16.2% increase from FY2014**
- **Extensions and new contracts worth S$237 million**
- **New contracts secured on major mining projects for Rio Tinto and Roy Hill**

Civmec remains optimistic about its growth prospects in the mining sector, particularly given our ability to deliver maintenance services.

Our mining division delivered yet another strong performance for FY2015 despite challenging resources sector dynamics, recording a 16.2% increase in revenue. Furthermore we were awarded S$237 million in new contracts and contract extensions this financial year.

These wins reflect our competitive positioning, where we strive to offer clients holistic, cross-disciplinary, turnkey solutions from across our suite of capabilities.

Similar to what is being witnessed in the oil and gas sector, there has been a noticeable shift in the mining industry from capital expenditure towards operational expenditure in the form of maintenance and sustaining capital upgrades. Civmec's strategic approach from early FY2015 was to better position the company to pursue opportunities emerging from the changing nature of activity in the resources sector.

Over the past 12 months, we were awarded four new contracts for work at the Roy Hill Project, a 55 million tonne per annum iron ore mining, rail and port project currently being developed in the Pilbara region of Western Australia. Roy Hill is the only independent iron ore project with majority WA ownership (70%) by Hancock Prospecting Pty Ltd. Our initial contract was for an SMP installation package and through our execution of this work at Roy Hill, we were successful in securing additional scope for site civil works and trenching on behalf of Samsung C&T on the project.

We completed a contract for Rio Tinto at the Yandicoogina Sustaining Project, demonstrating the strength of our diversified operating model in delivering civil site works, fabrication, modular assembly and structural, mechanical and process piping to the project. We also completed work for Rio Tinto at their Nammuldi Below Water Table Project – a vertical package delivering fabrication, civil site works, structural, mechanical and process piping and electrical and instrumentation, while also providing commissioning support.

Our scope of work with Rio Tinto expanded in 2015, and we are currently constructing a second fuel facility in the greater Brockman area, following our earlier delivery of a similiar facility at Nammuldi. The project includes fabrication, civil site works, structural, mechanical and process piping and electrical and instrumentation work. The facility, which forms part of a broader Fuel Infrastructure Project, is setting a new standard for fuel transport, storage and management across their Pilbara operations.

We also secured a contract from Sedgman to undertake structural, mechanical, platework and piping installation works for a new filtration plant at Alcoa's Kwinana Refinery. The project involves building and installing tanks and filter equipment including six filter presses, each weighing more than 135 tonnes.

We are also pleased to have delivered miscellaneous packages of works for BHP Billiton Iron Ore, among others, throughout FY2015.

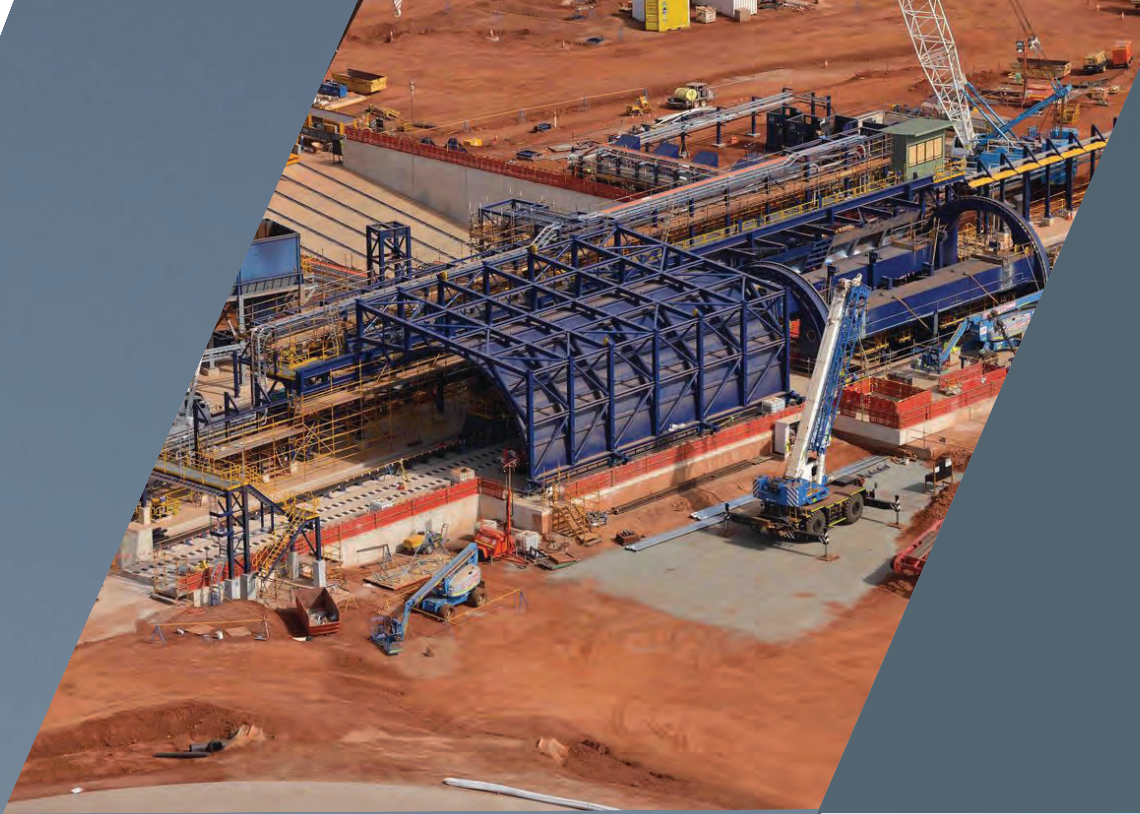


PHOTO: This rail car dumper was installed by Civmec crews on the Roy Hill Project in WA's North West.

PHOTO: Civmec fabricated and installed 6,500T of structural, platework, conveyor trusses and approximately 30km of process pipework for the Yandicoogina Sustaining Project.

INFRASTRUCTURE

HIGHLIGHTS

- **Infrastructure established as a standalone sector**
- **S$105M in new contract awards**
- **Awarded significant contracts on two major infrastructure projects in Western Australia**

Creating a dedicated infrastructure buseinss unit was a large component of our FY2015 strategy which has proven timely given the recent allocation of government funding to such projects.

Civmec entered the public infrastructure sector to diversify our contract pipeline and provide our integrated, multi-disciplinary construction and engineering solutions to a new client base.

Our strategy has already yielded positive results with the award of site civil works, supply and installation of precast concrete and the fabrication of the pedestrian bridge arches at the A$2.6 billion Elizabeth Quay waterfront development in Perth, Western Australia.

We tendered and were awarded a contract on the A$1 billion Gateway WA: Perth Airport and Freight Access Project – a major road infrastructure project designed to increase the safety and efficiency of this primary transport hub.

In March 2015, we secured the largest project for client, Brookfield Multiplex, on the new Perth Stadium worth A$73 million. We are now in the process of fabricating and erecting circa 14,500 tonnes of structural steelwork for the superstructure. We have subsequently secured the manufacture and installation of various precast components for the same project.

Our office in Sydney and presence in Queensland positions us well to capitalise on infrastructure projects coming to market. Additionally, tendering activity on the East Coast is very active with Civmec targeting entry into the defence sector in FY2016.

The Australian Federal Government has stated it will invest approximately A$50 billion across Australia over seven years which, when combined with State, Territory and private sector funding, will be a catalyst for additional infrastructure investment that is publicly forecast to be in excess of A$125 billion[1].

Our outlook for the infrastructure sector is positive and given our proven ability to effectively adapt our capabilities into new sectors, we see this is a significant area of future growth.

[1]http://budget.gov.au/2014-15/

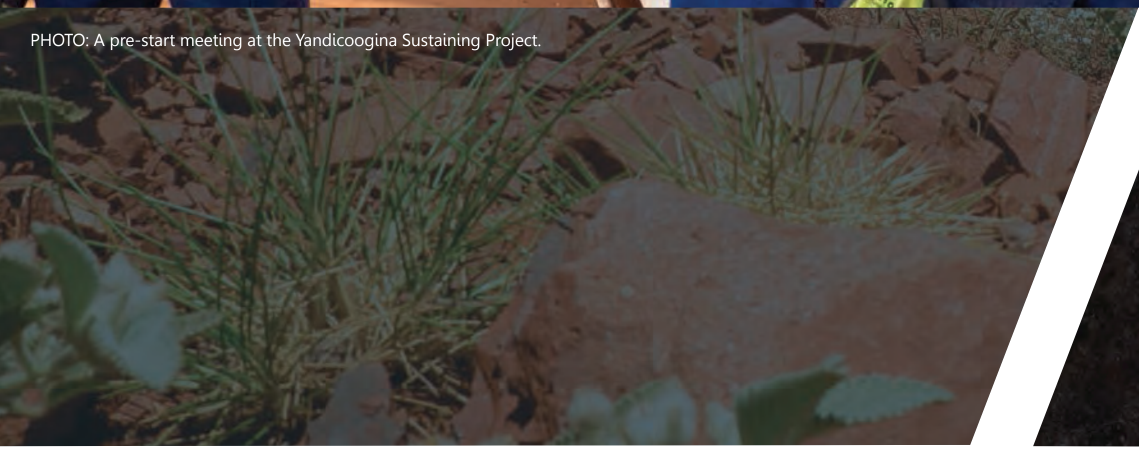
PHOTO: The fabricated pedestrian bridge arches being lifted into place on the Elizabeth Quay Project.

PHOTO: Civmec carried out the fabrication and assembly of approximately 2,500T of painted and galvanised steelwork for the Perth Airport Extension.

PHOTO: Progress on the new Perth Stadium Steelworks Package.

HEALTH, SAFETY, ENVIRONMENT AND QUALITY

PHOTO: A pre-start meeting at the Yandicoogina Sustaining Project.



We are committed to incident prevention through continuous improvement of our positive safety culture which encourages open communication and embraces the workforce in a confident manner.

Our Group's Total Reportable Injury Frequency Rate (TRIFR) reached a low of 2.65 during FY2015, substantially below the industry norm. Our Lost Time Injury Frequency Rate (LTIFR) of 0.31 is industry-leading, dramatically below the construction industry at 10.93 and manufacturing industry statistics at 12.54[1]. A key reason for these low statistics is a strong focus placed on supervision and accountability – ensuring everyone adopts the Safe Day, Good Day philosophy.

Due to the nature of our business, the ongoing target is reducing these statistics to our goal target of zero. Along with management commitment and leadership visibility on site, a key to achieving this is to instil a culture which places people's safety at the forefront of everything we do. FY2016 will see the company focus on a new awareness campaign titled "Never Assume", which sends the message that constant vigilance is critical. The campaign aims to enhance the mindset of our people and our business.

In FY2015, we invested time building our safety, quality and environmental management systems to better suit the needs of our business. In terms of quality, we pride ourselves, and are recognised by our clients, for our high quality products. This past year we extended the scope of our ISO 9001 Quality System certification to cover our new surface treatment activities.
The high quality required for subsea work has set the new standard for quality for the entire company – this new baseline for Civmec will see our clients across all sectors receive the highest quality products, often beyond their expectations.

Through our Civtrac system, we have provided our clients with surety of material control and greater transparency across their projects. Going hand-in-hand, our increased focus on the monitoring of small tools and equipment usage has resulted in increased productivity in the workplace.

In May 2015, we gained our ISO 14001 environmental certification to complement our existing AS 4801 certification for our safety management system.
Like our approach to safety, we are committed to continually improving our environmental performance and minimising our impact on the environment. A key focus for FY2016 is to create greater environmental awareness amongst our people and encourage them to work in an environmentally responsible manner.

[1] Worksafe

OUR PEOPLE

"The greatest thing you can instil in a workforce is a pride in who they are, what they do and who they work for. At Civmec, our people are proud of the growth we have achieved together and are genuinely excited about our future,"
– Pat Tallon, CEO.

Our shared values are the foundation of building a united and successful organisational culture in the company. Our success has been the result of a committed workforce who are engaged and dedicated to the realisation of our core values and vision.

A key to securing a strong future is investing in dedicated individuals who want to build their career with Civmec. In the past 12 months, we worked closely with tertiary institutions to bring several graduates and interns into the business, many of whom have progressed into permanent, full-time employees. Our Apprenticeship Program reached a total of 23 people who are currently being trained to be our next wave of skilled welders, carpenters and boilermakers.

In terms of our Indigenous engagement, we have worked hard to ensure an Indigenous presence on all major sites. While we always strive to do more, we are focused on staying local where possible and look to engage local Indigenous employees and contractors in the areas we operate.

FY2015 also saw the business strategy focus more on succession planning with senior executives identifying future leaders within the business. The professional development of these individuals will ensure they are on the right path for growth within Civmec. This past year also saw some changes to our organisational structure, providing more clarity and a clearer direction for potential growth for employees. This new structure not only supports the growth of the company but will position us well for future success.

In FY2015, we continued to build on our training program, improving the quality and offerings of our Registered Training Organisation, which we established last financial year to provide skills and competency-based training courses. Our Registered Training Organisation, Civmec Training, delivered more than 2,500 recognitions of competency to many of our 1,550-strong workforce in FY2015. Our integrated Frontline Management Course, vital for investing in our future leaders, was attended by many of our supervisors. We continued to develop our people to bring new expertise and skills into the organisation with some of our trainees progressing into trainer positions –providing them with enhanced long-term career opportunities.

Our internally developed business management system, Civtrac, was formally recognised by the Singapore Business Review in 2015, receiving the Heavy Civil Construction award at the SBR Listed Company Awards in Singapore. Additionally, Civmec won the Company of The Year title at the coveted Subsea Energy Australia (SEA) Business Awards for our company's vision, enthusiasm and drive and in December 2014, Chief Executive Officer Mr. Patrick Tallon was named Construction Executive of The Year by Australia's CEO Magazine.

CORPORATE SOCIAL RESPONSIBILITY

At Civmec, we strive to achieve sustainable business growth by continually contributing to the welfare of people, our community and the environment.

We know our contribution to the community should encompass the values and actions of both the company and the individual members of our staff. In line with this philosophy, we actively support our employees' engagement in community endeavours alongside our own philanthropic activities.

