STRENGTH THROUGH INNOVATION

CIVMEC LIMITED ANNUAL REPORT 2012/2013

Growth as a result of forces working together

www.civmec.com.au

Civmec supplied precast concrete and structural steel components for the Chevron operated Gorgon Project on Barrow Island, Western Australia

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Financial Highlights

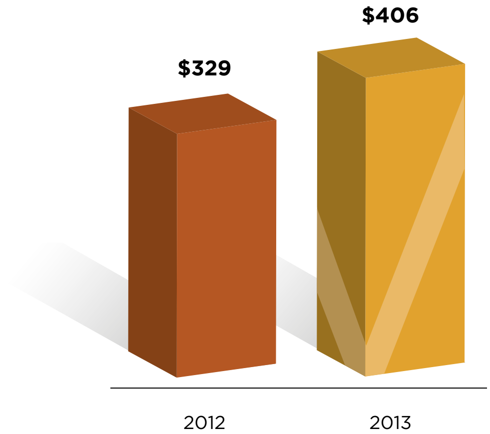
Civmec continued to achieve solid performances across all segments and delivered increased revenue and profit in 2013.

- **RECORD REVENUE OF S$405.9 MILLION, 23.5% INCREASE ON 2012**
- **EBITDA OF S$54.3 MILLION, 11.6% INCREASE ON 2012**
- **NET PROFIT AFTER TAX OF S$36.0 MILLION, 18.9% INCREASE ON 2012**
- **FINAL DIVIDEND RECOMMENDED 0.7 CENTS, TAX EXEMPT**

FOUR YEAR PERFORMANCE S$'000	2010	2011	2012	2013
Revenue	22,293	61,007	328,654	**405,924**
EBITDA	6,042	14,579	48,640	**54,285**
EBIT	4,859	12,359	44,058	**49,116**
NPAT	3,236	7,522	30,310	**36,049**
Operating Cash Flow	6,949	1,694	26,144	**8,643**
EPS - Basic (cents)	N/M	1.50	6.05	**7.20**
Dividend per share (cents)	N/M	N/M	0.6	**0.7***

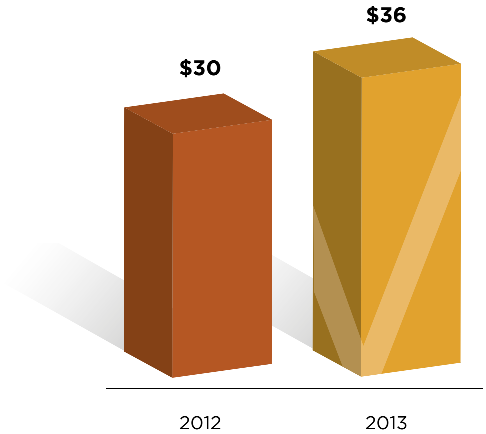
N/M - Not meaningful
* Proposed

AT YEAR END S$'000	2012	2013	CHANGE
Total Equity	89,412	110,178	**23.2%**
Total Assets	179,358	193,256	**7.7%**
Current Ratio (times)	1.53	1.84	**20.3%**
NTA per share (cents)	17.8	22.0	**23.6%**



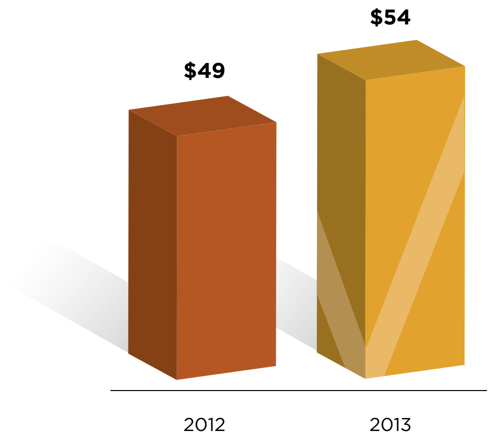
SALES REVENUE S$M

23.5%



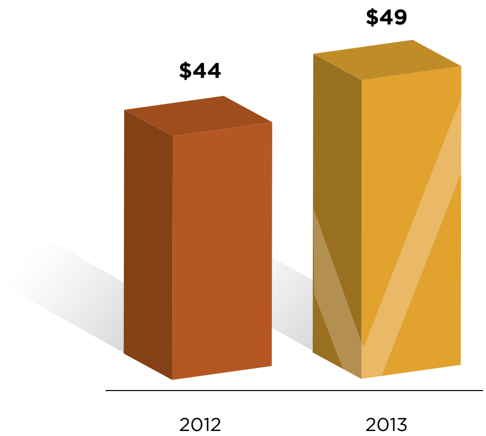
PROFIT AFTER TAX S$M

18.9%



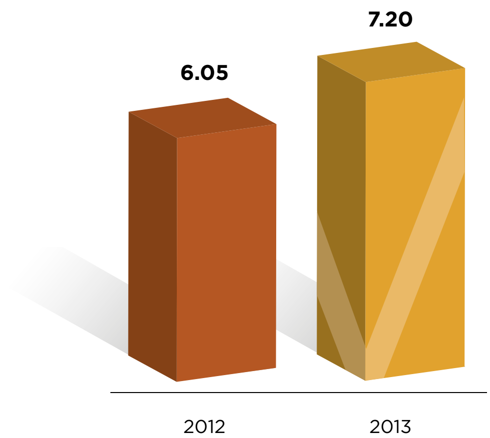
EBITDA S$M

11.6%



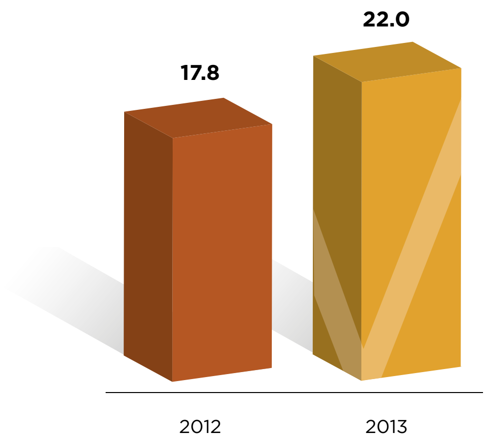
EBIT S$M

11.5%



EARNINGS PER SHARE S$(CENTS)

19.0%



NTA PER SHARE S$(CENTS)

23.6%

Operational Highlights

SUCCESSFUL DELIVERY OF KEY EXPANSION PROJECTS

The successful delivery of two major expansion projects for Rio Tinto at the Hope Downs 4 and Marandoo mine sites affirms Civmec's position in the market as a leading provider of site civil construction works.

CIVMEC AWARDED INCREASED SCOPE OF WORKS ACROSS MULTIPLE DISCIPLINES

Fabrication & assembly of modules for BHP Billiton

Precast & assembly of seawater intake tank for Chevron

INNOVATIVE APPROACH SECURES OIL AND GAS CONTRACT

Civmec's culture of innovation is demonstrated through its integrated capability, innovative project methodology and ability to rapidly develop a remote manufacturing facility. We also mobilised a skilled workforce to a remote job site as part of our contract with Best JV to supply 37,500m³ of precast concrete to the Wheatstone LNG project.

PRECISION REQUIREMENTS ACHIEVED FOR SUBSEA PROJECT

Civmec's ability to deliver high end technology for the subsea environment was evidenced through the delivery of the Coniston subsea manifold for Apache.

REPEAT CONTRACT ATTRIBUTED TO DELIVERY PERFORMANCE

Further to the 11,000 tonnes of modularised structures delivered for the BHP Biilliton Inner Harbour project, Civmec was awarded a contract for the fabrication and modular assembly of systems T, Y and U for Finucane Island Blending Yards.

The three systems consist of 36 pre-assembled modules and weigh approximately 2,300 tonnes. The 148 man team completed the assembly of all modules on the 29th of June 2013, recording zero safety incidents for the duration of the project.

> Throughout the project, Civmec achieved all delivery milestones.

Development Highlights

ORGANISATIONAL RESTRUCTURE

Through our diverse capabilities and existing customer relationships, Civmec can readily adapt to meet market requirements, in particular, increased emphasis on output efficiency.

During the year Civmec added Asset Management and Integrated Services to our operational management structure to maximise our focus on, and alignment with, this business stream.

OCCUPANCY OF NEW OFFICE

6,500m² FOUR STOREY OFFICE COMPLETE

DEDICATED TRAINING FACILITIES

STRATEGIC ASSET

LOCATED ON OUR 100,000m² LANDHOLDING IN OIL AND GAS PRECINCT

EXPANSION OF GEOGRAPHIC FOOTPRINT

CIVMEC APPLIES PROVEN CAPABILITIES TO NEW GEOGRAPHIC MARKETS

ESTABLISHMENT OF OPERATIONAL BASE IN DARWIN, THE CAPITAL OF AUSTRALIA'S NORTHERN TERRITORY

WORKFORCE PEAKED AT OVER

1100

IN 2013

Capability Overview

Civmec's multi-disciplinary capability offerings enable us to strategically deliver on all project life cycle requirements.

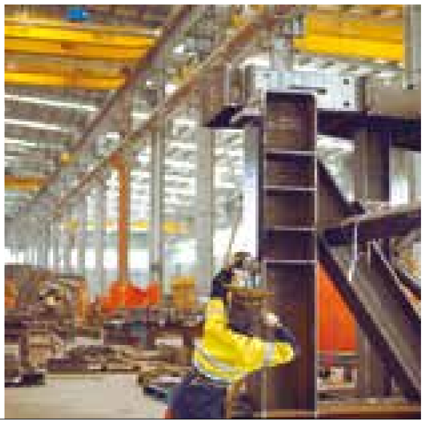
SITE CIVIL WORKS

Our civil business has been the heart of Civmec's operations and is still core to what we do. We are at the forefront of creating innovative construction techniques that enable us to meet constrained deadlines. We provide a full range of civil services which include: detailed earthworks, reinforcing steelwork, formwork, cast in embedments, concrete placement, backfill and compaction to final handover. Leveraging off our precast concrete operations, we can offer alternative site construction methods to deliver site labour efficiencies across our projects.

PRECAST CONCRETE

Our precast concrete business has the capability to manufacture reinforced concrete products of all sizes for the civil construction industry including: structural foundations, caissons, floor slabs, retaining walls and suspended slab sections. We are able to manufacture precast concrete structures to tight tolerances to suit mechanical interfaces during site installation. We are also able to work to stringent specifications associated with concrete mixes and controlled curing temperatures. The precast business can draw on our steel fabrication capabilities to manufacture custom steel formwork for multiple use applications.

HEAVY ENGINEERING



Civmec's 29,300m^2 undercover waterfront facility is fully equipped with modern automated fabrication and robotic welding equipment. We fabricate: structural steel, platework, tanks, vessels, materials handling equipment, offshore structures, subsea structures and pipe spooling for all types of process plants. We undertake both large and small fabrication projects including specialist welding of exotic materials such as titanium, stainless steels, duplex steel and copper alloys.

MODULARISATION

Our large undercover facility has high bays to cater for the assembly of large modules up to 29m wide x 19m high x 149m long. These can be fabricated and assembled into single units in our central bay. With the use of the onsite 4,600 tonne capacity Self Propelled Modular Transporters, modules can be transported with ease to the 6,000 tonne and 15,000 tonne wharves located only 500 metres away without the need to cross any public roads.

SMP

Our structural, mechanical and piping (SMP) installation business has the technical expertise, project experience and skilled staff to undertake: structural assembly and erection, site welding, mechanical installations and alignments, piping installation and pre-commissioning support. We have the capacity to mobilise quickly to undertake site installation projects locally and at remote sites throughout Australia.

INSULATION

The Cape Civmec Insulation Group (CCIG), a 50% Civmec-owned company, provides industrial insulation solutions. We have the capability to undertake: sheet metal fabrication, light gauge fabrication, site installation of hot, cold, acoustic and cryogenic insulation systems. The sheet metal workshop is equipped with modern machinery including a high production computerised processing and forming machine.

OFFSHORE LOGISTICS

Our offshore logistics business provides comprehensive integrated supply chain solutions to onshore and offshore drilling. Further services offerings include production support services, offshore logistic support including onshore supply base, container hire, chartering of marine vessels, supply of offshore works equipment, project and procurement management.

Civmec Timeline

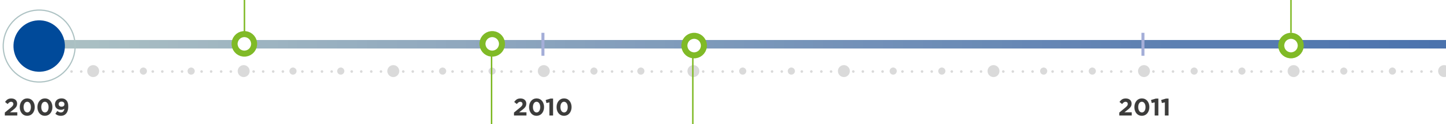
July 2009

Commenced Operations

April 2011

Workshop officially opened

The Hon. Premier Colin Barnett (shown on right) officially opens Civmec's 29,300m^2 waterfront manufacturing facility.



December 2009

Sod Turning (first activity on Henderson land)

Ceremony officiated by the State Minister for Industrial Development, the Hon. Mr Troy Buswell (shown on right).

April 2010

Commenced Erection of Workshop

Erection of Civmec's 29,300m^2 waterfront manufacturing facility commenced.

June 2013

Acquisition of DOLB

Civmec expands its geographic footprint through the acquisition of Darwin Offshore Logistics Base in Australia's Northern Territory.

April 2012

Publicly Listed on the Singapore Exchange

Following a successful initial public offering, Civmec Ltd was listed on the Singapore Exchange.

2012

2013

August 2012

Commencement of Office Development

Construction of Civmec's 6,500m² office development began.

April 2013

Office development completed

Civmec took occupancy of new headquarters in Australian Marine Complex in Henderson.

FOUNDATIONS READY FOR SOLID FUTURE GROWTH

"Civmec has consolidated its strengths and is poised to continue the momentum"

James Fitzgerald
Executive Chairman

After four years of developing relationships, building capability and capacity, and most importantly successfully delivering on projects for major companies in the oil and gas, and mining sectors, Civmec has consolidated its strengths and is poised to continue the momentum.

When establishing this business, our goal was to develop a multi-disciplinary organisation strongly focused on servicing the oil and gas, mining, utilities and infrastructure sectors. The soundness of that strategy has been evidenced by the tremendous growth Civmec has achieved in such a short period. That growth continued in the 2013 financial year as the company substantially grew its activity in the expanding oil and gas sector and matured its position in the mining sector. The Board and executive leadership team continues to implement strategies to further develop the business, in particular through applying our proven capabilities in new geographic markets and expanding our service scope to align with the changing needs of our existing customer base.

In contrast to a backdrop of challenging global economic conditions, I am pleased to report that our revenue increased by 23.5% from S$328.6 million to S$405.9 million for the financial year ended 30 June 2013. In turn the Group's net profit after tax has grown by 18.9% from S$30.3 million to S$36.0 million. That this profit result is substantially higher than the company's total revenue in 2010 is a mark of how much Civmec has grown, and how well it has performed.

Our plan to initially focus on Australia's robust resources sector has been instrumental in countering adverse global economic effects. Civmec has matured and strengthened its market position in this sector and remains well placed to pursue both new mine expansion and mine infrastructure and upgrade contracts going forward.

Through our diverse capabilities and existing customer relationships, Civmec can readily adapt to the perceived shift in resources investment, in particular increased emphasis on output efficiency in the mining sector. During the year we added Asset Management and Integrated Services to our Operational Management structure to maximise our focus on, and alignment with, this business stream. This forms part of our corporate strategy of expansion and provides an avenue to meet the current focus of the mining sector.

It also establishes the basis for future opportunities in the oil and gas sector, which remains strong as is evident with new projects such as the A$29 billion Wheatstone LNG and A$33 billion Ichthys underway in western and northern Australia respectively. In line with strategy, Civmec made significant inroads in this sector during the year, increasing revenues by 81% to S$144 million meaning it now represents over one-third of total revenue.

To further capitalise on predicted growth in this sector, and to continue our strategic plan of geographical expansion, we established an operational base in Darwin, the capital of Australia's Northern Territory. The Darwin Offshore Logistics Base strategically places the Group for the A$44 billion in resources and energy projects already underway or planned for the Northern Territory. We are genuinely excited by the future benefits it will bring.

As we look to the future we will continue to serve all our stakeholders with diligence.

Behind our achievements lies the strength of Civmec – our diversity, our innovation, our reputation for excellence, and our people.

Our strength in innovation provides the foundation for the delivery of high quality, cost effective solutions to our clients, which in turn builds our reputation. At the heart of this are our people, whose dedication and expertise has been the catalyst for the company's success.

Civmec's proven culture of success derives from combining our motivated and skilled workforce with leadership from our Chief Executive Officer and his highly regarded and experienced management team. It is this driving culture and passion that gives the confidence and belief to achieve Civmec's long-term vision.

I take this opportunity to thank our staff for the contribution they have made to this year's extremely satisfying company performance. I am immensely proud of what we have achieved together.

On behalf of the Board I extend our thanks to Mr Chelva Retnam Rajah, who retired as an Independent Director with effect from October 25, 2012. The insights and expertise Chelva brought to the boardroom were highly valued and will be missed. I also welcome Mr Douglas Owen Chester to the Board as Independent Director. He has already proved to be a valuable addition.

On a personal level I thank the current Board of Directors for providing the vision and guidance that our organisation needs to ensure our continued success. Finally I would like to extend my appreciation to all our shareholders who continue to show tremendous support for the company as we enter into an exciting phase of our strategic direction.

As we look to the future we will continue to serve all our stakeholders with diligence. Our mission is to provide innovative solutions to our clients and be known as a company that delivers and is ever dependable. We will achieve this by investing in our people, by challenging our processes with rigour to continually improve, and by continuing to position the business to meet future requirements.

Yours Sincerely

James Finbarr Fitzgerald
Executive Chairman

Civmec Limited

Pat Tallon
Chief Executive Officer

STRENGTH THROUGH INNOVATION

- PROFIT GROWTH CONTINUES AS REVENUES REACH NEW RECORD
- OIL AND GAS LEADS GROWTH ACROSS ALL SEGMENTS
- STRATEGIC EXPANSION INTO NORTHERN AUSTRALIA AND ASSETS MANAGEMENT SEGMENT
- OIL AND GAS INVESTMENT FORECAST TO INCREASE
- CONTINUED HIGH MINING INVESTMENT DEMAND

“Sustaining our competitive advantage is driven through innovation and unlocking its value”

After another strong year it is a pleasure to present our 2013 Annual Report to our shareholders and stakeholders. Following on from a successful 2012, Civmec achieved solid performances across all segments in 2013 and once again delivered substantial increases in revenue and profit.

After significant growth in the prior year, we made significant inroads into the Oil and Gas sector, strengthened our position in the mining sector, and expanded our facilities, workforce and capabilities accordingly.

A key focus of the 2013 financial year was consolidating the company’s position in all our operating markets. This was achieved by successfully delivering major projects and securing new work, while bedding down and refining the organisational resources necessary to continue to meet our targeted market’s evolving requirements. This included the completion of capital projects such as our new office facilities.

At the same time as we were consolidating those key ingredients for success, the company began to establish the complementary resources and relationships that will drive future growth in other regions and segments, particularly oil and gas. The results to date have been very pleasing.

With solid foundations in place and new strategic initiatives underway Civmec is well positioned to capitalise on the substantial pipeline of investment in its key operating markets.

Financial Result

Over the four-year period of our initial business plan, Civmec's revenues have grown eighteen fold from $22.3 million in 2010, to $405.9 million in 2013, a new record and a 23.5% increase on the previous year (2012: $328.6 million).

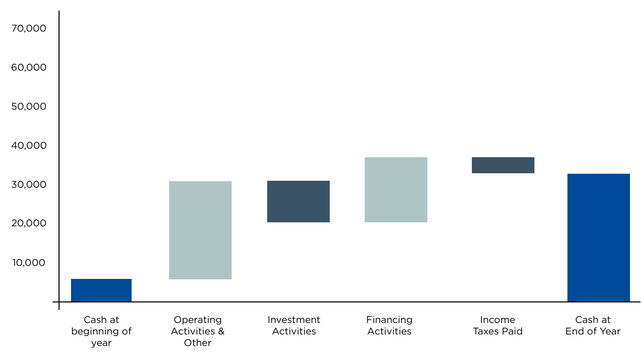
The company's success in building business in the Oil and Gas sector was reflected in a substantial increase in revenue to $144 million (2012: $79 million). We also achieved growth in the mining sector, which contributed revenues of $262 million (2012: $249 million).