DREAMFIT FOUNDATION

Our longstanding relationship with the Dreamfit Foundation continued this year through our unique employee safety incentive. Dreamfit uses innovative engineering to overcome challenges and fulfill the dreams of people with disabilities. In a fitting synergy with Civmec's own approach to business, Dreamfit receives the proceeds from savings attributable to the achievement of specific safety performance targets by our employees. In Fy2015, we made two donations – one for $7,500 and one for $25,000.

PRINCESS MARGARET HOSPITAL FOUNDATION

The Princess Margaret Hospital Foundation is the official fundraising body for the Princess Margaret Hospital for Children in Perth, raising money for the funding of medical equipment, research, specialist services, capital projects and education.

Over the past year, we donated more than $26,000 to the Foundation with proceeds going towards the $1.7 million Single Plane Angioplastic Interventional System which is used to assist more than 1,000 surgeries each year.

INDIGENOUS ENGAGEMENT

This year, we were an official sponsor of the "Make Smoking History" Survival Day Concert, hosted by Indigenous Services Australia. Survival Day is a national celebration of Australia's Aboriginal and Torres Strait Islander cultures and communities, showcasing music, dance, art and food.

We have committed to the development of a Reconciliation Action Plan which will enable our commitment to provide Indigenous employment, training opportunities and cultural diversity awareness within our organisation to become authentic and appropriate around the key areas of opportunities, respect and relationships.

PHOTO: Civmec donated $26,000 to the Princess Margaret Hospital Foundation

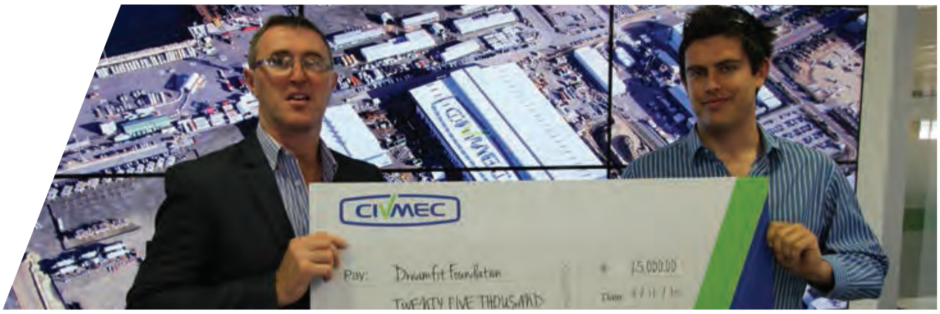


PHOTO: Civmec made two donations to Dreamfit during FY2015 from savings attributable to the achievement of specific safety performance targets by our employees.

ST PATRICK'S COMMUNITY CENTRE

St Patrick's Community Centre offers a wide range of services to vulnerable community members including residential accommodation, nutritious meals, comprehensive health clinics and vocational and recreational health programs. This year, we made food donations to St Patrick's to ensure the Centre could continue to provide meals to those in need.

PINK RIBBON BREAKFAST

Our commitment to providing practical, financial and emotional support for breast cancer patients and families saw Civmec raise awareness through donations to the National Breast Cancer Foundation.

AUTISM ASSOCIATION OF WA

The Autism Association of Western Australia is dedicated to serving the needs and interests of people with autism and their families. Our staff working at the Yandicoogina Sustaining Project donated money to Autism WA to provide personal development, equal opportunity and community participation for people with autism.

MOVEMBER

Movember is an annual event where men grow their moustaches during the month of November to raise awareness of men's health issues, such as depression and prostate cancer. Our staff supported Movember again this year. We made two donations to the cause, one on behalf of Civmec and one from money raised by our staff and champions of the cause.

COCKBURN BASKETBALL ASSOCIATION

We sponsored a local Basketball Association where some of our employees and their families are involved, enabling a junior Western Australian Basketball League to purchase new uniforms and continue its success on the court.

n's Single Plane Angioplastic Interventional System.

BOARD OF DIRECTORS

James Finbarr Fitzgerald
Executive Chairman

Mr. James Finbarr Fitzgerald was appointed to our Board on 27 March 2012. He is responsible for the corporate direction and implementing the company's vision and strategic direction. With more than 34 years' experience, he has extensive knowledge in civil, structural, mechanical and piping works, as well as insulation and modularisation of structures onshore and offshore.

Patrick John Tallon
Chief Executive Officer

Mr. Patrick John Tallon was appointed to our Board on 27 March 2012. He is responsible for the development and performance of the Group, including building culture and leadership. Over the past 28 years, Mr. Tallon has accumulated significant knowledge and experience in all aspects of the construction industry and has been involved in many major oil and gas, mining and infrastructure projects.

Kevin James Deery
Chief Operating Officer

Mr. Kevin James Deery was appointed to our Board on 27 March 2012. He is responsible for overseeing the ongoing business operations of the Group's quality-orientated culture, compliance and operational productivity.
Mr. Deery has more than 20 years' experience having previously managed structural, mechanical and process piping construction works for major clients.

(Left to right: Chong Teck Sin, Douglas Owen Chester, James Finbarr Fitzgerald, Patrick John Tallon, Kevin James Deery, Wong Fook Choy Sunny)

Chong Teck Sin

Lead Independent Director

Mr. Chong Teck Sin was appointed to our Board on 27 March 2012. Mr. Chong is currently an independent director of Changan Minsheng APLL Logistics Co., Ltd. and Audit Committee Chairman of AVIC International Maritime Holdings Limited, InnoTek Limited and Accordia Golf Trust Management Pte. Ltd. Mr. Chong has a Bachelor of Engineering from the University of Tokyo and a Masters of Business Administration from the National University of Singapore.

Douglas Owen Chester

Independent Director

Mr. Douglas Owen Chester was appointed to our Board on 2 November 2012. He is an Independent Director and Audit Chairman of Stamford Land Corporation Limited and Lead Independent Director of Kim Heng Offshore & Marine Holdings Limited. Prior to this appointment, he held the role of High Commissioner to Singapore. Mr. Chester holds a Bachelor of Science (Honours) from the Australian National University.

Wong Fook Choy Sunny

Independent Director

Mr. Sunny Wong Fook Choy was appointed to our Board on 27 March 2012. He is a practising advocate and solicitor of the Supreme Court of Singapore and is currently the Managing Director of Wong Tan & Molly Lim LLC. He is also an independent director of Albedo Limited, Excelpoint Technology Ltd., Mencast Holdings Ltd., InnoTek Ltd. and KTL Global Ltd. Mr. Wong holds a Bachelor of Law (Honours) from the National University of Singapore.

EXECUTIVE TEAM

Terence Hemsworth
Henderson Operations Manager

Rodney John Bowes
Group Manager Proposals

Justine Campbell
Chief Financial Officer

Mr. Terence Hemsworth joined our Group in 2010 and is responsible for the management and coordination of our Henderson facility which encompasses fabrication, modular assembly and surface treatment operations of the Group.

Mr. Hemsworth's career spans more than 40 years in the construction and fabrication industry, having worked on major projects for the oil and gas, mining, resources and infrastructure sectors in Australia, the United Kingdom, South Africa, New Zealand, Singapore and Malaysia.

Mr. Rodney John Bowes joined our Group in 2010 and is responsible for managing the Group's business development and tendering activities. Prior to joining our Group, Mr. Bowes held the role of General Manager (Marketing and Proposals), where he was in charge of the management of the Business Development, Marketing and Estimating departments. Mr. Bowes brings more than 20 years' experience and subsequent knowledge to this role.

Ms. Justine Campbell joined our Group in October 2014 and is responsible for all financial and risk management operations including the development of financial strategies, developing and monitoring of control systems. Having previously held positions of CFO and Company Secretary with a ASX200 Listed Company, she has spent more than 15 years overseeing major acquisitions and implementing numerous systems.

PHOTO: The team at Nammuldi after the successful installation of the train loadout bin.

"CAPITALISING ON OPPORTUNITIES THROUGH DIVERSIFICATION"

FINANCIAL REPORT CONTENTS

CIVMEC LIMITED AND ITS SUBSIDIARIES 30TH JUNE 2015

REPORT OF THE DIRECTORS

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 2015 and the statement of financial position of the Company as at 30 June 2015.

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**
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 or debentures of the Company or any other body corporate, other than as disclosed under "Share Options" and "Shares" in this report on page 34 and 35.

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 1.7.14	At 30.6.15	At 1.7.14	At 30.6.15
The Company		**No. of Ordinary shares**		
Mr. James Finbarr Fitzgerald	-	-	97,620,806	97,620,806
Mr. Patrick John Tallon	-	-	97,620,806	97,620,806
Mr. Kevin James Deery	-	-	13 ,710,000	13 ,295,250

There was no change in any of the above-mentioned interests between the end of the financial year and 21 July 2015.

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.

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the notes to the financial statements.

5. 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.

The CESOS 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.

REPORT OF THE DIRECTORS (cont'd)

5. SHARE OPTIONS (CONT'D)

Civmec Limited Employee Share Option Scheme (cont'd)

Principal terms of the Scheme

(i) Participants

Under the rules of the Scheme, 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.

Persons who are Controlling Shareholders and their Associates shall not participate in the CESOS unless:

(a) written justification has been provided to Shareholders for their participation at the introduction of the CESOS or prior to the first grant of Options to them;

(b) the actual number and terms of any Options to be granted to them have been specifically approved by Shareholders who are not beneficiaries of the grant in a general meeting in separate resolutions for each such Controlling Shareholder; and

(c) all conditions for their participation in the CESOS as may be required by the regulation of the SGX-ST from time to time are satisfied.

(ii) Size of the Scheme

The aggregate number of new Shares in respect of which Options may be granted on any date under the CESOS, when added to (i) the number of new Shares issued and issuable in respect of all Options granted thereunder, and (ii) all new Shares issued and issuable pursuant to any other share-based incentive schemes of our Company, shall not exceed 15% of the number of issued Shares on the day immediately preceding the relevant Date of Grant (or such other limit as the SGX-ST may determine from time to time).

(iii) Options, Exercise Period and Exercise Price

The Options that are granted under the Scheme may have exercise prices that are, at the Committee's discretion, set at a price as quoted on the Singapore Exchange for five market days immediately preceding the date of grant (the "Market Price") equal to the weighted average share price of the shares for the last trading day 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%). Options which are fixed at the Market Price ("Market Price Option") may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price ("Incentive Option") may only be exercised after the second anniversary from the date of grant of the option. The vesting of the options is conditional on the key Management personnel or employees completing another two years of service to the Group and the Group achieving its targets of profitability and sales growth once the options are vested, they are exercisable for a period of three years.

(iv) Grant of Options

Under the rules of the Scheme, there are no fixed periods for the grant of options. As such, offers for the grant of options 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.

(v) Termination of Options

Special provisions in the rules of the Scheme deal with the lapse or earlier exercise of Options in circumstances which include the termination of the participant's employment in the Company, the bankruptcy of the participant, the death of the participant, a take-over of the Company and the winding-up of the Company.

(vi) Acceptance of Options

The grant of options shall be accepted within 30 days from the date of offer. Offers of options made to grantees, if not accepted by the closing date, will lapse. Upon acceptance of the offer, the grantee must pay the Company a consideration of S$1.

REPORT OF THE DIRECTORS (cont'd)

5. SHARE OPTIONS (CONT'D)

Civmec Limited Employee Share Option Scheme (cont'd)

Principal terms of the Scheme (cont'd)

(vii) Duration of the Scheme

The Scheme shall continue in operation for a maximum duration of 10 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.

Options Granted under the Scheme

As at 30 June 2015, 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	10 September 2023	6,000,000

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 2015 are as follows:

Expiry date	Exercise price	Number of options
11 September 2023	$0.65	6,000,000

6. 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.

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.

REPORT OF THE DIRECTORS (cont'd)

6. PERFORMANCE SHARE PLAN (CONT'D)

Civmec Limited Performance Share Plan (cont'd)

Principal terms of the Scheme (cont'd)

(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 10 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	-	-

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") and the Code of Corporate Governance.

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.

REPORT OF THE DIRECTORS (cont'd)

8. INDEPENDENT AUDITORS

The independent auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

James Finbarr Fitzgerald
Chairman

Patrick John Tallon
Director

Singapore
20 August 2015

STATEMENT BY DIRECTORS

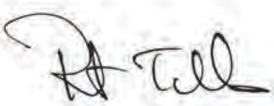
In the opinion of the Directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group set out on pages 57 - 60 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 2015 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.

On behalf of the Board of Directors

James Finbarr Fitzgerald
Chairman



Patrick John Tallon
Director

Singapore
20 August 2015

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors (the "Board") and the Management of Civmec Limited ("Civmec" or the "Company") together with its subsidiaries (the "Group"), recognise the importance of good corporate governance in ensuring transparency, protecting the interests of its 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 practices that were in place during the financial year ended 30 June 2015 ("FY2015") with specific reference to the Principles of the Code of Corporate Governance 2012 (the "Code").

In line with the commitment of the Company to maintaining high standards of corporate governance, the Company will continually review its corporate governance processes to strive to fully comply with the Code.

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

BOARD'S CONDUCT OF AFFAIRS

Principle 1: Effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The primary role of the Board is to protect and enhance long-term shareholders' value and to ensure that the Company is run in accordance with best international Management and corporate governance practices, appropriate to the needs and growth of the Company.

Apart from its statutory duties and responsibilities, the Board oversees the Management and affairs of the Group and approves the Group's corporate strategy and directions. The Board is also responsible for implementing policies in relation to financial matters, which include risk Management and internal control and compliance. In addition, the Board reviews the financial performance of the Group, approves investment proposals and sets values and standards for the Company and the Group.

The Board has delegated the day-to-day Management of the Group to 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 any 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;
- Approving annual report and audited financial statements;
- Monitoring 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.

All 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 also arranged to acquaint the non-executive Directors with the Company's operations and ensure that the Directors are familiar with the Company's business, policies and governance practices.

The profile of each Director is presented in the section headed "Board of Directors" of this Annual Report.

REPORT ON CORPORATE GOVERNANCE (cont'd)

BOARD'S CONDUCT OF AFFAIRS (CONT'D)

Principle 1: Effective board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and the Management remains accountable to the Board. (cont'd)

The Directors have access to the Company Secretary and Management. They may also seek independent professional advice concerning the Company's affairs when necessary. Prior to their respective appointments to the Board, each of the Directors was given an orientation and induction programme, so as to familiarise them with the Company's business activities, strategic directions, policies and key new projects. In addition, newly appointed Directors are also introduced to the senior Management team. Upon appointment of each Director, the Company will provide a letter to the Director setting out the Director's duties and obligations.

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 constantly monitored and reviewed by the Board. The roles and responsibilities of these committees are provided for in the latter sections of this report.

The Board meets on a regular basis, and as when necessary, to address any specific significant matters that may arise. Board meetings are scheduled in advance. The Articles of Association of the Company provide for Directors to conduct meeting by teleconferencing or video conferencing 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 2015 ("FY2015") is set out below:

		Board Committees			
	Board	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	N/A	N/A	N/A	N/A
Patrick John Tallon	4	N/A	N/A	N/A	N/A
Kevin James Deery	4	N/A	N/A	N/A	N/A
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

* Not Applicable

All Directors are updated regularly on changes in the Company's policies and are provided briefings from time to time and are kept updated on relevant new laws and regulations including Directors' duties and responsibilities, corporate governance and financial reporting standards. Newly appointed Directors will be given briefings by the Management on the business activities of the Group. The Directors may also attend other training, conference and seminars which may have a bearing on their duties and contribution to the Board, organised by the 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. During the year, the Board was briefed and/or updated on recent changes to accounting standards and industry developments and business initiatives.

REPORT ON CORPORATE GOVERNANCE (cont'd)

BOARD COMPOSITION AND GUIDANCE

Principle 2: Strong and independent element on the Board.

The Board comprises six (6) Directors, three (3) of whom are Executive Directors and the remaining three (3) Directors being Independent Directors. No individual or group of individuals dominates the Board's decision making. The Company has adopted the 2012 Code's definition of "Independent Director" and its guidance in respect of relationships which would deem a Director to be regarded as non-independent. This composition exceeds the Code's requirement of at least one-third of the Board of Directors to comprise Independent Directors.

The Board is of the view that the current Board comprises persons who, as a group, provide core competencies necessary to meet the Company's requirements. The profile of the Directors is set out on pages 30 of this annual report.

The independence of each Director is reviewed annually by the NC in accordance with the Code's definition of independence. Each Director is required to declare his independence by duly completing and submitting a "Confirmation of Independence" form. The declaration, which is drawn up based on the definitions and guidelines set forth in Guideline 2.1 in the Code, requires each Director to assess whether he considers himself independent and not having any of the relationships identified in the Code. The NC has reviewed and determined that the Independent Directors are independent. None of the Independent Directors has served on the Board beyond nine years from the date of his first appointment. The Board reviews the size of the Board on an annual basis, and considers the present Board size as appropriate for the current scope and nature of the Group's operations.

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 and to provide a non-executive perspective and to bring about a healthy balance of viewpoints.

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. Chairman and Chief Executive Officer to be separate persons to ensure appropriate balance of power, increased accountability and greater capacity of the Board for independent decision makings.

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

The two roles are separated whereby the Chairman will bear responsibility for providing guidance on the corporate direction of the Group and leadership to the Board, and the CEO will have executive responsibility for the Company's day-to-day business. The Executive Chairman and the Chief Executive Officer are not related.

The Chairman ensures that Board meetings are held when necessary and approves the agenda in consultation with other Directors. The Chairman ensures that Board members are provided with complete, accurate and timely information on a regular basis to enable them to be fully cognisant of the affairs of the Company.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The Company had established a NC to make recommendations to the Board on all board appointments. The NC comprises of three (3) members all of whom, including the NC Chairman, are Independent Non-Executive Directors:

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

REPORT ON CORPORATE GOVERNANCE (cont'd)

BOARD MEMBERSHIP (CONT'D)

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board. (cont'd)

According to the written terms of reference of the NC, the NC performs the following functions:

(i) nominate Director(s) (including Independent Directors) taking into consideration each Director's competencies, contribution, performance and ability to commit sufficient time and attention to the affairs of our Group taking into account the Directors' respective commitments outside our Group;

(ii) review and recommend to the Board the composition of the Audit Committee, Remuneration Committee and Risks and Conflicts Committee;

(iii) re-nominate Directors for re-election in accordance with the Articles of Association at each annual general meeting and having regard to the Director's contribution and performance;

(iv) determine annually whether or not a Director of the Company is independent;

(v) decide whether or not a Director is able to and has been adequately carrying out his duties as a Director;

(vi) assess the performance of the Board as a whole and contribution of each Director to the effectiveness of the Board;

(vii) review and recommend succession plans for Directors, in particular, the Chairman and the CEO; and

(viii) review and recommend training and professional development programs for the Board.

The process for the selection and appointment of new 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 Board, prepares a description of the role and the essential and desirable competencies for a particular 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 shortlisted 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 Articles of Association, all the Directors are required to retire from office at every Annual General Meeting ("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

Having considered the inconvenience of retirement and re-election of all Directors at each AGM, the NC has proposed and the Board has agreed to recommend amendment to the existing Article 118 of the Company's Articles of Association. The revised Article requires at least one third of the Directors for the time being to retire from office by rotation at each AGM and all Directors must retire at least once every three (3) years. The proposed amendment is also to be in line with the market practice where one third of the Board members retire at each AGM. The Company will seek shareholders' approval of the aforesaid amendment at the forthcoming AGM.

BOARD MEMBERSHIP (CONT'D)

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board. (cont'd)

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.

The Board and the Management are of the view that the current Board structures in the principal subsidiaries are already well organised and constituted. The Board and Management will from time to time renew the Board structures of the principal subsidiaries and will make an appropriate decision to consider the appointment of the Independent Director into the principal subsidiaries, if necessary.

In November 2014, Mr. Chong Teck Sin was appointed as an Independent Director to the Group's newly incorporated subsidiary Civmec Construction & Engineering Singapore Pte Ltd.

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

The date of each 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*
James Finbarr Fitzgerald	27 Mar 2012	28 Oct 2014	-	-
Patrick John Tallon	27 Mar 2012	28 Oct 2014	-	-
Kevin James Deery	27 Mar 2012	28 Oct 2014	-	-
Chong Teck Sin	27 Mar 2012	28 Oct 2014	AVIC International Maritime Holdings Limited Changan Minsheng APLL Logistics Co., Ltd (1) InnoTeck Limited Accordia Golf Trust	Blackgold International Holdings Limited (2)
Wong Fook Choy Sunny	27 Mar 2012	28 Oct 2014	Mencast Holdings Ltd KTL Global Ltd Albedo Limited Excelpoint Technology Ltd InnoTeck Limited	-
Douglas Owen Chester	2 Nov 2012	28 Oct 2014	Stamford Land Corporation Limited Kim Heng Offshore & Marine Holdings Limited	-

* Within the past three years

Notes:

(1) Listed on Hong Kong Stock Exchange

(2) Listed on Australian Securities Exchange

The NC has considered and taken the view that it would not be appropriate to set a limit on the number of listed company Directorships that a Director may hold because 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 his 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 five (5) Directorships in other listed companies. The NC is satisfied that sufficient time and attention have been devoted by the Directors to the affairs of the Company and the Group, notwithstanding that some of the Directors have multiple board representations. The NC will 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.

REPORT ON CORPORATE GOVERNANCE (cont'd)

BOARD PERFORMANCE

Principle 5: Formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

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 and development and interaction with Directors, Management and stakeholders.

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

The completed questionnaires are collated by the Company Secretary and the results of the evaluation exercise are considered by the NC, which makes recommendations to the Board, aimed at assisting the Board to discharge its duties more effectively. 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 Board holds the view that there is a direct relationship between the performance of the Group and that of the Board. The NC is satisfied that despite some of the Directors having board representations in other non-Group companies, the Directors are able to and have adequately carried out their duties as Directors of the Company.

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 has conducted a performance evaluation of the Board and Board Committees for FY2015 and determined that all Directors has demonstrated full commitment to their roles and contributed effectively to discharge their duties.

ACCESS TO INFORMATION

Principle 6: Board members should be provided with complete, adequate and timely information prior to board meetings and on an ongoing basis.

The Board has separate and independent access to the senior Management of the Company and the Company Secretaries at all times. Request for information are dealt with promptly by Management. The Board is informed of all material events and transactions as and when they occur. The 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 prior to each meeting so that all Directors may better understand the issues beforehand, allowing more time at such meetings for questions and deliberations that the Directors may have.

The Company Secretaries administer and are available to attend all Board meetings, and assist the Chairman in implementing appropriate Board procedures to facilitate compliance with the Company's Memorandum and Articles of Association. The Company Secretaries also ensure that the requirements of the Companies Act (Chapter 50), Listing Manual 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. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

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.

REMUNERATION MATTERS

Principle 7: The policy on executive remuneration and for fixing remuneration packages of individual Directors should be formal and transparent. No Director should be involved in deciding his own remuneration.

The Company has established a RC to make recommendations to the Board on remuneration packages of individual Directors and key Management personnel. The RC comprises of three (3) members, all of whom including the RC Chairman are Independent Non-Executive Directors:

Mr. Wong Fook Choy Sunny – Chairman

Mr. Chong Teck Sin - Member
Mr. Douglas Owen Chester – Member

REMUNERATION MATTERS (CONT'D)

Principle 7: The policy on executive remuneration and for fixing remuneration packages of individual Directors should be formal and transparent. No Director should be involved in deciding his own remuneration. (cont'd)

According to the written terms of reference of the RC, the functions of the RC are as follows:

(i) recommend to the Board a framework of remuneration for the Directors and key Management personnel;

(ii) determine specific remuneration packages for each Executive Director;

(iii) 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

(iv) perform such other acts as may be required by the SGX-ST and the Code from time to time.

The recommendations of the RC are submitted for endorsement by the entire Board. Each member of the RC shall abstain 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 the review. Directors shall not be involved in the discussion and in deciding their own remuneration.

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

The RC also oversees the administration of the Civmec Employee Share Option Scheme ("Civmec ESOS") and Civmec Performance Share Plan ("Civmec PSP") upon the terms of reference as defined in the Civmec ESOS and Civmec PSP. Both the Civmec ESOS and Civmec PSP were established on 27 March 2012 and 25 October 2013 respectively with a 10 year tenure commencing on the establishment date.

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

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 Management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group.

Principle 8: The level of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key Management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

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

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 has been agreed by the RC and is valid for a further three (3) years with effect from the date of the expiry of the initial 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 Directors' fees.

REMUNERATION MATTERS (CONT'D)

Principle 8: The level of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key Management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose. (cont'd)

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

The remuneration of the Independent Directors is in the form of a fixed fee which will be 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 remuneration.

Principle 9: Clear disclosure on remuneration level and mix of remuneration, and the procedure for setting remuneration in the Company's annual report.

For competitive reasons, the Company does not disclose remuneration of each individual Director for the financial year ended 30 June 2015. Instead, the Company discloses the bands of remuneration as follows:

Remuneration band and Name of Director	Salary	Bonus	Directors' Fees	Allowances and Other Benefits	Total
S$500,000 to S$750,000					
James Finbarr Fitzgerald	87%	-	-	13%	100%
Patrick John Tallon	87%	-	-	13%	100%
Kevin James Deery	86%	-	-	14%	100%
Below S$250,000					
Chong Teck Sin	-	-	100%		100%
Douglas Owen Chester	-	-	100%		100%
Wong Fook Choy Sunny	-	-	100%		100%

Details of remuneration paid to key Management personnel (who are not Directors of the Company) of the Group for the financial year ended 30 June 2015 are set out below. For competitive reasons, the Company discloses only the band of remuneration of each Management personnel as follows:

Remuneration band and Name of Key Executive	Designation	Salary	Bonus	Allowances and Other Benefits	Total
S$500,000 to S$750,000					
-	-	-	-	-	-
S$250,000 to S$499,999					
Justine Campbell (1)	Chief Financial Officer	86%	-	14%	100%
Terence Hemsworth	Henderson Operations Manager	85%	-	15%	100%
Rodney John Bowes	Proposals Manager	86%	-	14%	100%
Ian Anthony Criddle (2)	General Manager South East Asia	78%	-	22%	100%
Below S$250,000					
Wil Cuperus (3)	Chief Financial Officer	70%	12%	18%	100%

(1) Ms. Justine Campbell was appointed to the Company on 1 October 2014

(2) Mr. Ian Criddle was appointed to the Company on 24 October 2014

(3) Mr. Wil Cuperus resigned from the Company on 30 September 2014

REPORT ON CORPORATE GOVERNANCE (cont'd)

REMUNERATION MATTERS (CONT'D)

Principle 9: Clear disclosure on remuneration level and mix of remuneration, and the procedure for setting remuneration in the Company's annual report. (cont'd)

The annual aggregate remuneration paid to all the above mentioned Directors and key Management personnel of the Group is S$3,330,859 in FY2015.

Apart from Thomas Tallon, being the brother of Patrick Tallon, the CEO who holds the position of "Supervisor – Construction" with a remuneration of S$200,000 to S$250,000 for FY2015, the Company does not have any employees who are immediate family members of a Director or CEO during FY2015. The RC is of the view that the remuneration of Thomas Tallon is in line with the staff remuneration guidelines and commensurate with his job scope and level of responsibilities.

More details of each of the Civmec PSP and Civmec ESOS can be found on page 34, in the "Report by the Directors" in the "Financials" section of this Annual Report.

ACCOUNTABILITY AND AUDIT

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Management has provided all members of the Board with Management Accounts, and sundry reports together with such explanation and information on a quarterly basis, and as the Board may require from time to time enabling the Board to make a balanced and understandable assessment of the Company's performance, position and prospects. 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 Listing Manual.

Price sensitive information was publicly released either before the Company meets with any of the Company's investors or analysts or simultaneously with such meetings. Financial results and corporate announcements of the Company are disseminated through announcements via SGXNET.

Principle 11: Maintains a sound system of risk Management and internal controls to safeguard the shareholders' interests and the Company's assets.

The Group's internal controls and systems are designed to provide reasonable assurance as to 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 control, 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 recommendation for improvement, are reported to the AC and RCC.

It is the opinion of the Board that, in the absence of evidence to the contrary, the system of internal controls maintained by the Company 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 of the opinion that 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 pursuant to Listing Rule 1207 (10) of the Listing Manual.

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

(i) 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

(ii) that 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.