The company continued to increase its profits while maintaining a solid Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) margin of 13.4%. Net Profit after tax improved 18.9% to $36.0 million (2012: $30.3 million) and EBITDA rose to $54.3 million (2012: $48.6 million). Earnings per Share were 7.20 cents (2012: 6.05 cents).

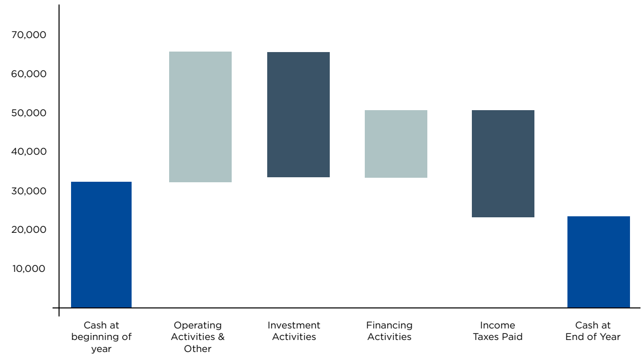
As a consequence of this pleasing financial performance, the Board is recommending a final dividend of 0.7 cents per ordinary share, subject to approval by our shareholders at the forthcoming Annual General Meeting. During the year, an ordinary dividend of 0.6 cents per ordinary share was paid on 21 December 2012, as recommended in last year's report.

Our investment in infrastructure to support continuing expansion of project delivery, and in particular the completion of the office building at Henderson, contributed to higher capital expenditure this year. Together with a maiden dividend, a substantial increase in tax payments and other minor capital items, the net cash reduced to $23.1 million (2012: $33.8 million). At year end, net debt to equity is a very conservative 5.8% (2012: -22.8%).

Cashflow Movement 2012



Cashflow Movement 2013



RECORD REVENUE
$405.9 MILLION
23.5%
UP ON 2012

EBITDA OF
$54.3 MILLION
11.6%
INCREASE ON 2012

NPAT OF
$36 MILLION
18.9%
INCREASE ON 2012

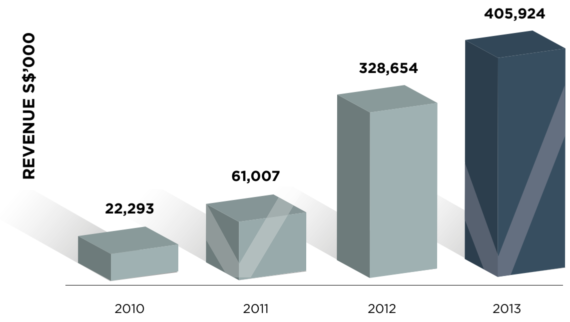
FINAL DIVIDEND OF
0.7CENTS
PROPOSED

Financial Result (cont'd)

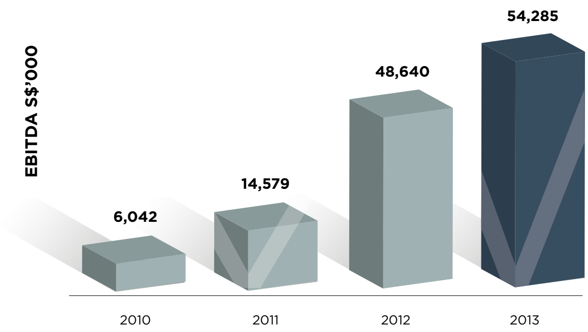
PERFORMANCE	**S$'000**	**2012**	**2013**	**CHANGE**
Revenue		328,654	**405,924**	**^ 23.5%**
EBITDA		48,640	**54,285**	**^ 11.6%**
EBIT		44,058	**49,116**	**^ 11.5%**
NPAT		30,310	**36,049**	**^ 18.9%**
Operating Cash Flow		26,144	**8,643**	**v -66.9%**
EPS - Basic (cents)		6.05	**7.20**	**^ 19.0%**
Dividend per share (cents)		0.6	**0.7***	**^ 16.7%**

* Proposed

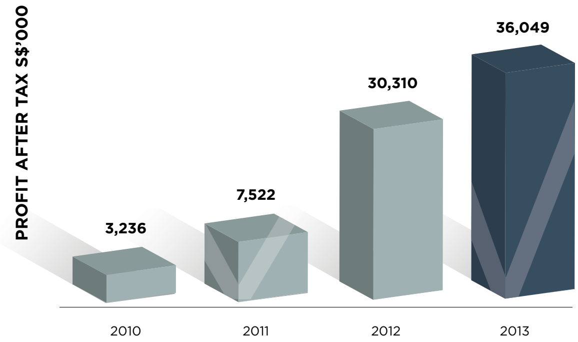
AT YEAR END	**S$'000**	**2012**	**2013**	**CHANGE**
Total Equity		89,412	**110,178**	**^ 23.2%**
Total Assets		179,358	**193,256**	**^ 7.7%**
Current Ratio (times)		1.53	**1.84**	**^ 20.3%**
NTA per share (cents)		17.8	**22.0**	**^ 23.6%**



REVENUE UP BY
23.5%



EBITDA UP BY
11.6%



PROFIT AFTER TAX UP BY
18.9%

RETURN ON
EQUITY
32.7%

Operational Overview

- **Successfully completed approximately 13,000 tonnes of fabricated and modularised structures for BHP's S$5.6 billion Port Facility.**
- **Manufactured and supplied subsea manifolds for Apache's Coniston project, and awarded further works for the Balnaves and Greater East Spar projects.**
- **Supplier of modules and structural steel for the Chevron A$52 billion Gorgon LNG Project.**
- **Manufactured and supplied approximately 120,000 tonnes of precast concrete for the Chevron Gorgon LNG Project on Barrow Island.**
- **Awarded contract to supply 90,000 tonnes of pre-cast Accropode II units to the Chevron Wheatstone LNG Project.**
- **Successfully completed the fabrication and delivery of the largest iron ore car dumpers ever built in Australia.**
- **Successful completion of circa 35,000m^3 concrete civil packages for Rio Tinto.**

Given the high levels of forecast expenditure in the oil and gas sector in coming years, the significant growth achieved by our Oil and Gas Segment was particularly pleasing. In this sector the company secured and commenced a number of new contracts for the manufacture and supply of high-specification subsea manifolds.

As the main Australian supplier of structural steel for the A$52 billion Gorgon Liquefied Natural Gas (LNG) Project, Civmec was invited to also manufacture and supply approximately 120,000 tonnes of precast concrete modules.

Reflecting the strong relationships we have developed as a result of successful project work, several key contracts that were secured and commenced in 2012 increased in scope and value during the year, providing additional site civil, fabrication and precast concrete works.

Among many notable operational highlights during the year, the company successfully completed 13,000 tonne of fabrication and modularised structures for BHP's port facility, as well as completing the fabrication and delivery of the largest iron ore car dumper ever built in Australia.

Further details of operations undertaken are included in the Segment Operational Reports on pages 28 to 30.

"Synergies achieved through the integration of the company's various core capabilities continued to enable Civmec to deliver smarter and more cost-effective projects during the year."

Safety

At Civmec, health and safety remains our priority in conducting our business. The well being of our employees is of the utmost importance and we continually strive to ensure we have a 'safe day, good day' everyday.

We have a practical and effective safety management system which is used to direct and assist employees in working safely in accordance with our high standards. The commitment of our Board and Management, along with the cooperation and involvement of our people, is essential in achieving a high level of accident prevention and by engaging input from employees at all levels, we continually improve our procedures and standards.

The development and implementation of our "positive safety culture" throughout our sites has improved site safety statistics and provided a considerable morale boost for the site teams. With the support and guidance of management, the safety initiatives were established and implemented by the site teams and were based on the principle of "respect", being the respect and well being for each other, and respect for company assets and equipment. This resulted in the Total Recordable Incident Frequency Rating (TRIFR) on site reach an all time low of 1.5. We continue to see positive results with the number of incident free days improving.

Civmec has also implemented an employee safety incentive which will simultaneously benefit The Dreamfit Foundation, a not-for-profit organisation to help people with disabilities fulfil dreams. By achieving specific safety KPI's, the company will donate proceeds from the subsequent savings to Dreamfit.

STRATEGIC HIGHLIGHTS

In addition to successfully executing a number of major projects, and securing further work in existing markets, Civmec made significant progress on a number of initiatives that will enable the company to continue to build on its ability to provide turnkey solutions, by expanding and evolving its capabilities and skilled disciplines.

We are proud to see the completion and occupancy of our new, purpose-built headquarters office complex adjacent to our existing 29,300m² waterfront workshop facilities in Henderson, Western Australia. The new offices enable us to better meet the needs of our clients and provide a greater support to our subsidiary operations in Onslow, Darwin and other site locations. This enables us to maximise off site project planning and management activities, resulting in a lower project cost base and more attractive value proposition for our current and prospective clients.

During the year, we further expanded the Henderson facilities with the inclusion of adjacent land for a greater modular assembly and storage capacity. Now spread over 100,000m² and featuring a 'state of the art' modern fabrication facility as well as waterfront access, the Henderson complex is the largest heavy engineering facility of its kind in Australia.

► Civmec's CEO, Pat Tallon addressing the CCI Resource Conference in June 2013

"Civmec made significant progress on a number of initiatives that will enable the company to continue to build on its ability to provide turnkey solutions"

The company has committed to enhance its capabilities and onsite lifting capacity through the purchase of several all-purpose cranes that range from 20 to 275 tonnes. These investments further improve our ability to provide turn-key solutions to remote major construction projects.

The company has also expanded to secure additional work in northern Australia by establishing an operational foothold in Darwin. Darwin is the economic and industrial hub of the Northern Territory, and approximately 4,000kms from our Henderson headquarters.

The acquisition of name and assets of the Darwin Offshore Logistics Base facility provides a 38,000m² operational support base and offsite storage capacity to service the oil and gas and mining industries, as well as private and government funded infrastructure projects throughout the region. To do this successfully, we intend to replicate the core management and workforce capabilities and structures that have been instrumental in growing the business in Western Australia in recent years.