REPORT ON CORPORATE GOVERNANCE (cont'd)

ACCOUNTABILITY AND AUDIT (CONT'D)

Principle 12: Establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises all the three (3) Non-Executive Independent Directors namely Mr. Chong Teck Sin, Mr. Douglas Owen Chester and Mr. Wong Fook Choy Sunny. The AC is chaired by Mr. Chong Teck Sin.

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

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

(i) 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;

(ii) to provide a channel of communication between the Board, the Management team, the external auditors and internal auditors on matters relating to audit;

(iii) to monitor 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);

(iv) 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

(v) to monitor and review the scope and results of internal audit and its cost effectiveness of the internal auditors.

In addition, the functions of the AC shall be as follows:

(i) 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;

(ii) 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;

(iii) review the quarterly, and annual financial statements and any formal announcements relating to our 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 Listing Manual and any other relevant and statutory or regulatory requirements;

(iv) review the internal control and procedures and ensure coordination 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);

(v) review and consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;

(vi) review and consider the appointment or re-appointment of the internal auditors and matters relating to resignation or dismissal of the auditors;

(vii) review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

(viii) review the Groups' 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;

(ix) review potential conflicts of interest, if any, and to set out a framework to resolve or mitigate such potential conflicts of interests;

(x) 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;

ACCOUNTABILITY AND AUDIT (CONT'D)

Principle 12: Establish an Audit Committee with written terms of reference which clearly set out itsauthority and duties. (cont'd)

(xi) 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 our Group's operating results or financial position, and our Management's response thereto;

(xii) generally to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time;

(xiii) review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;

(xiv) 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 material impact on the Group's operating results and/or financial position;

(xv) review our 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

(xvi) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, 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 for the discharge of its responsibilities. Such expenses will be borne by the Company.

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 Report date, the AC has:

(i) reviewed the scope of work of the external auditors;

(ii) reviewed the scope of work of the internal auditors;

(iii) reviewed audit plans and discussed the results of the respective findings and their evaluation of the Company's system of internal accounting controls;

(iv) reviewed the interested person transactions of the Company;

(v) met with the Company's external auditors and internal auditors without the presence of Management;

(vi) reviewed the external auditors' independence and objectivity; and

(vii) 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 the quarterly basis whenever there is a whistle-blowing issue.

The AC having reviewed the external auditors' non-audit services, was of the opinion that there was 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 monetary consideration.

The aggregate amount of agreed fees to be paid to the external auditors Moore Stephens LLP and Moore Stephens Pty Ltd for FY2015 is S$273,124 which comprises of audit fees of S$228,977 and S$44,147 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.

The Company confirms that Rules 712 and 715 of the Listing Manual have been complied with.

The Company has established the 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 ensure that arrangements are in place for independent investigations of such matters and for appropriate follow up actions.

As of to-date there was no report received through the whistle-blowing mechanism.

ACCOUNTABILITY AND AUDIT (CONT'D)

Principle 13: Establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

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 Touche Tohmatsu, who is independent of the Company's business activities. The internal auditors conduct 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. The internal auditors have a direct and primary reporting line to the AC and assist 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 Company has a Risks and Conflicts Committee and it reviews all significant control policies and procedures and highlights all significant risk matters to the Board for discussions and to take appropriate actions, if required.

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.

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

SHAREHOLDERS' RIGHTS AND RESPONSIBILITIES

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company recognises the importance of regular, timely and effective communication with the shareholders. The Company does not practise selective disclosure. In line with continuous obligations of the Company pursuant to the Listing Manual and the Companies Act of Singapore, it is the Board's policy that all the shareholders should be equally informed, on a timely basis, of all major developments that will or expect to have an impact on the Company or the Group.

At the AGM, shareholders are given the opportunity to voice their views and seek clarification on questions regarding the Company. The Directors, Management and the external auditors are normally available at the AGM to answer shareholders' queries.

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

The Group fully supports the Code's principle to encourage shareholders' participation. The Company's Articles of Association allows the appointment of not more than two (2) proxies by shareholders, to attend the AGM and vote on his/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.

SHAREHOLDERS' RIGHTS AND RESPONSIBILITIES (CONT'D)

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company. (cont'd)

The Company Secretary prepares 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 Management, and to make these minutes available to shareholders.

For greater transparency, the Company will put all resolutions to vote 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 will be made on the same day.

As at the date of this Report, the Company does not have a formal dividend policy in place. The form, frequency 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 when the Company discloses its financial results. The Company has proposed a foreign sourced tax exempt First and Final Dividend of 0.7 Singapore cent per ordinary share for the financial year ended 30 June 2015, payment of which is subject to approval at the forthcoming AGM.

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 FY2015 or if not, then subsisting entered into since the end of the previous financial year.

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 interested person transactions for FY2015.

Dealing in Securities

The Company has put in place a policy prohibiting share dealings by Directors and employees of the Company when they are in possession of price sensitive information and for the period of two (2) weeks before the release of quarterly results and one (1) month before the release of the full year results, with the restriction ending on the day after the announcement of the relevant results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities during permitted trading periods. An officer should also not deal in the Company's securities on short-term consideration and/or possession of unpublished material price-sensitive information relating to the relevant securities.

RISK MANAGEMENT COMMITTEE

The RCC comprises all the Non-Executive Independent Directors. The Chairman of the RCC is Mr. Chong Teck Sin.

Each member of the RCC is required to be independent from any Management and business relationship with the Group, and the Substantial Shareholders.

The RCC is guided by its Terms of Reference which highlights its primary responsibilities as follows:

1. Review and monitor the Group's risk Management framework and activities;
2. Report to the Board regarding Group's risk exposures, including the review of risk assessment model used to monitor the risk exposures and Management's views on the acceptable and appropriate level of risk faced by Group's Business Units;
3. Recommend and adopt appropriate measures to control and mitigate the business risks of the Group, as and when these arise; and
4. Perform any other functions as may be agreed by the Board.

The Company has complied with Rule 1207(19) of Listing Manual.

CORPORATE REGISTRY

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. Ang Siew Koon

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

AUDITORS

Moore Stephens LLP
10 Anson Road, #29-15 International Plaza
Singapore 079903

Partner in Charge: Mr. Christopher Johnson
(Appointed since the financial year ended 30 June 2011)

PRINCIPAL BANKER

St George Bank
Level 2 Westralia Square,
167 St Georges Terrace
Perth WA 6000
Australia

CORPORATE WEBSITE

http://www.civmec.com

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Civmec Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as set out on pages 55 to 96, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2015, 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 a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, (Chapter 50) (the "Act") and Singapore Financial Reporting Standards, 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

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 have been properly kept in accordance with the provisions of the Act.

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Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
20 August 2015

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

		Group	
	Note	2015 S$'000	2014 S$'000
Revenue	4	499,153	433,677
Cost of sales		(437,046)	(369,922)
		62,107	63,755
Other income	4	933	1,014
Share in profit of a joint venture	16	-	462
Negative goodwill	16	-	1,058
Administrative expenses		(22,114)	(18,769)
Finance costs	7	(2,122)	(1,652)
Other expenses		(3,133)	(389)
Profit before income tax	5	35,671	45,479
Income tax expense	8	(5,363)	(10,400)
		30,308	35,079
Profit attributable to:			
Owners of the Company		30,308	35,079
Non-controlling interest		-	-
		30,308	35,079
Earnings per share attributable to equity holders of the Company (cents per share):			
- Basic	9	6.05	7.01
- Diluted	9	6.05	7.00
Profit for the year		30,308	35,079
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on re-translation from functional currency to presentation currency		(19,368)	2,305
Total comprehensive income for the year		10,940	37,384
Total comprehensive income attributable to:			
Owners of the Company		10,940	37,384
Non-controlling interest		-	-
		10,940	37,384

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Group		Company	
		2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	37,643	32,557	104	186
Trade and other receivables	10	108,466	143,324	4,446	8,571
Other current assets	11	162	65	13	-
Current tax recoverable	8	11,610	-	2,591	-
		157,881	175,946	7,154	8,757
Non-current assets					
Investments in subsidiaries	16	-	-	7,836	8,916
Loans receivable	13	-	-	33,510	35,648
Property, plant and equipment	14	98,017	108,312	-	-
Intangible assets	15	10	13	-	-
Deferred tax assets	8	191	5,303	-	18
		98,218	113,628	41,346	44,582
TOTAL ASSETS		256,099	289,574	48,500	53,339
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	17	70,967	82,446	186	156
Borrowings	18	12,683	30,584	-	-
Payable to related parties	25	-	-	3,619	2,492
Provisions	19	5,972	6,713	-	-
Current tax liabilities		-	2,485	-	106
		89,622	122,228	3,805	2,754
Non-current liabilities					
Borrowings	18	12,718	20,459	-	-
Provisions	19	1,993	1,996	-	-
Deferred tax liabilities	8	-	620	1,128	537
		14,711	23,075	1,128	537
TOTAL LIABILITIES		104,333	145,303	4,933	3,291
Capital and Reserves					
Share capital	20	37,864	37,864	37,864	37,864
Treasury shares	20	(11)	(11)	(11)	(11)
Other reserves	22	(18,577)	734	(184)	5,879
Retained earnings		132,491	105,685	5,898	6,316
Total equity attributable to the Owners of the Company		151,767	144,272	43,567	50,048
Non-controlling interest		(1)	(1)	-	-
TOTAL EQUITY		151,766	144,271	43,567	50,048
TOTAL LIABILITIES AND EQUITY		256,099	289,574	48,500	53,339

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

			Other reserves						
Group	Share capital S$'000	Treasury shares S$'000	Merger reserve S$'000	Foreign currency translation reserve S$'000	Share option reserve S$'000	Retained earnings S$'000	Total S$'000	Non-controlling interest S$'000	Total S$'000
Balance as at 01 July 2014	37,864	(11)	9,010	(8,503)	227	105,685	144,272	(1)	144,271
Profit for the year	-	-	-	-	-	30,308	30,308	-	30,308
Other comprehensive income for the year:	-								
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(19,368)	-	-	(19,368)	-	(19,368)
Total comprehensive income for the year	-	-	-	(19,368)	-	30,308	10,940	-	10,940
Share based payment	-	-	-	-	57	-	57	-	57
Dividends paid/ declared (Note 20)	-	-	-	-	-	(3,502)	(3,502)	-	(3,502)
Balance as at 30 June 2015	37,864	(11)	9,010	(27,871)	284	132,491	151,767	(1)	151,766
Balance as at 01 July 2013	37,864	-	9,010	(10,808)	-	74,113	110,179	(1)	110,178
Profit for the year	-	-	-	-	-	35,079	35,079	-	35,079
Other comprehensive income for the year:									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	2,305	-	-	2,305	-	2,305
Total comprehensive income for the year	-	-	-	2,305	-	35,079	37,384	-	37,384
Shares repurchased during the year	-	(948)	-	-	-	-	(948)	-	(948)
Shares granted via employee share scheme	-	937	-	-	-	-	937	-	937
Share based payment	-	-	-	-	227	-	227	-	227
Dividends paid (Note 20)	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2014	37,864	(11)	9,010	(8,503)	227	105,685	144,272	(1)	144,271

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

		Group	
	Note	2015 S$'000	2014 S$'000
Cash Flows from Operating Activities			
Profit before income tax		35,671	45,479
Adjustment for:			
Depreciation of property, plant and equipment	14	8,020	6,648
Loss on disposal of property, plant and equipment		162	389
Share of profit in joint venture	16	-	(462)
Negative goodwill	16	-	(1,058)
Expense recognised in respect of equity-settled share-based payments	6	57	227
Finance cost	7	2,122	1,652
Interest income	4	(400)	(652)
Foreign exchange differences		(57)	870
Bad debts written-off	5	2,971	-
Operating cash flow before working capital changes		48,660	53,093
Changes in working capital:			
(Increase)/Decrease in trade and other receivables		15,180	(51,124)
(Increase)/Decrease in other current assets		(69)	115
(Decrease)/Increase in trade and other payables		(1,589)	30,937
(Decrease)/Increase in provisions		(331)	4,081
Cash generated from operations		62,513	37,102
Interest received		400	652
Finance cost paid		(2,122)	(1,652)
Income tax refund		3,014	3,014
Income taxes paid		(18,848)	(13,261)
Net cash generated by operating activities		44,957	25,855
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		1,239	482
Purchase of property, plant and equipment	14	(12,302)	(37,915)
Net cash of acquired subsidiary	16	-	3,298
Net cash used in investing activities		(11,063)	(34,135)
Cash Flows from Financing Activities			
Proceeds from borrowings		13,112	35,514
Repayment of borrowings		(33,833)	(14,815)
Dividends paid		(3,502)	(3,507)
Purchase of treasury shares		-	(948)
Treasury shares reissued		-	936
Net cash (used in)/generated from financing activities		(24,223)	17,180
Net increase in cash and cash equivalents		9,671	8,900
Effects of currency translation on cash and cash equivalents		(4,585)	549
Cash and cash equivalents at the beginning of the financial year		32,557	23,108
Cash and cash equivalents at the end of the financial year	12	37,643	32,557

NOTES TO THE FINANCIAL STATEMENTS

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 the 29 March 2012, the company changed its name to Civmec Limited. The Company was listed on the Singapore Exchange Securities Ltd (SGX-ST) on 13 April 2012.

The registered office and principal place of business of the Company is at 80 Robinson Road #02-00, Singapore 068898.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries are set out in Note 16.

The financial statements for the financial year ended 30 June 2015 were authorised for issue on the date of the statement by the Directors.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires Management to exercise judgement in the process of applying the Group's critical accounting policies and requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the reporting dates, and the reported amounts of revenue and expenses during the relevant periods. Although these estimates are based on Management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

(ii) Adoption of New/Revised Singapore Financial Reporting Standards

(a) New or Revised FRS Effective in the Current Year

For the financial year ended 30 June 2015, the Group and the Company has adopted the following new or revised FRS that are mandatory for application in the said year and which are relevant to the Group as follows:

FRS 27 (Revised) *Separate Financial Statements*

FRS 27 (Revised) will now solely address separate financial statements, the requirements for which are substantially unchanged. There was no material impact on the financial position or financial performance of the Group when implemented.