Civmec's new 6,500m² four storey 'state of the art' office in Henderson, Western Australia, is fully equipped to a high standard and can accommodate over 450 personnel. Facilities include: Training and induction centre, medical centre with a qualified nurse for onsite first aid and pre-employment medicals, boardroom and meeting rooms with video and conferencing facilities and fully serviced Client offices.

In order to focus on further opportunities in the mining sector, and as miners pursue a renewed emphasis on maintaining and improving output efficiencies from existing infrastructure, we supplemented our operational structure with a dedicated Asset Management and Integrated Services business unit. This contributes to the company's expansion strategy by enabling us to pursue more opportunities in the operational cycles of mines and other infrastructure, while continuing to leverage our existing customer relationships and company capabilities.

This is another way in which Civmec can unlock value, and exploit synergies, by maintaining and developing strategic partnerships with all the stakeholders and contributors who share a common vision in achieving project goals and outcomes.

OUTLOOK

Following extraordinary growth in 2012, 2013 was a year in which successes were consolidated by maintaining a consistent order book. As a result the company is now ready to capitalise on those solid foundations and embark on a longer term expansion phase. Our ability to leverage our multi-disciplinary capabilities to adapt and service a broad range of construction and fabrication work in all our key operating markets and beyond provides expansive scope for securing new business. This is reflected in our high levels of tendering activity, which also contributes to our positive outlook.

> **"Although we recognise the timing risks associated with project horizons, we will continually position ourselves to ensure we take advantage of the opportunities"**

With A$268 billion committed to Australian resources and energy projects, and a further A$378 billion either announced or in the feasibility stage, both the oil and gas and mining market sectors remain positive. With 65% of the committed projects and 44% of the announced/ feasibility stage projects in Western Australia and the Northern Territory, we are well positioned to capitalise on those opportunities, particularly as a result of the strategic initiatives and facility investments made during the year.

With the A$52 billion Gorgon LNG project well underway and the A$29 billion Wheatstone LNG recently commencing, the oil & gas market is strong and is forecast to remain so for a number of years.

Although not experiencing the rapid growth of recent years, capital expenditure in the mining sector is forecast to remain at high levels despite some new mine projects being deferred to recommence in the future. There are however a number of new projects that are likely to come online in the near future. Strategically and geographically we are positioned well to capitalise on these prospects.

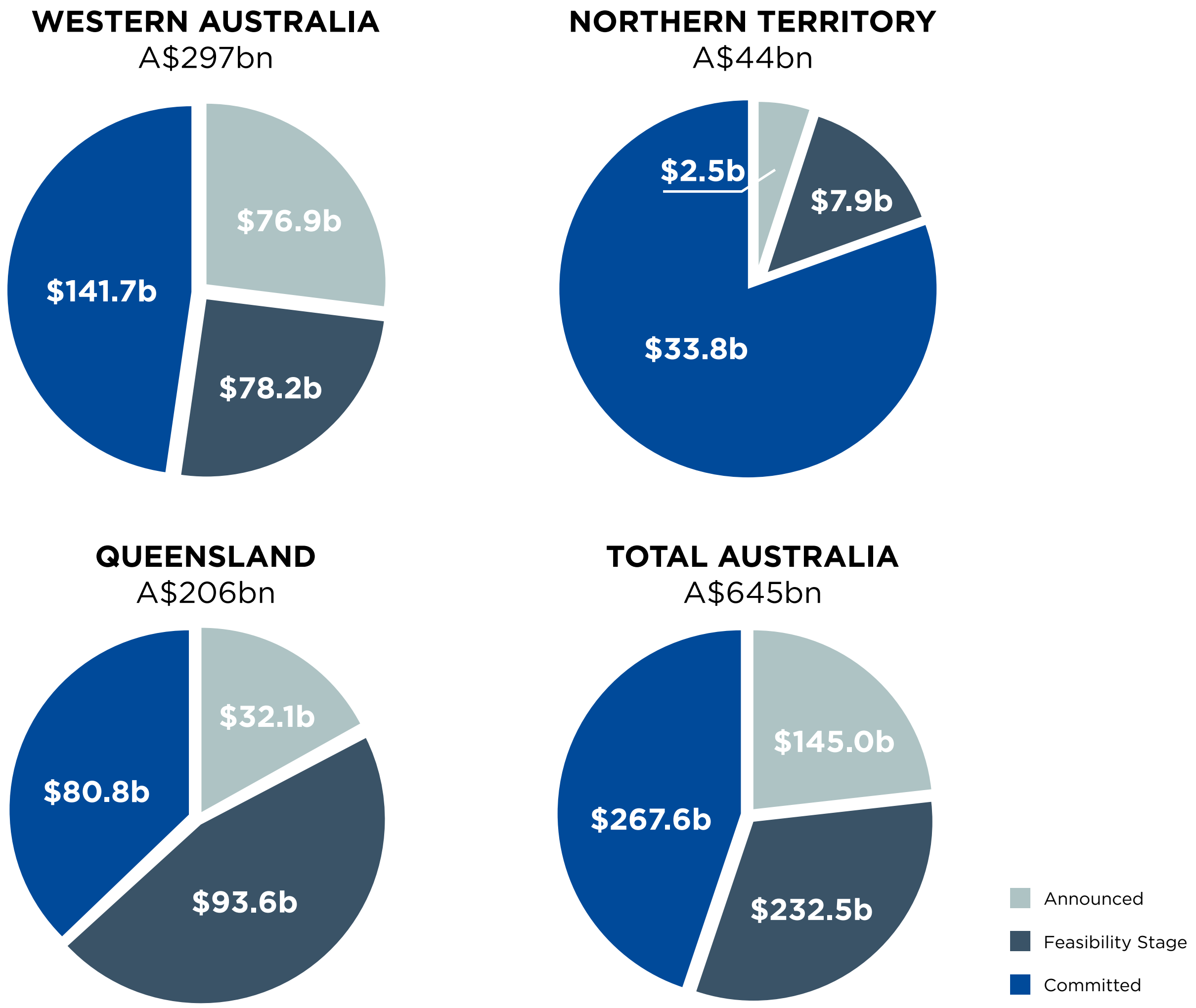
Capital expenditure in the mining sector is also supplemented by additional investment focus on output capacity and efficiency improvements that will involve strategic infrastructure and upgrades. Our new Asset Management and Integrated Services segment is specifically targeting these opportunities.

The outlook for other infrastructure projects is also encouraging as investment in port upgrades, defence, energy and agriculture sectors gain momentum.

Although we recognise the timing risks associated with project horizons, we are continually positioning the company to ensure we take advantage of the opportunities.

Our ability to capitalise on the opportunities that lie ahead, as with our success to date, is very much a team effort. To that end I am very pleased the leadership, passion and enthusiasm of the founding executive team has been instilled throughout the company. These values and culture have produced proactive, skilled teams with an innovative 'can do' attitude that continues to successfully deliver the standard of excellence our customers have come to expect from Civmec.

RESOURCE AND ENERGY PROJECTS



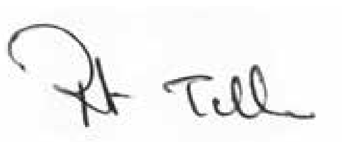
(Source: Bureau of Resources and Energy Economics, major projects report April 2013).

I thank and congratulate all our employees for their effort and achievements over the year, and their unfaltering contribution in maintaining our reputation of being the supplier of choice. Finally, I would also like to thank my fellow Directors on the Board, our shareholders, business partners and other stakeholders, for their ongoing support of Civmec.

Through the commitment and passion of our Board, the Executive team and all our employees, we will continue to ensure we provide value for money for our shareholders and clients.

We look forward to the challenges and opportunities during the 2014 financial year and beyond.

Yours sincerely,



Patrick John Tallon
Chief Executive Officer

Civmec Limited

OIL AND GAS

The Oil and Gas Segment performed well during the 2013 financial year, increasing revenue contribution by more than 80%. New contracts included subsea projects for Apache's Coniston, Balnaves and Greater Eastern Spar projects. Critical to the oil and gas industry, subsea work is both high quality and growing in size, so our ability to secure these projects reflects our high-end capabilities and potential for the future. The scope of works included the fabrication and assembly of a three and six slot oil manifold; two oil production line end manifolds (PLEMs); and a number of goosenecks. Civmec also provided support and site services through factory acceptance and integrated systems testing.

For the Gorgon LNG project – one of the world's largest natural gas projects, and the largest single resource project in Australia's history – the company has supplied over 11,000 tonnes of structural steel and manufactured approximately 120,000 tonnes of precast footings under its contract for underground services package. The ability to produce this at the waterfront facility in Henderson eliminated environmental impact at the site. Demonstrating Civmec's ability to deliver both quality and quantity to support project requirements, peak production of these precast concrete components reached 1,250m^3 per week.

Reflecting the high regard in which the company's capabilities are held, Civmec was awarded additional scope in surface treatment, pipe spooling and modular assembly. Additional Gorgon contracts for structural steel components fabricated in the Henderson facility are now being assembled and erected.

The company also marked its entry into the Chevron operated Wheatstone LNG project by securing an Australian-first contract to produce 37,500m^3 of Accropode II precast concrete blocks for construction of the LNG wharf. To facilitate efficient project delivery Civmec established a 50,000m^2, purpose built yard and set up a nearby accommodation village to house our workforce, close to the installation site, and established the equipment and facility required to produce 12,500 individual Accropode II units.

▸ CONISTON SUBSEA MANIFOLD & PLEM (PIPELINE END MANIFOLD)

Location: Coniston/Novara Oil field development

Civmec scope of works: Supply, fabrication and assembly of an Oil Manifold and Oil Production Line End Manifold. The Coniston Development Project is a new subsea oil field development located in the Exmouth Basin offshore North West Australia.

MINING

The successful completion of major site civil works at Rio Tinto mines contributed to the Mining Segment's continued solid performance in the 2013 financial year. The Marandoo and Hope Downs 4 projects involved placing approximately 35,000m^3 of concrete and 3,500 tonnes of steel reinforcement over a period of 24 months.

Civmec recognises further opportunities in supporting and upgrading existing mines as some miners seek to increase capacity by improving output efficiencies in lieu of opening or expanding into new mines.

The company also successfully completed the supply of approximately 13,000 tonnes of fabricated and modularised structures for BHP's S$5.6 billion Port Facility. The quality of product earned high praise from the client who described it as 'industry leading'. This also lead to a follow on package of work that comprised 2,300 tonnes of fabricated and modularised structures for the project.

Another stand out project undertaken by the segment was for Metso. For this Civmec manufactured and delivered the largest iron ore car dumper ever built in Australia. Following on from this the segment secured contracts for two more tandem car dumpers.

The segment has also won new contracts for site civil and fabrication works in the gold mining region of Kalgoorlie. The scope of works on the Mungari Gold contract includes detailed earth works and concrete works as well as onsite tank and bin fabrication.

Other sectors including ports, energy, agriculture and water continue to provide infrastructure project opportunities for the segment's existing capabilities.

HOPE DOWNS 4 EXPANSION PROJECT

Location: Pilbara, Western Australia

Civmec scope of works: Since September 2011, Civmec have been working with Rio Tinto at the Hope Downs 4 mine site delivering major site construction civil works to sustain tonnage as the company seeks to reach 360 Mt/a capacity in the Pilbara.

▸ GORGON DOWNSTREAM LNG PROJECT - BARROW ISLAND

Location: Barrow Island, Western Australia

Civmec scope of works:
Civmec was awarded the contract for the Shop Fabrication of Structural Steel for the Gorgon Downstream LNG Project at Barrow Island off the Northwest coast of Western Australia.

The project involves the construction and commissioning of a liquefied natural gas plant, condensate handling facilities, carbon dioxide injection facilities and various utilities and comprises 3 trains for which Civmec is supplying over 11,000 tonnes of structural steel. Civmec was also awarded the preassembly of modular frames in various configurations and both carbon and stainless steel pipe supports.

We also delivered over 120,000 tonnes of precast concrete components for the Gorgon Barrow Island LNG onshore process plant.

ASSET MANAGEMENT & INTEGRATED SERVICES

The company expanded and realigned its operational structure to include the new Asset Management and Integrated Services Segment during the 2013 financial year.

The company has strategically positioned the segment to take advantage of Civmec's core skills and capabilities in meeting the requirements of the mining sector's output efficiency focus. These requirements include infrastructure upgrades, major maintenance and servicing work.

Shutdowns and capital maintenance scheduling generated by the oil and gas sector are also a focus. With its extensive modern waterfront facility in Henderson and a large skilled workforce that can be quickly mobilised, the company is well positioned to provide offsite fabrication and other support for these activities.

While not a quick entry market sector, the segment is evolving and the outlook remains positive as the new project management team gains momentum.

New opportunities to service customers have already been identified, with scaffolding services recently added to the segment's suite of capabilities. Continuing contracts including the Brockman projects for civil and maintenance works are performing well.

Strength Through Innovation

Civmec sustains its competitive advantages by driving and unlocking the value of innovation, and developing strategic partnerships. The success of the company's projects demonstrate the benefits of continually nurturing a culture of innovative thinking and continuous improvement. As the following examples show, strength through innovation has delivered customised solutions and ensured cost effective outcomes without compromising safety and quality.

- **Accropodes II units for the Wheatstone LNG Project** – innovative manufacturing methods enabled Civmec to be price competitive against imports from lower cost countries, resulting in the first ever contract for Australian made units.
- **Tandem car dumpers for Metso** – the completion of the design award winning tandem car dumper for Rio Tinto was followed by the awarding of contracts for a further two tandem car dumpers.
- **Precast concrete modules for Gorgon** – the use of re-usable custom made formwork and application of methodologies that improved safety, accuracy, and productivity were innovations that contributed to the success of this contract for Leighton.
- **Workshop innovation** – continuous improvements in workflows and materials handling, use of high-tech multi-purpose robotic tools, and automated beam and plate processing contribute to the company's highly efficient, high quality fabrication.
- **Safety innovations** – this has been the driving force behind our teams' willingness and initiative to introduce new safety methods across our projects. The high level of accountability and innovation demonstrated by our team members allows us to deliver projects in a safer work environment, whilst delivering positive project cost efficiencies, in many cases.

Civmec's strength through innovation has delivered customised solutions and ensured cost effective savings without compromising safety and quality.

Our People, Our Community & the Environment

SUPPORTING OUR COMMUNITY

Civmec acknowledges its position and responsibility in the community and is committed to supporting various charitable initiatives and community partnerships. During the year, the company supported several recognised initiatives for the personal development, health and well being of individuals as well as the broader community.

THE DREAMFIT FOUNDATION

Civmec has introduced a unique employee safety incentive whereby it donates the proceeds from savings attributable to the achievement of specific safety performance targets to Dreamfit, a not-for-profit organisation that uses innovative engineering to overcome challenges and fulfil dreams of people with disabilities.

THE DAVID WIRRPANDA FOUNDATION

By actively participating in a charity fun run – "Cool Night Classic" – Civmec and its employees made a combined effort in raising funds for this organisation, which is focused on improving the quality of life for indigenous people.

INDIGENOUS COMMUNITY INVOLVEMENT

The company is committed to improving indigenous employment, cultural diversity training, work readiness training and other indigenous cultural and economic awareness activities and engages with indigenous consultants to achieve sustainable benefits for indigenous communities.

APPRENTICE OF THE YEAR AWARD

Civmec sponsored the Master Builders WA award for the "Apprentice of the Year". This award acknowledges excellence of training and skills in the building and construction industry in Western Australia.

EMPOWERING OUR PEOPLE

We believe that shared values are the foundations to building a stronger and more united organisational culture. We promote positive attitude, teamwork and client focus. All our employees are dedicated to delivering the company's core values.

OUR VALUES

- SAFETY AND WELLBEING
- ACCOUNTABILITY
- TEAMWORK
- INTEGRITY
- POLITENESS AND COURTESY
- OPENESS AND TRUST

"Our values drive us to achieve our goals and are what we aspire to see in all our people"

SAFE DAY GOOD DAY

The well being and safety of our employees is an utmost priority at Civmec. Using a practical and effective safety management system, and a strong safety culture, we are continually improving our safety procedures in accordance with our high safety standards

Civmec is certified to AS4801 for its Occupational, Health and Safety management systems.

TRAINING AND DEVELOPMENT

We recognise the importance of developing our people and providing them with the right skills for today and for the future. We continue to invest in the training and multi skilling of our people through our traineeships, apprenticeships and course enrolments.

We encourage employees to be innovative and actively share ideas in the workplace. We believe that each employee has a unique contribution to make to the organisation.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

Civmec has implemented an Employee Assistance Program (EAP) to provide all employees with access to professional counselling and assistance to help deal with work and life issues.

INVESTORS IN THE ENVIRONMENT

Civmec proactively identifies the environmental aspects associated with its business activities and implements measures to continually improve its environmental performance. The company's focus is on three dynamic areas; its environmental plan, its commitment and its involvement.

THE PLAN

An Environmental Management Plan lays the foundations for Civmec to manage all environmental requirements and comply with the ISO 14001 standard for Environmental Management Systems. It is the essential link between the assessment of the environmental impacts and project activities.

THE COMMITMENT

Civmec is committed to achieving excellent environmental outcomes and does so by providing visible leadership in promoting the highest practicable standards. To achieve this commitment the organisation:

- Reduces resource consumption and waste generation.
- Applies best practice standards for environmental management and complies with all applicable laws, regulations and standards.
- Creates awareness and provides training and support to employees to help them to work in an environmentally responsible manner.
- Conducts regular reviews to ensure compliance and continual improvement

THE INVOLVEMENT

Civmec participated in “Clean Up Australia Day Campaign” in September 2012. It is a voluntary initiative where companies participate by collecting rubbish and waste from the local environment. Civmec Employees volunteered to assist in the clean-up area along Karijini drive to the Punurrunha Camp facility in the Pilbara.

Patrick John Tallon

Chief Executive Officer

Mr Patrick John Tallon is the Chief Executive Officer and was appointed to our Board on 27 March 2012. Mr Tallon is a founding member of the Group and has been with the company since its inception in July 2009. He has the executive responsibility for the strategic decisions and policies of the company, including safety, setting a culture of openness, team building, and the Group's financial performance. He is also responsible for the implementation of the company's long and short term plans. Over the past 26 years Mr Tallon has accumulated significant knowledge and experience in all aspects of the construction industry, whilst developing and refining his leadership skills. His involvement in many major oil & gas, mining and infrastructure projects has provided him with a strong understanding of the stakeholders' requirements at all levels in those respective segments.

Chong Teck Sin

Lead Independent Director

Mr Chong Teck Sin is our Lead Independent Director and was appointed to our Board on 27 March 2012. He was formerly the Executive Director and Group Managing Director (Commercial) of SGX-listed Seksun Corporation Ltd (subsequently known as Enporis Greenz Limited after the sale of its core business to a private equity in Oct 2007) from 1999 to 2004, and thereafter, served as a non-executive director on the boards of directors of companies and/ or entities. Mr Chong was also formerly an independent director of Beyonics Technology Limited and ASX-listed Blackgold International Holdings Limited and is currently an independent director of AVIC International Maritime Holdings Limited and InnoTek Limited. Mr Chong is also an independent director of Changan Minsheng APLL Logistics Co., Ltd, which is listed on the Stock Exchange of Hong Kong Limited. Between April 2004 and March 2010, Mr Chong was a board member of the Accounting and Corporate Regulatory Authority (ACRA). Between October 2008 and July 2010, Mr Chong was also a board member of the National Kidney Foundation. Mr Chong graduated with a Bachelor of Engineering from the University of Tokyo in 1981 and a Masters of Business Administration from the National University of Singapore in 1987.

Kevin James Deery

Chief Operating Officer

Mr Kevin James Deery is the Chief Operating Officer and was appointed to our Board on 27 March 2012. He is responsible for the overall operations of the Group, including setting the groups budgets, management and development of the Group's operations as well as setting safety and quality culture and compliance. He is also charged with heading up the group's strategy for the improvement of productivity and minimisation of waste. From 2001 to 2009, Mr Deery held various positions including Manager of Projects with AGC Industries Pty Ltd where he managed SMP construction works for major clients. Mr Deery has over 19 years of experience in fabrication and construction projects for the oil and gas and mining sectors. Mr Deery holds a Bachelor of Engineering (Mechanical) Degree from Curtin University.