FRS 110 *Consolidated Financial Statements*

FRS 110 supersedes FRS 27 Consolidated and Separate Financial Statements. The standard changes the definition of control and applies it to all investees to determine the scope of consolidation. FRS 110 requirements requires an investor to reassess the decision whether to consolidate an investee when events indicate that there may be a change to one of the three elements of control, i.e. power, variable returns and the ability to use power to affect returns. The application of this standard had no impact on the financial position or financial performance of the Group when implemented.

FRS 112 *Disclosures of Interests in Other Entities*

FRS 112 combines the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities within a comprehensive disclosure standard. FRS 112 specifies minimum disclosures that an entity must provide. It requires an entity to provide summarised financial information about the assets, liabilities, profit or loss and cash flows of each subsidiary that has non-controlling interests that are material to the reporting entity and to disclose the nature of its interests in unconsolidated structured entities and the nature of the risks it is exposed to as a result; a schedule of the impact on the parent entity is required for changes in the ownership interest in a subsidiary without a loss of control; details of any gain/loss recognised on loss of control, and the line item of the income statement in which it is recognised; year ends of subsidiaries, joint arrangements or associates if different from the parent's that are consolidated using different year ends and the reasons for using a different date. As this is a disclosure standard, the application of this standard had no impact on the financial position or financial performance of the Group when implemented.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Adoption of New/Revised Singapore Financial Reporting Standards (cont'd)

(a) New or Revised FRS Effective in the Current Year (cont'd)

Amendments to FRS 24 *Related Party Disclosures – Key Management Personnel*

The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key Management personnel services to the reporting entity or the parent company of the reporting entity. The amendments also clarify that the reporting entity that obtains the Management personnel services from another entity (also referred to as the Management entity) is not required to disclose the compensation paid or payable by the Management entity to its employees or Directors. The reporting entity is required to disclose the amounts incurred for the key Management personnel services provided by a separate Management entity. The application of this standard had no impact on the financial position or financial performance of the Group when implemented.

Amendments to FRS 108 *Operating Segments – Aggregation of Operating Segments and Reconciliation of the Total Reportable Segments' Assets to the Entity's Assets*

Amendments to FRS 108 require entities to disclose the judgement made by Management by aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share economic characteristics. The amendment also clarifies that an entity shall provide reconciliations of the total reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. The application of this standard had no impact on the financial position or financial performance of the Group when implemented.

(b) New or Revised FRS issued but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised FRS that have been issued and which are relevant to the Group but will only be effective for the Group for annual periods beginning 1 July 2015 onwards.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a revised framework for revenue recognition based on the following five-step approach:

- Identification of the contracts;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations; and
- Recognition of revenue when (or as) an entity satisfies a performance obligation.

FRS 115 will replace the existing revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and INT FRS 113 *Customer Loyalty Programs* These amendments are effective for annual periods beginning on or after 1 January 2017.

The Group is currently evaluating the impact of the changes and assessing whether the adoption of FRS 115 will have an impact on the Group.

FRS 109 *Financial Instruments*

FRS 109 prescribes the accounting requirements for financial instruments and replaces the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. FRS 109 prescribes a new classification and measurement framework for financial instruments, requires financial assets to be impaired based on a new expected credit loss model, changes the hedge accounting requirements, and carries forward the recognition and de-recognition requirements for financial instruments from FRS 39. These amendments are effective for annual periods beginning on or after 1 January 2018.

The Group is currently evaluating the impact of the changes and assessing whether the adoption of FRS 109 will have an impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Basis of Consolidation

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 (3) 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.

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 is recognised in accordance with FRS 39 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Basis of Consolidation (cont'd)

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.

(iv) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Dividend income is recognised when the right to receive a dividend has been established.

Interest income is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Rental income is recognised on a straight-line basis over the lease term as set out in specific rental agreements.

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contract (see Note 2(g) Construction Contracts and Work in Progress below).

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of goods and services tax ("GST").

(v) 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:

(a) 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

(b) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Income Tax (cont'd)

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.

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.

(vi) 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 functional currency of the Company is Australian dollar ("A$").

The consolidated financial statements are presented in Singapore dollar ("SGD" or S$).

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vi) Foreign Currency Translation (cont'd)

Group companies (cont'd)

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.

(vii) Construction Contract and Work in Progress

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method").

The outcome of a construction contract can be estimated reliably when:

(a) total contract revenue can be measured reliably;

(b) it is probable that the economic benefits associated with the contract will flow to the enterprise;

(c) both the contract cost to complete the contract and the stage of contract completion at the balance sheet date can be measured reliably; and

(d) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably, contract revenue should be recognised only to the extent of contract costs incurred that it is probable, will be recoverable and contract costs should be recognised as an expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss should be recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total contract costs for the contract. Costs incurred during the financial year in connection with future activities on a contract are excluded from costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the aggregated costs incurred to date plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "trade and other receivables". Where progress billings exceed costs incurred to date plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "trade and other payables".

Progress billings for work performed but not yet paid by customers and retentions are included within "trade and other receivables". Amounts received before the related work is performed are included within "trade and other payables".

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(viii) Financial Assets

(a) Classification

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except those maturing later than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" at the balance sheet date.

(b) Recognition and derecognition

Regular way purchase and sales of financial assets are recognised on the 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 financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss.

(c) Initial and subsequent measurement

Loans and receivables are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(d) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ix) 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.

(x) Property, Plant and Equipment

Each class of property, plant and equipment is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Property

Leasehold building is stated on the cost basis and is therefore carried at cost. Such cost includes the construction costs and borrowing costs that are eligible for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Property, Plant and Equipment (cont'd)

Plant and equipment

Plant and equipment are measured on the cost basis. 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 recognised 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.

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.

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

Class of Fixed Asset	Depreciation Rate
Buildings	3%
Plant and equipment	5 – 15%
Leased plant and equipment	5 – 15%
Motor vehicles	6.67% – 33.33%
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.

(xi) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xi) Impairment of Non-Financial Assets (cont'd)

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.

(xii) 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.

(xiii) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xiv) 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.

(xv) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership which are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(xvi) 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 national government bonds with terms to maturity that match the expected timing of cash flows.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xvi) Employee Benefits (cont'd)

Share-based payments (cont'd)

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.

(xvii) 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.

(xviii) 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.

(xix) 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:
   1. has control or joint control over the reporting entity;
   2. has significant influence over the reporting entity; or
   3. 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:
   1. 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);
   2. one entity is an associated 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);
   3. both entities are join ventures of the same third party;
   4. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   5. 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;
   6. the entity is controlled or jointly controlled by a person identified in (a); or
   7. a person identified in (a)(1) 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).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates, assumptions and judgements are made in the preparation of the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, income and expenses, and disclosures made. They are assessed continually based on historical experience and on other various factors that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Critical Accounting Estimates and Assumptions

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 year.

The carrying amount of the Group's property, plant and equipment as at 30 June 2015 was S$98,017,000 (2014: S$108,312,000) (Note 14). A 10% difference in the expected useful lives of these assets from Management's estimate would result in an approximately S$802,000 (2014: S$665,000) variance in the Group's profit before tax.

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.

Determination of percentage of completion on construction contracts

Contract revenue is recognised as revenue in profit or loss using the percentage of completion method in the reporting periods in which the work is performed. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract or on the basis of value of work completed. In making the judgement, the Group evaluates this by relying on past experience and knowledge of the project specialist.

Construction contract accounting requires that variations, claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customer. As the approval process takes some time, judgement is required to be made of its probability and revenue recognised accordingly. The aggregate costs incurred plus recognised profit less recognised losses to date, progress billings, retentions on construction contracts and due from/to the customers are disclosed in Notes 10 and 17.

Income taxes

The Group has exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which 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 Groups's and Company's current income tax positions as at 30 June 2015 were current tax recoverable of S$11,610,000 (2014: current tax payable of S$2,485,000) and current tax recoverable of S$2,591,000 (2014: Nil) respectively. The carrying amounts of the Group's and Company's deferred tax assets and liabilities as at 30 June 2015 are disclosed in Note 8.

(ii) Critical Judgements in Applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, Management has made the following judgement, apart from those involving estimations, which have a significant effect on the amounts recognised in the financial statements:

Impairment of receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in the payment. The Directors exercise their judgement in making allowances for receivables.

A specific allowance for impairment of receivables is made if the receivables are not collectible. The factors considered in making allowances are payment history, past due status and trading terms

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(ii) Critical Judgements in Applying the Group's Accounting Policies (cont'd)

Impairment of receivables (cont'd)

During the year, the Group has written off trade receivables of S$2,971,000 (2014: Nil) to profit or loss as disclosed in Note 5.

The carrying value of the Group's trade and other receivables and the Company's loans receivable as at 30 June 2015 and 2014 is S$ 108,466,000 and S$ 33,510,000 (2014: S$ 143,324,000 and S$ 35,648,000), respectively.

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 were recorded for the financial years ended 30 June 2015 and 2014.

The carrying amount of property, plant and equipment at 30 June 2015 is S$98,017,000 (2014: S$108,312,000).

Impairment of investment in subsidiaries

The Company assesses annually whether its unquoted equity investments have any indication of impairment in accordance with the accounting policy. The carrying amount of the unquoted equity investments has been determined based on the estimated future profitability and the financial health of the investees and near-term business outlook for the investees, including factors such as industry and sector performance, and operational and financing cash flow which requires the use of judgement.

No impairment loss was recorded for the financial years ended 30 June 2015 and 2014.

The carrying amount of the Company's investment in subsidiaries as at 30 June 2015 is S$7,836,000 (2014: S$8,916,000).

4. REVENUE AND OTHER INCOME

	Group	
Class of Fixed Asset	2015 S$'000	2014 S$'000
Revenue		
Construction contract revenue	494,878	429,292
Revenue from sales of goods	608	326
Revenue from the rendering of services	3,667	4,059
	499,153	433,677
Other Income		
Interest income on bank balances	400	652
Rental income	12	12
Net foreign exchange gain	25	-
Fuel tax rebate	496	350
	933	1,014

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. PROFIT BEFORE INCOME TAX

		Group	
	Note	2015 S$'000	2014 S$'000
The following items have been included in arriving at profit before tax:			
Included in cost of sales:			
Direct materials		76,026	104,280
Employee benefits	6	216,812	159,636
Subcontract works		64,677	52,899
Workshop and other overheads		72,200	46,954
Depreciation of property, plant and equipment		7,331	6,153
Included in administrative expenses:			
Audit fees:			
• Auditors of the Company		98	96
• Other auditors		131	94
Non-audit fees paid to other auditors		44	38
Business development		621	544
Communications		981	1,118
Depreciation of property, plant and equipment		689	495
Directors' fees		192	191
Employee benefits	6	16,543	12,962
Occupancy expenses		558	410
Office costs		420	866
Other administrative expenses		827	956
Other professional fees		556	375
Tax fees		570	559
Net foreign exchange loss		-	65
Bad debts written-off		2,971	-

6. EMPLOYEE BENEFITS EXPENSES

		Group	
	Note	2015 S$'000	2014 S$'000
Wages and salaries		220,151	162,647
Contributions to defined contribution plans		10,059	7,308
Other employee benefits		3,088	2,416
Share-based expense [1]	22	57	227
		233,355	172,598

(1)Employee share option scheme.

7. FINANCE COSTS

	Group	
Class of Fixed Asset	2015 S$'000	2014 S$'000
Bank bills	706	193
Finance leases	1,361	1,411
Premium funding	50	45
Other finance costs	5	3
	2,122	1,652

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INCOME TAX EXPENSE

	Group	
	2015 S$'000	2014 S$'000
Current income tax	5,985	14,109
Deferred income tax	2,999	(544)
	8,984	13,565
(Over)/Under provision in prior years		
• Current income tax	(5,281)	(3,165)
• Deferred income tax	1,660	-
	(3,621)	(3,165)
	5,363	10,400

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	
	2015 S$'000	2014 S$'000
Profit before income tax	35,671	45,479
Income tax at 30% (2014: 30%)	10,701	13,644
Add/(Deduct) tax effect of:		
Over provision of income tax in respect of prior years*	(5,281)	(3,165)
Under provision of deferred tax for prior year income tax returns		
Effect of tax consolidation in Australia jurisdiction **	1,660	
Non-assessable income	-	
Unrecognised deferred tax asset on foreign operation	(1,420)	-
Non-allowable items	(416)	(347)
Difference in tax rates between Australian and foreign operations	45	-
Negative goodwill	41	86
Share in profit of a joint venture	33	-
Utilisation of previously unrecognised deferred tax asset	-	(319)
	-	(141)
	-	642
	5,363	10,400
Weighted average effective tax rates are as follows:	15.0%	22.9%

* The overprovision in prior years resulted from the final tax outcome difference from the amounts that were originally estimated on the Group' tax incentive.

** Civmec Limited and its 100% owned Australian subsidiaries formed an Australian income tax consolidated group effective from 1 July 2014.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INCOME TAX EXPENSE (CONT'D)

The tax rate used for the 2015 and 2014 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 located in Australia.

The following shows the details of the deferred tax liabilities and assets:

	Opening balance	Reclassification due to change in tax jurisdiction	Charged to profit or loss	Acquisitions	Currency translation	Closing
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Deferred tax liabilities:						
Property, plant and equipment	123	-	(74)	-	1	50
Share of profit in joint venture	218	-	(217)	-	(1)	-
Pre-payments	1	-	(6)	5	-	-
Fringe benefits tax instalments	-	-	32	-	1	33
Interest bearing borrowings	-	-	288	-	5	293
Unrealised foreign exchange gain	-	-	240	-	4	244
Balance at 30 June 2014	342	-	263	5	10	620
Property, plant and equipment	50	(50)	-	-	-	-
Fringe benefits tax instalments	33	(33)	-	-	-	-
Interest bearing borrowings	293	(293)	-	-	-	-
Unrealised foreign exchange gain	244	(244)	-	-	-	-
Balance at 30 June 2015	620	(620)	-	-	-	-
Deferred tax assets:						
Property, plant and equipment	48	-	49	-	2	99
Interest bearing borrowings	1,176	-	(637)	-	9	548
Expenses accrued	1,137	-	340	4	25	1,506
Other current assets	19	-	(19)	-	-	-
Provision	1,421	-	1,128	20	44	2,613
Carried forward tax losses	1	-	-	-	-	1
Unrealised foreign exchange losses	564	-	(76)	-	8	496
Contract in progress	16	-	22	-	1	39
Intangibles	1	-	-	-	-	1
Balance at 30 June 2014	4,383	-	807	24	89	5,303
Property, plant and equipment	99	(50)	(5,047)	-	751	(4,247)
Interest bearing borrowings	548	(293)	(238)	-	(17)	-
Fringe benefits tax instalments	-	(33)	-	-	4	(29)
Receivables	-	-	(1,282)	-	78	(1,204)
Expenses accrued	1,506	-	742	-	(226)	2,022
Other current assets	-	-	2	-	-	2
Provision	2,613	-	99	-	(323)	2,389
Carried forward tax losses	1	-	-	-	1	2
Unrealised foreign exchange losses	496	-	774	-	(107)	1,163
Unrealised foreign exchange gain	-	(244)	229	-	15	-
Contract in progress	39	-	(36)	-	(3)	-
Intangibles	1	-	(1)	-	-	-
Others	-	-	99	-	(6)	93
Balance at 30 June 2015	5,303	(620)	(4,659)	-	167	191

8. INCOME TAX EXPENSE (CONT'D)

Aggregate amount of temporary differences associated with investment in subsidiaries, capital losses and goodwill, for which deferred tax assets/liabilities have not been recognised amounted to S$77,180,505 (2014: deferred tax liabilities S$3,903,812).

Current tax recoverable

Current tax recoverable mainly arose from Group's tax incentive claims and overprovision of income taxes in respect of prior years' expected to be recovered in the next financial year.

9. 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	
	2015	2014
Profit attributable to the owners of the Company (S$'000)	30,308	35,079
Share capital	501,000,000	501,000,000
Weighted average number of ordinary shares issued		
• Basic	500,985,000	500,352,162
• Diluted	500,985,000	505,956,277
Earnings per ordinary share (S$ cents)		
• Basic	6.05	7.01
• Diluted	6.05	7.00

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 2014, the diluted 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 during the year plus the weighted average number of ordinary shares that would be in issue on the conversion of all the dilutive potential ordinary shares into ordinary shares.

As at 30 June 2015, the diluted earnings per share is the same as the basic earnings per share as it does not include the effect of 6,000,000 unissued ordinary shares granted under the CESOS (Note 21(b)). The effect of the inclusion is anti-dilutive.

10. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
Current:					
Trade receivables					
• Third party		64,098	96,774	-	-
• Retention on construction claims		2,085	99	-	-
		66,183	96,873	-	-
Amount due from customers for contract in progress	(a)	42,114	45,735	-	-
Receivables from subsidiaries		-	-	4,417	3,261
Dividends receivable		-	-	-	5,294
Other receivables		169	716	29	16
Total current trade and other receivables		108,466	143,324	4,446	8,571
(a) Contracts in progress:					
Contract costs incurred		470,613	365,681	-	-
Recognised profits		63,392	63,611	-	-
		534,005	429,292	-	-
Less: Progress billings		(494,878)	(387,499)	-	-
Currency translation		(3,292)	764	-	-
Amount due from customers for construction contracts		35,835	42,557	-	-
Presented as:					
Due from customers		42,114	45,735	-	-
Due to customers	17	(6,279)	(3,178)	-	-
		35,835	42,557	-	-

Receivable from subsidiaries are unsecured, interest-free and repayable on demand in cash.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. OTHER CURRENT ASSETS

	Group		Company	
	2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
Pre-payments	162	65	13	-

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
Cash at bank and in hand	37,643	32,557	104	186

Cash at banks earns interest at floating rates ranging from 0.01% to 2.50% (2014: 0.01% to 2.50%) per annum.

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 18 for further details.

13. LOANS RECEIVABLE

	Company	
	2015 S$'000	2014 S$'000
Balance at the beginning of the year	35,648	35,355
Currency translation	(2,138)	293
Balance at the end of the year	33,510	35,648

The loans granted to a subsidiary are unsecured and interest bearing at 6% per annum (2014: 6%). Interest income recognised for the year amounted to S$2,072,517 (2014: S$2,124,134).

The repayment terms are reviewed at the end of each financial year. As at 30 June 2015, there were no loans which are required to be repaid within the next twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Leasehold building	Plant and equipment	Small tools	Motor vehicles	Office equipment	IT equipment	Assets under construction	Total
2015	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Cost									
At 01 July 2014	6,230	48,339	49,562	5,726	7,031	1,446	2,078	5,004	125,416
Additions	-	3,929	3,006	2,712	215	48	614	1,778	12,302
Disposals	-	-	(3,249)	(279)	(308)	(4)	(20)	-	(3,860)
Currency translation	(755)	(6,094)	(5,945)	(841)	(846)	(178)	(288)	(594)	(15,541)
At 30 June 2015	5,475	46,174	43,374	7,318	6,092	1,312	2,384	6,188	118,317
Accumulated depreciation									
At 01 July 2014	-	(2,916)	(9,255)	(1,679)	(2,070)	(299)	(885)	-	(17,104)
Depreciation for the year	-	(1,626)	(3,676)	(1,223)	(730)	(215)	(550)	-	(8,020)
Disposals	-	-	1,996	219	221	3	20	-	2,459
Currency translation	-	452	1,178	264	281	49	141	-	2,365
At 30 June 2015	-	(4,090)	(9,757)	(2,419)	(2,298)	(462)	(1,274)	-	(20,300)
Net carrying amount									
At 30 June 2015	5,475	42,084	33,617	4,899	3,794	850	1,110	6,188	98,017
2014									
Cost									
At 01 July 2013	6,127	37,737	30,218	3,782	4,295	545	1,268	1,575	85,547
Additions	-	9,791	18,286	1,887	2,641	930	1,046	3,334	37,915
Additions via acquisition of subsidiary	-	-	1,090	-	5	-	-	7	1,102
Disposals	-	-	(816)	(40)	(30)	(53)	(261)	-	(1,200)
Currency translation	103	811	784	97	120	24	25	88	2,052
At 30 June 2014	6,230	48,339	49,562	5,726	7,031	1,446	2,078	5,004	125,416
Accumulated depreciation									
At 01 July 2013	-	(1,458)	(6,090)	(857)	(1,365)	(111)	(629)	-	(10,510)
Depreciation for the year	-	(1,408)	(3,144)	(833)	(678)	(195)	(390)	-	(6,648)
Disposals	-	-	131	40	7	13	138	-	329
Currency translation	-	(50)	(152)	(29)	(34)	(6)	(4)	-	(275)
At 30 June 2014	-	(2,916)	(9,255)	(1,679)	(2,070)	(299)	(885)	-	(17,104)
Net carrying amount									
At 30 June 2014	6,230	45,423	40,307	4,047	4,961	1,147	1,193	5,004	108,312

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) As at the balance sheet date, the net book value of property, plant and equipment that were under finance leases was S$28,656,706 (2014: S$36,078,242) (Note 18).

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

		Group	
Property, plant and equipment	Borrowings	2015 S$'000	2014 S$'000
Leasehold building	Bank bill, Escrow and multi-option facility	42,084	42,084
Leased plant and equipment	Finance lease	24,933	24,933
Remaining property, plant and equipment	Floating charge on multi-option facility	31,000	31,000
		98,017	108,312

Refer to Note 18 for further information on Borrowings.

15. INTANGIBLE ASSETS

	Group	
	2015 S$'000	2014 S$'000
Goodwill	10	13

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, Mining and Others 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 ending 30 June 2016. In arriving at this assessment, Management has determined the recoverable amount using a two year forecasting process based on the current order book, projected orders and a consumer price index ("CPI") factor of 1.2% per annum on direct costs and overhead costs.

	Group	
Property, plant and equipment	2015 S$'000	2014 S$'000
Balance at the beginning of the year	13	12
Currency translation	(3)	1
Balance at the end of the year	10	13

16. INVESTMENT IN SUBSIDIARIES

	Group	
	2015 S$'000	2014 S$'000
At cost:		
Balance at the beginning of the year	8,916	8,769
Incorporation of a wholly-owned subsidiary	-*	-
Currency translation	(1,080)	147
Balance at the end of the year	7,836	8,916

*Issued and paid-up capital less than 1,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

Acquisition of Subsidiary

On 24 April 2014, the Group's subsidiary company, Civmec Construction & Engineering, acquired the remaining 50% shareholding of its joint venture Cape Civmec Insulation Group Pty Ltd (CCIG) from Cape Australia Investments Pty Ltd.

The remaining 50% shareholding in CCIG was acquired for a nominal cash consideration of A$1. The consideration was determined by the parties after taking into account the net tangible asset value of A$1,950,627 (S$2,254,535) and the retention of an ongoing relationship and partnering in Australia.

As a result of the acquisition, CCIG became a wholly owned subsidiary and changed its name to Civmec Coatings & Insulation Group Pty Ltd.

The roll forward analysis of the Group's investment in the joint venture up to the acquisition date is as follows:

	Group	
	2015 S$'000	2014 S$'000
Balance at the beginning of the year	-	725
Share of profits in the joint venture	-	462
Currency translation	-	(60)
Balance at the acquisition date	-	1,127

No gain or loss recognised on the disposal of the 50% equity interest held by the Group in the former joint venture.

The fair value of the identifiable assets and liabilities of the acquired subsidiary as at the acquisition date:

	Total
	S$'000
Current assets	
Cash and cash equivalents	3,298
Trade and other receivables	2,327
Other current assets	61
Non-current assets	
Property, plant and equipment	1,102
Deferred tax assets	24
Current liabilities	
Trade and other payables	(2,253)
Provisions	(66)
Current tax liabilities	(1,059)
Non-current liabilities	
Shareholders' loans	(1,175)
Deferred tax liabilities	(5)
Total identifiable net assets at fair value	2,254
Less: Proportionate share in the net identifiable assets of the former joint venture at the acquisition date	(1,127)
Currency translation	(69)
Negative goodwill	1,058

On the acquisition date, the previously held equity interest in a former joint venture is less than the fair value of the Group's share of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

Acquisition of Subsidiary (cont'd)

Net cash inflow on acquisition of subsidiary

No gain or loss recognised on the disposal of the 50% equity interest held by the Group in the former joint venture.

The fair value of the identifiable assets and liabilities of the acquired subsidiary as at the acquisition date:

	Group	
	2015 S$'000	2014 S$'000
Consideration paid in cash	-	-*
Less: cash and cash equivalent balances acquired	-	(3,298)
Balance at the acquisition date	-	(3,298)

* less than 1,000

Details of the Company's subsidiaries at 30 June 2015 are as follows:

Name of Subsidiary/ country of incorporation	Principal activities	% of equity held by the Group	
		2015 %	2014 %
Held by the Company:			
Civmec Construction & Engineering Pty Ltd* Australia	Civil construction Structural Mechanical Process piping (SMP)	100	100
Civmec Construction & Engineering Singapore Pte Ltd**	Engineering and Construction Services	100	-
Held by Civmec Construction & Engineering Pty Ltd			
Civmec Holdings Pty Ltd* Australia	Asset holding company	100	100
Ballymount Holdings Pty Ltd* Australia	Asset holding company	100	100
Civmec Pipe Products Pty Ltd* Australia	Asset holding company	83.5	83.5
Civmec Coatings & Insulation Group Pty Ltd* Australia	Insulation	100	100

* Audited by Moore Stephens Australia
** Audited by Moore Stephens LLP Singapore

17. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
Trade creditors		32,687	29,225	-	-
Sundry payables and accrued expenses:					
Accrued expenses		25,518	39,975	186	156
Amount due to customers for contracts in progress	10	6,279	3,178	-	-
Goods and services tax payable		3,176	5,000	-	-
Other taxes payable		3,307	5,068	-	-
		70,967	82,446	186	156

Trade and other payables are usually paid within 45 days.

18. BORROWINGS

		Group		Company	
	Note	2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
Current:					
Finance lease liabilities - secured	18(a)	7,513	8,780	-	-
Bank bills – secured	18(b)	5,170	21,804	-	-
		12,683	30,584	-	-
Non-Current					
Finance lease liabilities - secured	18(a)	12,718	20,459	-	-
		12,718	20,459	-	-
Total borrowings		25,401	51,043	-	-

(i) Finance Lease Liabilities

The Group (the lessee) leases motor vehicles, workshop equipment and office fitout from non-related parties under finance leases. 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 four (4) and five (5) years at interest rates ranging from 3.94% to 9.59% per annum (2014: 4.73% to 9.59%).

The finance lease liabilities are secured by the underlying leased assets:

		Group	
	Note	2015 S$'000	2014 S$'000
Property, plant and equipment	14	24,933	36,078

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

18. BORROWINGS (CONT'D)

(i) Finance Lease Liabilities (cont'd)

The present values of finance lease liabilities are analysed as follows:

	Minimum lease payments	Future finance charges	Net present value of minimum lease payments
	S$'000	S$'000	S$'000
2015			
Less than one year	8,387	(874)	7,513
Between one and five years	13,494	(776)	12,718
	21,881	(1,650)	20,231
2014			
Less than one year	10,192	(1,412)	8,780
Between one and five years	22,070	(1,611)	20,459
	32,262	(3,023)	29,239

(ii) 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 2015, the Group did meet all of these financial covenants.

As at 30 June 2015, the Group has a commercial bank facility amounting to S$32,364,200 which was utilised 16% (2014: 64%). Interest rates are variable and ranged between 3.0% to 3.63% per annum during the financial year (2014: 3.62% to 4.71% per annum).

Repayment of the bank bill facilities is on an interest only basis and is repayable within the next 12 months where the terms of the bank bill will then be renegotiated.

(iii) Other Financing Facilities Available

The Group has a Multi Option Facility available for a limit of A$15,000,000 (approximately S$15,510,000) (2014: A$15,000,000 (approximately S$17,647,500)). This is secured by:

- First registered real property mortgage by Civmec Holdings Pty Ltd over the leasehold interest in the Commercial property located at 16 Nautical Drive, Henderson WA 6166.
- First registered real property mortgage by Civmec Holdings Pty Ltd over the leasehold interest in the Commercial property located at 2 & 8 Stuart Drive, Henderson WA 6166.
- First registered fixed and floating charge over the assets and undertaking of Civmec Construction & Engineering Pty and Civmec Holdings Pty Ltd.
- Unlimited guarantee and indemnity given by Civmec Holdings Pty Ltd and Civmec Ltd.
- Consent to Mortgage of Lease over Commercial property located at Lot 804 (16) Nautical Drive, Henderson WA 6166 given by Western Australian Land Authority.
- Unlimited guarantee and indemnity given by the Company.