James Finbarr Fitzgerald

Executive Chairman

Mr James Finbarr Fitzgerald is the Executive Chairman of the Group and was appointed to our Board on 27 March 2012. He is responsible for the corporate direction, development and performance of the Group. Mr Fitzgerald is a founding member of the Group and has been with the company since its inception in July 2009. With over 32 years experience he has gained extensive knowledge in the civil, structural, mechanical, piping and insulation contracting sectors. Mr Fitzgerald founded Ausclad Industries (AGC) in 1988 where he was responsible for the strategic direction, organisational performance and sustainable growth of the company during his 20 year tenure. Mr Fitzgerald also has significant experience in the modularisation and installation of structures for both offshore and onshore developments.

Wong Fook Choy Sunny

Independent Director

Mr Sunny Wong Fook Choy is an Independent Director and was appointed to our Board on 27 March 2012. He is a practising advocate and solicitor of the Supreme Court of Singapore. Mr Wong started his legal career in 1982 and he 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. and KTL Global Ltd. Mr Wong holds a Bachelor of Law (Honours) from the National University of Singapore.

Douglas Owen Chester

Independent Director

Mr Douglas Owen Chester was appointed to our Board as an Independent Director on 2 November 2012. He was formally the Australian High Commissioner to Singapore (2008-12). He retired from the Australian public service in late 2012 after a 33 year career. Mr Chester held senior positions in the Department of Foreign Affairs and Trade and was Deputy Secretary from 2003. In addition to Singapore, he served in Washington and Brunei. He is an independent director of Stamford Land Corporation Limited. Mr Chester holds a Bachelor of Science (Honours) from the Australian National University. He is a member of the Singapore Institute of Directors and a member of the Australian Institute of Company Directors.

Civmec Executive Team

Giuseppe Carrabba

Chief Financial Officer

Mr Giuseppe Carrabba is our CFO. He joined our Group in July 2011 and is responsible for the financial management of our Group. Mr Carrabba commenced his career in 1993 in public practice as an accountant. In 1999, he was an accountant in Lycopodium Ltd, an Australian based engineering and project management company. In 2002, Mr Carrabba joined PMP Print Ltd, a printing and distribution company listed on the Australian Securities Exchange as a Commercial Manager. In 2007, he joined the Industrial Foundation for Accident Prevention, an independent, not-for-profit, member based occupational health and safety training organisation as Chief Financial Officer. Mr Carrabba holds a Bachelor of Business from Curtin University of Technology and is a member of CPA Australia.

Adam Portaro

General Manager - Oil and Gas

Mr Adam Portaro is our General Manager of Oil & Gas. He joined our Group in April 2013 and is responsible for the management of the Oil and Gas activities of our Group. Adam Portaro is an industry veteran with in-depth contracting expertise. He most recently held executive construction management positions in public companies Leighton Constructions (3 years) and prior to that an executive management position responsibile for heavy engineering and construction with AusGroup, a position held for 12 Years.

Len Greenhalgh

General Manager - Asset Management and Integrated Services

Mr Lenard William Greenhalgh is our General Manager Asset Management and Integrated Services. He joined our Group in March 2013 and is responsible for the management of the maintenance and integrated services activities of our Group. Prior to joining our Group, he held a number of senior management roles WorleyParsons, QR National Rail, Transfield and Alstom. The past 10 years was spent in various construction and project management roles in the minerals, energy and infrastructure sectors. Mr Greenhalgh is an Associate of the Institution of Engineers, Australia and a Graduate of the Society of Engineering Associates.

Terence Hemsworth

Support Services Manager

Mr Terence Hemsworth is our Support Services Manager. He joined our Group in 2010 and is responsible for the management and coordination of our Support Services Department which encompasses the functions of human resource management, recruitment, industrial relations, commercial, procurement, legal, risk and insurance and business systems. 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, resource and infrastructure sectors in the United Kingdom, South Africa, New Zealand, Australia, Singapore and Malaysia.

Rod Bowes

Proposals Manager

Mr Rodney John Bowes is our Proposals Manager. He joined our Group in 2010 and is responsible for the management of our Estimating Department, the preparation of tenders and contract documentation, and the negotiation of contracts. Prior to joining our Group, Mr Bowes was General Manager (marketing and proposals) at Ausgroup Limited for eight years, where he was in charge of the management of the business development, and the marketing and estimating departments.

Giusseppe Macri

Business Development Manager

Mr Giuseppe Macri is our Business Development Manager. He joined our Group in 2010 and is responsible for identifying and targeting new business opportunities, preparing and submitting pre-qualification expressions of interest documentation, and preparing prospect assessments and process evaluation for bidding tenders. Prior to joining our Group, Mr Macri was the Business Development Manager of AGC Industries Pty Ltd (a wholly-owned subsidiary of AusGroup Limited). Prior to joining AusGroup Limited, Mr Macri joined Transfield Construction Pty Ltd in 1967, and was appointed General Manager of fabrication operations in Western Australia in 1974, a position he held until 2002. Mr Macri brings to our Group approximately 47 years of experience in the heavy engineering and construction industry.

Colin Swan

Finance Manager

Mr Colin Brown Swan is our Finance Manager. He joined our Group in 2009 and is responsible for the day-to-day management of the financial operations of our Group. Prior to joining our Group, from 2008 to 2009, Mr Swan was Finance Manager at Civmec Construction & Engineering Pty Ltd (then a subsidiary of VDM Group Limited). From 2002 to 2006, Mr Swan was Financial Manager at Intervid International, where he was responsible for implementing various systems for the management of accounting and financial operations. Mr Swan is an associate of the Institute of Chartered Secretaries and Administrators (ICSA), a Member of the Institute of Public Accountants, and holds a certificate in management from the Graduate Institute of Management and Technology.

Corporate Governance

"Good governance is a foundation of our business and is embedded in our management culture."

The Board of Directors (the "Board") and the Management of Civmec Limited (the "Company") together with its subsidiaries (the "Group"), recognise the importance of good corporate governance in ensuring greater 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.

The revised Code of Corporate Governance 2012 (the "2012 Code") will take effect in respect of annual reports of the Company for financial years commencing on or after 1 November 2012.

This Report describes the Company's corporate governance practices that were in place during the financial year ended 30 June 2013 ("FY2013") with specific reference to the Code of Corporate Governance 2005 ("Code"). Where there are deviations from the Code, appropriate explanations are provided.

BOARD'S CONDUCT OF AFFAIRS

Principle 1:

Effective board to lead and control the Company. The Board is collectively responsible for the success of the Company. The Board works with Management to achieve this 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 development 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 Singapore Exchange Securities Trading Limited ("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 the Board members are actively engaged and play an important role in ensuring good corporate governance within the Company. Visits to the Company's business premises are also arranged to acquaint the non-executive Directors with the Company's operations, meet with senior staff 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.

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, 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.

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").

Corporate Governance (cont'd)

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 provides for Directors, where necessary, to conduct meetings by teleconferencing or videoconferencing or other similar means of communication whereby all persons participating in the meeting are able to hear each other. The Board and Board Committees may also make decisions by way of circulating resolutions.

The number of Board and Board Committee meetings held and attended by each Board member during FY2013 is set out below:-

		Board Committees			
	Board	**Audit Committee**	**Remuneration Committee**	**Nominating Committee**	**Risks and Conflicts Committee**
No. of Meetings Held	4	4	4	4	4
			No. of Meetings Attended		
James Finbarr Fitzgerald	4	4*	4*	4*	4*
Patrick John Tallon	4	4*	4*	4*	4*
Kevin James Deery	4	4*	4*	4*	4*
Chong Teck Sin	4	4	4	4	4
Chelva Retnam Rajah(1)	1	1	1	1	1
Wong Fook Choy Sunny	4	4	4	4	4
Douglas Owen Chester(2)	3	3	3	3	3

Notes:

* *By invitation*

(1) Mr Chelva Retnam Rajah retired from the office on 25 October 2012.

(2) Mr Douglas Owen Chester was appointed as Independent Non-Executive Director on 2 November 2012. He was also appointed as Chairman of Nominating and a member of Audit, Remuneration and Risks and Conflicts Committees on 2 November 2012.

BOARD'S 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. This composition exceeds the Code's requirement of at least one-third of the Board of Directors to comprise independent Directors.

The Board, in consideration of the complexity and nature of operations of the Company, considers its current size to be adequate for effective decision-making. The profile of the Directors is set out on pages 36 and 37 of this Annual Report.

The Company has adopted the 2012 Code definition of 'Independent Director" and its guidance in respect of relationships which would deem a Director to be regarded as non-independent.

The independence of each Director is reviewed annually by the NC in accordance to 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 form, which is drawn up based on the definitions and guidelines set forth in Guideline 2.1 in the 2012 Code, requires each Director to assess whether he considers himself independent despite not having any of the relationships identified in the 2012 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.

In order to strengthen the independence of the Board, the Company has appointed a Lead Independent Director, Mr Chong Teck Sin, to co-ordinate and lead the Independent Directors and to provide a non-executive perspective and to contribute a healthy balance of view-points.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3:

Clear division of responsibilities at the top of the Company. 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 business. The Executive Chairman and the Chief Executive Officer are not related.

The Chairman ensures that Board meetings are held when necessary and sets the agenda in consultation with other Directors. The Chairman reviews all Board papers, prior to their being presented to the Board, and 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 of new Directors to the Board.

The Company had established a NC to make recommendations to the Board on all board appointments. The NC comprises all the three Independent Non-Executive Directors namely Mr Douglas Owen Chester, Mr Wong Fook Choy Sunny and Mr Chong Teck Sin.

The NC is chaired by Mr Douglas Owen Chester, who is not associated with any substantial shareholders of the Company.

Corporate Governance (cont'd)

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

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

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

(c) 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;

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

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

(f) assess the performance of the Board as a whole and contribution of each Director to the effectiveness of 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 Boards;
- The NC meets with short-listed candidates to assess their suitability and to ensure that the candidates are aware of the expectations; and
- The NC makes recommendations to the Board for approval.

Pursuant to the Articles of the Company, 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:

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

For the year under review, the NC 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.

To date, none of the Independent Directors of the Group has been appointed as Director of the Company's principal subsidiaries. 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 corporate decision to consider the appointment of the Independent Director into the principal subsidiaries.

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

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

Name of Director	Date of Initial Appointment	Date of Last Re-election	Present Directorships in Listed Companies	Past Directorships in Listed Companies*
James Finbarr Fitzgerald	27 Mar 2012	25 Oct 2012	-	AusGroup Limited
Patrick John Tallon	27 Mar 2012	25 Oct 2012	-	-
Kevin James Deery	27 Mar 2012	25 Oct 2012	-	-
Chong Teck Sin	27 Mar 2012	25 Oct 2012	AVIC International Maritime Holding Limited Changan Minsheng APLL Logistics Co., Ltd(2) InnoTeck Limited	JES International Holdings Limited Wanxiang International Limited Sihuan Pharmaceutical Holdings Group Ltd Beyonics Technology Limited Eastgate Technology Ltd Blackgold International Holdings Limited(3)
Wong Fook Choy Sunny	27 Mar 2012	25 Oct 2012	Mencast Holdings Ltd KTL Global Ltd Albedo Limited Excelpoint Technology Ltd	Global Testing Corporation Limited Advanced Integrated Manufacturing Corp. Ltd.
Douglas Owen Chester(1)	2 Nov 2012	-	Stamford Land Corporation Ltd	-

* *Within the past 5 years*

Notes:

(1) *Mr Douglas Owen Chester was appointed as an Independent Non-Executive Director on 2 November 2012.*

(2) *Listed on Hong Kong Stock Exchange*

(3) *Listed on Australian Stock Exchange*

Corporate Governance (cont'd)

BOARD PERFORMANCE

Principle 5:

Formal assessment of the effectiveness of the Board as a whole 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 attendance record at meetings and the contribution of individual Directors, and reports the outcome to the Board. The Chairman of the Board may take actions as may be appropriate according to the results of the performance evaluation, which will be based on objective performance criteria proposed by the NC and approved by the Board.

As the Company has been listed on the SGX-ST for less than two (2) years, the consideration of the Company's share price performance over a five (5) year period is not applicable. However, the Board will review this performance criterion when relevant.

The NC has assessed the Board's performance to-date and is of the view that the performance of the Board as a whole is adequate. The NC is satisfied that despite some of the Directors having board representations in other non-Group Board representations, the Directors are able to and have adequately carried out their duties as Directors of the Company.

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

ACCESS TO INFORMATION

Principle 6:

Board members should be provided with complete, adequate and timely information on an on-going basis.

The Board has separate and independent access to the senior Management of the Company and the Company Secretaries at all times. Requests for information are dealt with promptly by 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 and agenda 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, attend and document all Board meetings, and assist the Chairman in implementing appropriate Board procedures to facilitate effective compliance with the Company's Memorandum and Articles of Association. The Company Secretaries also ensure the requirements of the Companies Act (Chapter 50) of Singapore, Listing Manual and other relevant rules and regulations applicable to the Company are complied with. The Company Secretaries work together with the respective segments of 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, at the Company's expense, to 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 had established a RC to make recommendations to the Board on remuneration packages of individual Directors and key executives. The RC comprises all the three Independent Non-

Executive Directors namely Mr Wong Fook Choy Sunny, Mr Douglas Owen Chester and Mr Chong Teck Sin and is chaired by Mr Wong Fook Choy Sunny.

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

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

(b) determine specific remuneration packages for each executive Director;

(c) 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

(d) perform such other acts as may be required by the Singapore Exchange Securities Trading Limited and the Code from time to time.

The recommendations of the RC should be submitted for endorsement by the entire Board. Each member of the RC shall abstain from voting on any resolutions in respect of his own remuneration package. Also, in the event that a member of the RC is related to the employee under review, he 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 executives covering all aspects of remuneration but not limited to Directors' fees, salaries, allowances, bonuses, incentives schemes and benefits-in-kind.

The RC also oversees the administration of the Civmec Employee Share Option Scheme ("Option Scheme") and Civmec Performance Share Plan (the "Share Plan") (and such other similar share plans as may be implemented by the Company from time to time) upon the terms of reference as defined in the said Option Scheme and Share Plan. The Option Scheme and Share Plan were established on 27 March 2012 and 25 October 2012 respectively and had a 10 year tenure commencing on the establishment date.

Principle 8:

Remuneration of Directors should be adequate but not excessive. A significant proportion of executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance.

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.

Staff 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 Company's Option Scheme and Share Plan, are in place to strengthen the pay-for-performance framework by rewarding and recognising the key executives' contributions to the growth of the Company.

The Company has entered into service agreements with the Executive Directors, Mr James Finbarr Fitzgerald, Mr Patrick John Tallon and Mr Kevin James Deery. Each service agreement is valid for an initial period of three years with effect from the date of the Company admission to the Official List of the SGX-ST. Upon the expiry of the initial period of three years, the employment of each Executive Directors shall be renewed for a further three years on such terms as may be agreed by the RC unless either party notifies the other party by giving three months' written notice of its intention not to renew the employment. During the initial period of 3 years, either party may terminate the Service Agreement at any time by giving to the other party not less than six months' notice in writing, or in lieu of notice, payment of amount equivalent to six months' salary. The Executive Directors do not receive Directors' fees. The Executive Directors and senior Management employees' 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.

Corporate Governance (cont'd)

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

Principle 9:

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

Remuneration band and Name of Director	Salary	Bonus	Directors' Fees	Allowances and Other Benefits	Total
S$500,000 to S$749,999					
James Finbarr Fitzgerald	87%	-	-	13%	100%
Patrick John Tallon	86%	-	-	14%	100%
Kevin James Deery	89%	-	-	11%	100%
Below S$250,000					
Chong Teck Sin	-	-	100%	-	100%
Douglas Owen Chester(1)	-	-	100%	-	100%
Wong Fook Choy Sunny	-	-	100%	-	100%
Chelva Retnam Rajah(2)	-	-	100%	-	100%

Note:
(1) Mr Douglas Owen Chester was appointed as Independent and Non-Executive Director on 2 November 2012.
(2) Mr Chelva Retnam Rajah retired from the office on 25 October 2012.

Remuneration band and Name of Key Executive	Designation	Salary	Bonus	Allowances and Other Benefits	Total
S$500,000 to S$749,999					
Trevor White(1)	General Manager (Operations)	86%	-	14%	100%
S$250,000 to S$499,999					
Terence Hemsworth	Support Services Manager	84%	-	16%	100%
Giuseppe Macri	Business Development Manager	83%	-	17%	100%
Rodney John Bowes	Proposals Manager	84%	-	16%	100%
Colin Swan	Finance Manager	80%	-	20%	100%
Below S$250,000					
Giuseppe Carrabba	Chief Financial Officer	79%	-	21%	100%
Lenard Greenhalgh(2)	General Manager (Asset Management and Integrated Services)	91%	-	9%	100%
Adam Portaro(3)	General Manager (Oil and Gas)	87%	-	13%	100%

Note:
(1) Mr Trevor White resigned from the company on 12 April 2013.
(2) Mr Lenard Greenhalgh joined the company on 18 March 2013.
(3) Mr Adam Portaro joined the company on 08 April 2013.

Apart from Thomas Tallon who holds the position of "Supervisor - Construction" with a remuneration exceeding S$150,000 for FY2013, being the brother of Patrick Tallon the CEO, the Company does not have any employees who are immediate family members of a Director or the controlling shareholders during FY2013. The Remuneration Committee 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 Share Plans can be found in the "Report of 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 Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects, to its shareholders, the public and regulators. The Board is accountable to its shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to its shareholders in compliance with the statutory requirements and the Listing Manual.

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

Principle 11:
Establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises all the three Independent Non-Executive 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 its terms of reference which highlights its primary responsibilities as follows:-

(a) to assist the Board in discharging their responsibility to safeguard the company's assets, maintain adequate accounting records, and develop and maintain effective systems of internal control with the overall objective of ensuring that the management creates and maintains an effective control environment in the Group;

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

(c) 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); and

(d) to monitor and review the scope and results of external audit and its cost effectiveness and the independence and objectivity of the external auditors.

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

(a) 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;

(b) 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;

Corporate Governance (cont'd)

(c) review the half yearly and, where applicable, quarterly, and annual financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant and statutory or regulatory requirements;

(d) review the internal control and procedures and ensure co-ordination between the external auditors and the management, review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);

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

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

(g) review the Group's hedging policies, procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging polices approved by the Board;

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

(i) 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;

(j) review and discuss with investigators, any suspected fraud, irregularity, or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response thereto;

(k) 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;

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

(m) 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;

(n) review the 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;

(o) review arrangements by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

(p) 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 co-operation 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:

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

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

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

(d) met with the Company's external auditors without the presence of the management;

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

(f) 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 has reviewed the external auditors' non-audit services, and 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 on value for money consideration.

The AC has recommended to the Board the re-appointment of Messrs Moore Stephens LLP as the Company's external auditors.

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

The Company has established a whistle-blowing policy where staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters, and ensure that arrangements are in place for independent investigations of such matters and for appropriate follow up actions.
To date there were no reports received through the whistle-blowing mechanism.

Principle 12:

Maintains a sound system of internal controls to safeguard the shareholders' investments 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 assets. Procedures are in place to identify major business risks and evaluate potential financial effects, as well as for the authorisation of capital expenditure and investments.

The external auditors carry out, in the course of their statutory audit, an annual review of the effectiveness of the Group's key internal controls, including financial, operational and compliance controls as well as risk management 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.

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's Management and that were in place throughout the financial year and up to the date of this report provide reasonable, but not absolute, assurance against material financial misstatements or losses. This 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. The Board is therefore of the view, with the concurrence of the AC, that the system of internal controls and risk management maintained by the Group is adequate to safeguard shareholders' investments and the Group's assets in the current business environment.

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.

Corporate Governance (cont'd)

Principle 13:

Establish an internal audit function that is 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 Company's assets.

The Company's internal audit function is outsourced to Messrs Deloitte Touche Tohmatsu, which is independent of the Company's business activities. The internal auditors conduct audit based on the standards set by internationally recognised professional bodies. The 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 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 audit of high risk areas and undertaking investigations as directed by the AC.

The Company has a Risks and Conflicts Committee which monitors and reviews the Company's risk management policy and procedures.