19. PROVISIONS

	Group	
	2015 S$'000	2014 S$'000
Current		
Provision for employee benefits	5,972	6,713
Non-current		
Provision for employee benefits	1,993	1,996
	7,965	8,709

Movements in provisions are as follows:

		Group	
	Note	2015 S$'000	2014 S$'000
Current			
Opening balance at the beginning of the year		6,713	3,233
Provisions made during the year - Included in employee benefits	6	16,366	9,911
Provisions utilised during the year		(16,290)	(6,546)
Currency translation		(817)	115
Closing balance at the end of the year		5,972	6,713
Non-current			
Opening balance at the beginning of the year		1,996	1,330
Provisions made during the year - included in employee benefits	6	254	633
Currency translation		(257)	33
Closing balance at the end of the year		1,993	1,996

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 range from 2.75% to 4.75% (2014: 2.65% to 3.08%).

20. SHARE CAPITAL

(i) Fully Paid Ordinary Shares

	2015		2014	
	No. of shares	S$'000	No. of shares	S$'000
Ordinary shares issued and fully paid	501,000,000	37,864	501,000,000	37,864
Shares held as treasury shares	(15,000)	(11)	(15,000)	(11)
	500,985,000	37,853	500,985,000	37,853

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

20. SHARE CAPITAL (CONT'D)

(i) Fully Paid Ordinary Shares (cont'd)

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.

At the Annual Meeting held on 28 October 2014, the Company approved the payment of a foreign-sourced dividend of 0.7 Singapore cents (2014: 0.7 Singapore cents) per ordinary share amounting to S$3,502,000 (2014: S$3,507,000) for the financial year ended 30 June 2014. The dividend payment was made on 16 December 2014.

(ii) Treasury Shares

	2015		2014	
	No. of shares	S$'000	No. of shares	S$'000
Balance at the beginning of the year	15,000	11	-	-
Purchase of treasury shares	-	-	1,214,000	948
Reissued pursuant to the performance share plan	-	-	(1,199,000)	(937)
Balance at the end of the year	15,000	11	15,000	11

Treasury shares relate to ordinary shares of the Company that are held by the Company.

(iii) Share Options

	2015		2014	
	No. of shares	Exercise $	No. of shares	Exercise $
Balance at the beginning of the year	6,000,000	0.65	-	-
Options issued 11 September 2013	-	-	6,000,000	0.65
Balance at the end of the year	6,000,000	0.65	6,000,000	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 contained in Note 21.

21. SHARE-BASED PAYMENTS

(i) 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 per share were fully allotted out of treasury shares issued by the company on 13 June 2014. The share based payment expense was based on the cost of the treasury shares acquired for S$0.78 per share in December 2013.

The employee benefits expense in the 30 June 2014 statement of profit and loss includes an amount of S$935,834 which relates to equity-settled share-based payment transactions.

21. SHARE-BASED PAYMENTS (CONT'D)

(ii) 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 (3) 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 (1) 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 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

Since the end of the reporting period, no employees have retired from the Group. During the financial year, these options vested but were not exercised during the period (2014: Nil).

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in share options during the year:

	2015		2014	
	No.	WAEP $	No	WAEP $
Outstanding at the beginning of the year	6,000,000	0.65	-	-
Granted during the year	-	-	6,000,000	0.65
Outstanding at the end of the year	6,000,000	0.65	6,000,000	0.65
Exercisable at the end of the year	6,000,000		-	

21. SHARE-BASED PAYMENTS (CONT'D)

(ii) Employee Share Option Scheme (cont'd)

The weighted average remaining contractual life of options outstanding as at 30 June 2015 is eight (8) years (2014: 9 years). The exercise price of outstanding shares was S$0.65 (2014: $0.65).

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 $0.0472 (2014: $0.0472). 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.

22. OTHER RESERVES

	Group		Company	
	2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
Foreign currency translation reserve	(27,871)	(8,503)	(9,478)	(3,358)
Merger reserve	9,010	9,010	9,010	9,010
Share option reserve	284	227	284	227
	(18,577)	734	(184)	5,879

(i) Foreign Currency Translation Reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currency to the Group's presentation currency (i.e., S$) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal or partial disposal of the foreign operation. The movement in the foreign currency translation reserve is shown in the consolidated statement of changes in equity.

(ii) 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".

(iii) Share Option Reserve

The share option reserve relates to share options granted to employees under the employee share option plan. Further information about share-based payments to employees is set out in Note 21 Share-based Payments.

23. COMMITMENTS

(i) Operating Lease

The future minimum lease payable under non-cancellable operating leases contracted for where the Group is a lessee at the reporting date but not capitalised in the financial statements are as follows:

	Group	
	2015 S$'000	2014 S$'000
Not later than 12 months	2,747	2,566
Between 12 months and five years	9,817	10,309
More than five years	57,883	67,974
	70,447	80,849

The Group has below commercial operating leases:

- The Henderson land lease at Lot 804 (16) Nautical Drive, Henderson, Western Australia is for a 35-year period from July 2009 with an option to renew for a further 35 years. Rent increases as per the CPI Index. Since March 2015, the Group has increased the area of land leased.
- The Darwin property lease at 56 Pruen Road, Northern Territory is for a three year (3) period from July 2014 with an option to renew for a further three (3) years. Rent increases as per the CPI index.
- The Broome property lease at 266-268 Port Drive, Minyirr is for a five year (5) period from August 2014. Rent increases as per CPI index.
- The Group also has entered into short term operating leases in Queensland and Sydney during the year.

(ii) Capital Expenditure Commitments

The Group has contracted capital expenditure commitments at the reporting date but not recognised in the financial statement as follows:

	Group	
	2015 S$'000	2014 S$'000
Plant and equipment purchases	950	810
Capital projects	368	4,755
	1,318	5,565
Not later than 12 months	1,318	5,565

24. 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.

24. GUARANTEES (CONT'D)

As at 30 June 2015, the Group has provided the following:

	Group	
	2015 S$'000	2014 S$'000
Bank guarantee	9,461	1,384
Surety bond facility	63,037	66,449
Letter of credit	360	-
	72,858	67,833

The surety bond facility is provided for the provision of performance bonds to customers of the Group. It has a limit of A$95 million (equivalent to S$98.23 million) as at 30 June 2015 (2014: A$75 million (equivalent to S$88.24 million).

25. 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	
	2015 S$'000	2014 S$'000
Directors' remuneration		
Salaries and other related costs	1,590	1,918
Directors' fees	192	191
Benefits including defined contribution plans	243	130
Key Management personnel		
Salaries and other related costs	1,260	2,383
Benefits including defined contribution plans	237	185
	3,522	4,807

Directors' interest in Employee Share Benefit Plans

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

	Group	
	2015 No.	2014 No.
Directors	-	-
Key Management personnel	2,000,000	2,000,000

25 RELATED PARTY TRANSACTIONS (CONT'D)

Other Related Parties

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

Transactions with Related Parties

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

The following transactions occurred with related parties:

	Group	
	2015 No.	2014 No.
Purchase of goods and services Other Related Parties:		
• Consultant fee paid to a related party (who is a shareholder of the Company)	(8)	(22)

26 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, 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.

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.

The two main reportable segments for the Group are: (1) Oil and Gas (2) Mining and Others. The business activities include civil construction, fabrication, precast concrete, Structural, Mechanical, Piping Erection (SMP), insulation, maintenance and plant hire.

Basis of Accounting for Purpose of Reporting by Operating Segments

(i) 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.

(ii) 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.

(iii) 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".

26 FINANCIAL INFORMATION BY SEGMENTS (CONT'D)

Geographical Segments (Secondary Reporting)

The Group operates within Australia.

Major Customers

The Group has a number of customers to whom it provides both products and services. For the year ended 30 June 2015, the Group supplies to a single external customer in Mining & Others segment who accounts for 41.6 % of external revenue (2014: 51.9%). The next most significant client accounts for 14.9% and 10.7 % (2014: 8.2% and 7.8%) respectively of external revenue.

	2015			2014		
	Oil and Gas S$'000	Mining & Others S$'000	Total S$'000	Oil and Gas S$'000	Mining & Others S$'000	Total S$'000
Revenue – external sales	146,819	352,334	499,153	130,444	303,233	433,677
Cost of sales (excluding depreciation)	(134,686)	(295,029)	(429,715)	(107,410)	(256,359)	(363,769)
Depreciation expense	(2,292)	(5,039)	(7,331)	(1,231)	(4,922)	(6,153)
Segment results	9,841	52,266	62,107	21,803	41,952	63,755
Unallocated costs			(22,114)			(18,769)
Bad debt	(2,971)	-	(2,971)			-
Other income			933			1,014
Negative goodwill			-			1,058
Share in profit of joint venture	-	-	-	462	-	462
Finance costs			(2,122)			(1,652)
Other expenses			(162)			(389)
Profit before income tax			35,671			45,479
Income tax expense			(5,363)			(10,400)
Net profit for the year			30,308			35,079
Segment assets:						
Intangible assets	-	10	10	-	13	13
Unallocated assets:						
Assets			255,736			284,193
Other current assets			162			65
Deferred tax assets			191			5,303
Total assets			256,099			289,574
Segment liabilities:						
Unallocated liabilities						
Liabilities			70,967			82,446
Borrowings			25,401			51,043
Current tax liabilities			-			2,485
Deferred tax liabilities			-			620
Provisions			7,965			8,709
Total liabilities			104,333			145,303
Other segment information						
Capital expenditures during the year			12,302			39,017

27 FINANCIAL RISK MANAGEMENT

The Group's and the Company's financial instruments consist mainly of cash and cash equivalents, accounts receivable and payable, borrowings and finance lease liabilities. The key financial risks include interest rate risk, foreign currency risk, credit risk and liquidity risk.

(i) Market Risk

(a) Interest rate risk

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 2015, approximately 80% (2014: 57%) of the Group's debt is fixed. The Group's borrowings at variable rates are denominated mainly in AUD. If the AUD interest rates increase/decrease by 1 % (2014: 1%) with all other variables remain constant, the Group's profit before tax will be approximately lower/higher by S$51,700 (2014: S$218,000) 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.

Group	Variable rates				Fixed rates	
	Within 1 year S$'000	Between 2 to 5 years S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000
2015						
Financial Assets						
Cash and cash equivalents	37,643	-	-	-	-	37,643
Trade and other receivables	-	-	-	-	108,466	108,466
	37,643	-	-	-	108,466	146,109
Financial Liabilities						
Trade and other payables	-	-	-	-	58,205	58,205
Borrowings – finance lease	-	-	7,513	12,718	-	20,231
Borrowings – bank bills	5,170	-	-	-	-	5,170
	5,170	-	7,513	12,718	58,205	83,606
2014						
Financial Assets						
Cash and cash equivalents	32,557	-	-	-	-	32,557
Trade and other receivables	-	-	-	-	143,324	143,324
	32,557	-	-	-	143,324	175,881
Financial Liabilities						
Trade and other payables	-	-	-	-	69,200	69,200
Borrowings – finance lease	-	-	8,780	20,459	-	29,239
Borrowings – bank bills	21,804	-	-	-	-	21,804
	21,804	-	8,780	20,459	69,200	120,243

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

27 FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Market Risk (cont'd)

(a) Interest rate risk (cont'd)

Company	Variable rates		Fixed rates			
	Within 1 year S$'000	Between 2 to 5 years S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000
2015						
Financial Assets						
Cash and cash equivalents	-	-	-	-	104	104
Trade and other receivables	-	-	-	-	4,446	4,446
	-	-	-	-	4,550	4,550
Financial Liabilities						
Trade and other payables	-	-	-	-	186	186
Payable to related parties	-	-	-	-	3,619	3,619
	-	-	-	-	3,805	3,805
2014						
Financial Assets						
Cash and cash equivalents	186	-	-	-	-	186
Trade and other receivables	-	-	-	-	8,571	8,571
	186	-	-	-	8,571	8,757
Financial Liabilities						
Trade and other payables	-	-	-	-	156	156
Payable to related parties	-	-	-	-	2,492	2,492
	-	-	--	-	2,648	2,648

(b) Foreign currency risk

There is no significant exchange rate risk as substantially all financial assets and financial liabilities are denominated in Australian Dollar, which is the functional currency of the Company and of each entity in the Group. Accordingly, the sensitivity analysis to currency risk exposure is not disclosed as Management is of the view that this is not significant.

(ii) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the Group and the Company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group and the Company, credit terms are generally 30 days from the date of invoice.

The main source of credit risk to the Group and Company is considered to relate to the class of assets described as "Trade and other receivables".

The Group has a concentration of credit risk with one counterparty accounting for 38% of trade receivables as at 30 June 2015 (2014: 66%).

The following table details the Group's and Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Group and the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully paid to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

27 FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Credit Risk (cont'd)

Group		Variable rates			Fixed rates	
	Within 1 year S$'000	Between 2 to 5 years S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000
2015						
Trade receivables	66,183	53,485	11,023	1,485	190	-
Other receivables	42,283	42,283	-	-	-	-
Total	108,466	95,768	11,023	1,485	190	-
2014						
Trade receivables	96,873	92,108	4,649	116	-	-
Other receivables	46,451	46,451	-	-	-	-
Total	143,324	138,559	4,649	116	-	-

Company		Variable rates			Fixed rates	
	Within 1 year S$'000	Between 2 to 5 years S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000
2015						
Receivables from subsidiaries	4,417	4,417	-	-	-	-
Other receivables	29	29	-	-	-	-
Total	4,446	4,446	-	-	-	-
2014						
Receivables from subsidiaries	3,261	3,261	-	-	-	-
Dividends receivable	5,294	5,294	-	-	-	-
Other receivables	16	16	-	-	-	-
Total	8,571	8,571	-	-	-	-

The Group and the Company did not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible based on historic payment behaviour and extensive analyses of customer credit risk, including underlying customers' credit ratings, when available. Based on the Group's monitoring of customer credit risk, the Group believes that, apart from the above, no impairment allowance is necessary in respect of receivables not past due or past due by 30 days and above.

Credit risk related to balances with banks and other financial institutions is managed by investing surplus funds with counterparties that are at a Standard and Poor's rating of at least AA. The following table provides information regarding the credit risk relating to cash and cash equivalents based on Standard and Poor's counterparty credit ratings.

	Group			
	2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
Cash and cash equivalents:				
AA Rated	37,643	32,557	104	186

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

27 FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) 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.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Group	Contractual Undiscounted Cash Flows			
	Carrying amount S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000	Total S$'000
2015				
Financial Liabilities				
Trade and other payables	58,175	58,175	-	58,175
Borrowings:				
Finance lease	20,231	8,387	13,494	21,881
Bank bills	5,170	5,325	-	5,325
Total financial liabilities	83,576	71,887	13,494	85,381
2014				
Financial Liabilities				
Trade and other payables	69,200	69,200	-	69,200
Borrowings:				
Finance lease	29,239	10,192	22,070	32,262
Bank bills	21,804	22,620	-	22,620
Total financial liabilities	120,243	102,012	22,070	124,082

Company	Contractual Undiscounted Cash Flows			
	Carrying amount S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000	Total S$'000
2015				
Financial Liabilities				
Trade and other payables	186	186	-	186
Payable to related parties	3,619	3,619	-	3,619
Total financial liabilities	3,805	3,805	-	3,805
2014				
Financial Liabilities				
Trade and other payables	156	156	-	156
Payable to related parties	2,492	2,492	-	2,492
Total financial liabilities	2,648	2,648	-	2,648

27 FINANCIAL RISK MANAGEMENT (CONT'D)

(iv) 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	
	2015 S$'000	2014 S$'000
Net debt	45,963	87,686
Total equity	151,767	144,272
Net debt-to-equity ratio	0.30	0.61

There were no changes in the Group's approach to capital Management during the year.

(v) Fair Value Estimation

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 loans 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.

STATISTICS OF SHAREHOLDERS AS AT 16 SEPTEMBER 2015

Class of Shares	:	Ordinary Shares
Voting Rights (excluding treasury shares)	:	One vote per Ordinary Share
No. of issued shares	:	501,000,000 shares
No. of issued shares excluding treasury shares	:	500,985,000 shares
No. of treasury shares	:	15,000

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	2	0.20	67	0.00
100 - 1,000	41	4.10	34,819	0.01
10,001 – 10,000	424	42.40	2,665,367	0.53
10,001 – 1,000,000	500	50.00	49,287,453	9.84
1,000,001 and Above	33	3.30	449,012,294	89.62
Total	1,000	100.00	501,000,000	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Shareholders' Name	No. of Shares	%
1.	CIMB SECURITIES (SINGAPORE) PTE LTD	182,644,971	36.46
2.	JAMES FINBARR FITZGERALD OR OLIVE TERESA FITZGERALD	97,720,806	19.51
3.	RAFFLES NOMINEES (PTE) LTD	30,022,721	5.99
4.	DBS NOMINEES PTE LTD	25,095,400	5.01
5.	CLARENDON PACIFIC VENTURES PTE LTD	23,812,000	4.75
6.	VAZ LORRAIN MICHAEL	12,877,000	2.57
7.	LIM KIM LYE	6,859,245	1.37
8.	FOO SIANG GUAN	6,781,849	1.35
9.	LEE TECK LENG	5,700,200	1.14
10.	CITIBANK NOMINEES SINGAPORE PTE LTD	4,846,689	0.97
11.	MAYBANK KIM ENG SECURITIES PTE LTD	4,675,600	0.93
12.	ANG KONG HUA	4,628,677	0.92
13.	BANK OF SINGAPORE NOMINEES PTE LTD	4,395,000	0.88
14.	LEYAU LAY HOON	4,237,899	0.85
15.	NG KEE CHOE	3,700,134	0.74
16.	GOH GEOK LING	3,425,134	0.68
17.	LAI VOON NEE	3,300,000	0.66
18.	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	2,412,300	0.48
19.	PANG CHIN FATT	2,273,000	0.45
20.	HENG KHENG LONG	2,255,845	0.45
	Total	431,664,470	86.16

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed interest	
Name	No. of Shares	%	No. of Shares	%
JT & OT Fitzgerald Family Trust[1]	97,720,806	19.51	-	-
Kariong Investment Trust[2]	97,566,806	19.47	-	-
Michael Lorrain Vaz[3]	15,888,000	3.17	23,812,000	4.75
James Finbarr Fitzgerald (and Olive Teresa Fitzgerald)[1]	-	-	97,720,806	19.50
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 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 is deemed interested in 23,812,000 shares which are held by Clarendon Pacific Venture Pte. Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on Shareholders' Information as at 16 September 2015 and to the best knowledge of the Directors, approximately 50.43% 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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Amara Hotel Singapore, Level 3, Connection Room 1, 165 Tanjong Pagar Road, Singapore 088539 on Thursday, 29 October 2015 at 3pm, to transact the following businesses:

AS ORDINARY BUSINESSES:

1.	**To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2015 together with the Directors' Report and Independent Auditors' Report thereon.**	Ordinary Resolution 1
2.	**To approve the payment of a tax exempt (foreign sourced) First and Final Dividend of 0.7 Singapore cents per ordinary share for the financial year ended 30 June 2015.**	Ordinary Resolution 2
3.	**To approve the payment of Directors' fees of S$220,000 for the financial year ending 30 June 2016, to be paid quarterly in arrears. (FY2015: S$190,000)**	Ordinary Resolution 3
4.	**To re-elect the following Directors retiring pursuant to Article 118 of the Company's Articles of Association:**	
	(a) Mr. James Finbarr Fitzgerald	Ordinary Resolution 4
	(b) Mr. Patrick John Tallon	Ordinary Resolution 5
	(c) Mr. Kevin James Deery	Ordinary Resolution 6
	(d) Mr. Chong Teck Sin *[See Explanatory Note (i)]*	Ordinary Resolution 7
	(e) Mr. Wong Fook Choy Sunny *[See Explanatory Note (ii)]*	Ordinary Resolution 8
	(f) Mr. Douglas Owen Chester *[See Explanatory Note (iii)]*	Ordinary Resolution 9
5.	**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

AS SPECIAL BUSINESSES:

To consider and, if thought fit, to pass with or without modifications the following resolutions:

6.	**Authority to allot and issue shares**	Ordinary Resolution 11
	"THAT pursuant to Section 161 of the Companies Act, Chapter 50 (the "Act") and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:	
	(a) issue shares in the capital of the Company whether by way of bonus issue, rights issue or otherwise; and/or	
	(b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and/or	
	(c) issue additional Instruments convertible into shares arising from adjustments made to the number of Instruments at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:	
	(i) the aggregate number of shares and convertible securities that may be issued shall not be more than 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;	
	(ii) the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders shall not be more than 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;	

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

AS SPECIAL BUSINESSES (CONT'D)

6. **Authority to allot and issue shares (cont'd)** — Ordinary Resolution 11

(iii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraphs (i) and (ii) above, the total number of issued shares (excluding treasury shares) shall be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company as at the date the general mandate is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting as at the date the general mandate is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares; and

(iv) unless earlier revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier."

[See Explanatory Note (iv)]

7. **Authority to allot and issue shares under the Civmec Employee Share Option Scheme and the Civmec Performance Share Plan** — Ordinary Resolution 12

"THAT authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued pursuant to the exercise of the options under the Civmec Employee Share Option Scheme (the "CESOS") and/or the vesting of awards under Civmec Performance Share Plan (the "Share Plan"), provided always that the aggregate number of additional Shares to be allotted and issued pursuant to the CESOS and the Share Plan shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company 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 (v)]

8. **Proposed Renewal of the Share Purchase Mandate** — Ordinary Resolution 13

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), and such other laws and regulations as may for the time being be applicable, the exercise by the Directors of the Company ("Directors") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases ("On-Market Share Purchase") transacted on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or

(ii) off-market purchases ("Off-Market Share Purchase") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the SGX-ST Listing Manual,

(the "Share Purchase Mandate");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and the expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the share purchases are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked;

AS ORDINARY BUSINESSES (CONT'D)

8. **Proposed Renewal of the Share Purchase Mandate (cont'd)** Ordinary Resolution 13

(d) in this Ordinary Resolution:

"Prescribed Limit" means 10% of the total number of Shares as at the date of the last annual general meeting of the Company held before this Resolution is passed or as at the date of passing of this Resolution, whichever is the higher (excluding any treasury shares that may be held by the Company from time to time), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered;

"Relevant Period" means the period commencing from the date the last annual general meeting of the Company was held before the date of passing of this Resolution, and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date of passing of this Resolution;

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) not exceeding 105% of the Average Closing Price, excluding related expenses of the Share Purchases, and where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase; and

"Market Day" means a day on which the SGX-ST is open for trading in securities; and

(e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required) as they may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.

[See Explanatory Note (vi)]

9. **Proposed Alternation of the Articles of Association** Special Resolution 1

"That Article 118 of the Company be altered by deleting the existing Article 118 in its entirety and substituting the following therefor:-

Article 118

Subject to these Articles and to the Act, at each annual general meeting at least one third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation, provided that all Directors shall retire from office at least once every three years."

[See Explanatory Note (vii)]

10. **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

7 October 2015

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

EXPLANATORY NOTES:

(i) Mr. Chong Teck Sin, 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. Mr Chong will be considered independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited. Key information on Mr Chong can be found on page 29 of the Annual Report 2014/2015. There are no relationships (including family relationship) between Mr Chong and the other Director or the Company or its 10% shareholders.

(ii) Mr. Wong Fook Choy Sunny, 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. Mr Wong will be considered independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited. Key information on Mr Wong can be found on page 29 of the Annual Report 2014/2015. There are no relationships (including family relationship) between Mr Wong and the other Director or the Company or its 10% shareholders.

(iii) Mr. Douglas Owen 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. Mr Douglas Chester will be considered independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited. Key information on Mr Douglas Chester can be found on page 29 of the Annual Report 2014/2015. There are no relationships (including family relationship) between Mr Douglas Chester and the other Director or the Company or its 10% shareholders.

(iv) The Ordinary Resolution No. 11 proposed in item no. 6 above, if passed, will empower the Directors of the Company to issue shares and convertible securities in the Company up to a maximum of fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing shareholders shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company for such purposes as they consider would be in the interests of the Company. This authority will continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting.

(v) The Ordinary Resolution No. 12 proposed in item no. 7 above, if passed, will empower the Directors of the Company to allot and issue shares in the Company of up to a number not exceeding in total fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time pursuant to the exercise of the options under the CESOS and vesting of the share awards under the Share Plan.

(vi) The Ordinary Resolution no. 13 proposed in item no. 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company 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 repurchase ordinary shares of the Company by way of on-market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares in the capital of the Company at the Maximum Price as defined in the Appendix to the Company's Letter to Shareholders dated 7 October 2015.

(vii) The Special Resolution no. 1 proposed in item no. 9 above, is to alter the Articles 118 of the Company's Articles of Association. Please refer to the Letter to Shareholders dated 7 October 2015 for more details.

Notes:

(a) A member of the Company entitled to attend and vote at the general meeting of the Company is entitled to appoint not more than two proxies, to attend and vote on his / her behalf, save that no such limit shall be imposed on the number of proxies appointed by members which are nominee companies. A proxy need not be a member of the Company.

(b) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

(c) A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such corporation.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

EXPLANATORY NOTES (CONT'D)

Notes (cont'd)

(d) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.

e) Where an instrument appointing a proxy is signed on behalf of the appointor by the 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.

(f) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

(g) In the case of joint shareholders, all shareholders must sign the instrument appointment a proxy or proxies.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis of the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

ANNUAL GENERAL MEETING

CIVMEC LIMITED

(Company No. : 201011837H)

(Incorporated in the Republic of Singapore)

Important

1. For investors who have used their CPF monies to buy Civmec Limited's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as OBSERVERS must submit their requests through their respective CPF Agent Banks so that their Agent Banks may register, in the required format with the Company Secretary, by the time frame specified. (Agent Banks: Please see Note 10 on required format.) Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's behalf.

*I/We, (Name) (NRIC/Passport no.)

of (Address)

being *a member/members of Civmec Limited (the "Company"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
		No. of Shares	%
Address:			

* and/or

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
		No. of Shares	%
Address:			

or failing him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at Amara Hotel Singapore, Level 3, Connection Room 1, 165 Tanjong Pagar Road, Singapore 088539 on Thursday, 29 October 2015 at 3pm and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at *his/their discretion.

PROXY FORM

ANNUAL GENERAL MEETING

No.	Ordinary Resolutions	For#	Against#
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 30 June 2015 together with the Directors' Report and Independent Auditors' Report thereon.		
2.	Approval of payment of a tax exempt (1-tier) First and Final Dividend of 0.7 Singapore cents per ordinary share for the financial year ended 30 June 2015.		
3.	Approval of the payment of Directors' fees of S$220,000 for the financial year ending 30 June 2016 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.		
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.	Authority to allot and issue shares under the Civmec Employee Share Option Scheme and the Civmec Performance Share Plan.		
13.	Renewal of Share Purchase Mandate.		
No.	**Special Resolution**	**For#**	**Against#**
1.	The proposed Alteration of the Articles of Association.		

Dated this ________day of ____________________ 2015

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 use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate number of votes "For" or "Against" for each resolution within the box provided.

PROXY FORM

ANNUAL GENERAL MEETING

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. 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 of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at the general meeting of the Company is entitled to appoint not more than two proxies, to attend and vote on his / her behalf, save that no such limit shall be imposed on the number of proxies appointed by members which are nominee companies. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
4. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such corporation.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by the 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.
7. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.
8. In case of joint shareholders, all shareholders must sign the instrument appointing a proxy or proxies.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it 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 appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
10. Agent Banks acting on the request of CPF Investors who wish to attend the Annual General Meeting as observers are requested to submit in writing, a list of details of the members' names, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the Annual General Meeting.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 October 2015.

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CIVMEC

2015 ANNUAL REPORT

CIVMEC Limited
Company Registration No. 201011837H

SINGAPORE
80 Robinson Road #02-00
Singapore 068898

AUSTRALIA
16 Nautical Drive, Henderson
Western Australia 6166

Telephone: +61 8 9437 6288
Facsimile: +61 8 9437 6388
Email: civmec@civmec.com.au

www.civmec.com