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.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

The Company is committed to regular and open communication with its shareholders. In line with continuous obligations of the Company pursuant to the Listing Manual, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Company.

Information is disseminated to shareholders on a timely basis through:

- SGXNET announcements;

- annual reports prepared and issued to all shareholders;

- quarterly and annual financial statements containing a summary of the financial information and affairs of the Company for the period;

- notices of general meetings; and

- the Company's website www.civmec.com.au provides corporate information, announcements, press releases and other information pertaining to the Company.

The Company does not practice selective disclosure as all material and price-sensitive information is released through SGXNET.

Principle 15:

Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

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 one or two proxies by shareholders, to attend the AGM and vote in his/her place. 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.

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 FY2013 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 person transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

During FY2013, the Board has reviewed the transactions entered into with interested persons and disclosure of interested person transactions is set out below:

Name of interested person	Nature of transaction	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000)
Ann Tallon and Tallon Investment Trust(1)	Lease Agreement	S$159,000	-

Note:
(1) The lease agreement expired on 31 December 2012 and was not renewed.

Dealing in Securities

The Company has in place a policy prohibiting share dealings by Directors and employees of the Company when in possession of price sensitive information and for the period of two weeks before the release of quarterly results and one 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 within 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.

Corporate Governance (cont'd)

RISK MANAGEMENT

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

The RCC has been set up to assist the Board in carrying out its responsibilities by reviewing the types and levels of risks undertaken by the Group and any conflicts of interests encountered by the Group, and recommending and approving the policies and procedures for monitoring and managing such risks and conflicts of interests. 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 and Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the RCC.

UTILISATION OF PROCEEDS

As at 30 June 2013, proceeds from the initial public offering on 13 April 2012 has been fully utilised in accordance with the "use of proceeds and listing expenses" in the Company's offer document dated 5 April 2012.

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 Sin Chee Mei
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.au

Contents to the Financial Reports

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 2013 and the statement of financial position of the Company as at 30 June 2013.

1 Directors

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

James Finbarr Fitzgerald	*Executive Chairman*
Patrick John Tallon	*Chief Executive Officer*
Kevin James Deery	*Chief Operating Officer*
Chong Teck Sin	*Independent Director*
Wong Fook Choy Sunny	*Independent Director*
Douglas Owen Chester	*Independent Director (Appointed on 2 November 2012)*

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 "Performance Share Plan" on pages 58 and 61 respectively.

3 Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 01.07.2012	At 30.06.2013	At 01.07.2012	At 30.06.2013
The Company (No. of ordinary shares)				
James Finbarr Fitzgerald	-	-	97,566,806	97,566,806
Patrick John Tallon	-	-	97,566,806	97,566,806
Kevin James Deery	-	-	13,660,000	13,660,000

There was no change in any of the above-mentioned interests between the end of the financial year and 21 July 2013.

Report of the Directors (cont'd)

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 accompanying notes to the financial statements and in this report, and except that certain directors have employment relationships with the Company and have received remuneration in that capacity.

5 Share Options

Civmec Employee Share Option Scheme

The Civmec Employee Share Option Scheme (the "CESOS") for key management personnel and employers 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.

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.

Report of the Directors (cont'd)

5 Share Options (cont'd)

Civmec Employee Share Option Scheme (cont'd)

Principal terms of the Scheme (cont'd)

(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 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.

Report of the Directors (cont'd)

5 Share Options (cont'd)

Civmec Employee Share Option Scheme (cont'd)

Principal terms of the Scheme (cont'd)

(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.

(vii) Duration of the Scheme

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

Options Granted under the Scheme

During the financial year, no options to take up unissued shares of the Company and its subsidiaries were granted.

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

During the financial year, no options to take up unissued shares of the Company and its subsidiaries were granted.

Report of the Directors (cont'd)

6 Performance Share Plan

Civmec 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.

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 CPSP

(i) Participants

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

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 CPSP, and;

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

(ii) Size of the CPSP

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 CESOS, 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).

Report of the Directors (cont'd)

6 Performance Share Plan (cont'd)

Civmec Performance Share Plan (cont'd)

Principal terms of the CPSP (cont'd)

(iii) Grant of Awards

Under the rules of the CPSP, 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 CPSP 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 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 CPSP

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

Awards Granted under the CPSP

During the financial year, no awards for shares of the Company and its subsidiaries were granted.

Report of the Directors (cont'd)

7 Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

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

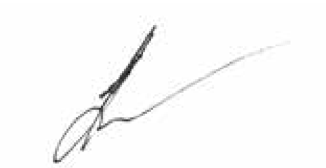
All members of the Audit Committee are non-executive directors. The Audit Committee performs the functions specified by the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance.

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.

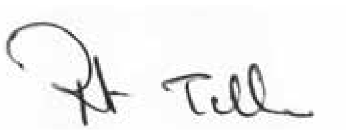
8 Independent Auditors

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
25 September 2013

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 as set out on pages 67 to 126 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2013 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company and the Group 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
25 September 2013

Independent Auditors' 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 67 to 126, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2013, 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, (Cap. 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 profit and loss accounts and balance sheets 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.

Independent Auditors' Report (cont'd)

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 state of affairs of the Group and of the Company as at 30 June 2013 and the results, 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.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
25 September 2013

Consolidated Income Statement

for the year ended 30 June 2013

	Note	Group 2013 S$'000	Group 2012 S$'000
Revenue	4	405,924	328,654
Cost of sales		(335,977)	(267,860)
Gross profit		69,947	60,794
Other income	4	742	1,514
Share in profit of a joint venture	17	568	234
Administrative expenses		(21,512)	(17,866)
Finance costs	7	(1,605)	(1,483)
Profit before income tax	5	48,140	43,193
Income tax expense	8	(12,091)	(12,883)
Profit for the year		36,049	30,310
Profit attributable to:			
Owners of the Company		36,049	30,310
Non-controlling interest		-	-
		36,049	30,310
Earnings per share attributable to equity holders of the Company (cents per share):			
− Basic	9	7.20	6.05
− Diluted	9	7.20	6.05

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2013

	Group	
	2013	2012
	S$'000	S$'000
Profit for the year	36,049	30,310
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on re-translation from functional currency to presentation currency	(12,277)	185
Total comprehensive income for the year	23,772	30,495
Total comprehensive income attributable to:		
Owners of the Company	23,772	30,495
Non-controlling interest	-	-
	23,772	30,495

Statements of Financial Position

as at 30 June 2013

	Note	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000	Company 2012 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	23,108	33,801	403	1,295
Trade and other receivables	10	89,873	86,620	4,188	5,082
Other current assets	11	118	337	31	-
		113,099	120,758	4,622	6,377
Non-current assets					
Investment in joint venture	17	725	232	-	-
Investments in subsidiaries	16	-	-	8,769	9,792
Loans receivable	13	-	-	35,355	37,380
Property, plant and equipment	14	75,037	55,885	-	-
Intangible assets	15	12	13	-	-
Deferred tax assets	8	4,383	2,470	-	-
		80,157	58,600	44,124	47,172
TOTAL ASSETS		193,256	179,358	48,746	53,549
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	18	48,016	58,215	180	359
Borrowings	19	9,521	3,318	-	-
Payable to related parties	25	-	123	1,001	901
Provisions	20	3,233	3,400	-	-
Current tax liabilities		681	13,852	-	-
		61,451	78,908	1,181	1,260
Non-current liabilities					
Borrowings	19	19,955	10,055	-	-
Provisions	20	1,330	642	-	-
Deferred tax liabilities	8	342	341	-	-
		21,627	11,038	-	-
TOTAL LIABILITIES		83,078	89,946	1,181	1,260

Statements of Financial Position (cont'd)

as at 30 June 2013

	Note	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000	Company 2012 S$'000
Capital and Reserves					
Share capital	21	37,864	37,864	37,864	37,864
Other reserves	22	(1,798)	10,479	4,940	10,432
Retained earnings		74,113	41,070	4,761	3,993
Total equity attributable to the Owners of the Company		110,179	89,413	47,565	52,289
Non-controlling interest		(1)	(1)	-	-
TOTAL EQUITY		110,178	89,412	47,565	52,289
TOTAL LIABILITIES AND EQUITY		193,256	179,358	48,746	53,549

Consolidated Statement of Changes in Equity

for the year ended 30 June 2013

Group	Share capital S$'000	Merger reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total S$'000	Non-controlling interest S$'000	Total S$'000
		← Other reserves →					
Balance as at 01 July 2012	37,864	9,010	1,469	41,070	89,413	(1)	89,412
Profit for the year	-	-	-	36,049	36,049	-	36,049
Other comprehensive loss for the year	-	-	(12,277)	-	(12,277)	-	(12,277)
Total comprehensive income for the year	-	-	(12,277)	36,049	23,772	-	23,772
Dividends paid	-	-	-	(3,006)	(3,006)	-	(3,006)
Balance as at 30 June 2013	37,864	9,010	(10,808)	74,113	110,179	(1)	110,178

Group	Share capital S$'000	Merger reserve S$'000	Option premium on convertible loans S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total S$'000	Non-controlling interest S$'000	Total S$'000
		← Other reserves →						
Balance as at 01 July 2011	-*	9,010	242	1,284	10,760	21,296	(1)	21,295
Profit for the year	-	-	-	-	30,310	30,310	-	30,310
Other comprehensive income for the year	-	-	-	185	-	185	-	185
Total comprehensive income for the year	-	-	-	185	30,310	30,495	-	30,495
Issuance of shares pursuant to increase capital contribution	125	-	-	-	-	125	-	125
Issuance of shares pursuant to conversion	18,919	-	(242)	-	-	18,677	-	18,677
Issuance of shares pursuant to the IPO	20,400	-	-	-	-	20,400	-	20,400
Costs directly attributable to IPO	(1,580)	-	-	-	-	(1,580)	-	(1,580)
Balance as at 30 June 2012	37,864	9,010	-	1,469	41,070	89,413	(1)	89,412

**Less than S$1,000*

Consolidated Statement of Cash Flows

for the year ended 30 June 2013

	Note	Group 2013 S$'000	Group 2012 S$'000
Cash Flows from Operating Activities			
Profit before income tax		48,140	43,193
Adjustments for:			
Depreciation of property, plant and equipment	14	5,169	4,160
Amortisation of management fee		-	422
Gain on disposal of property, plant and equipment	4	(34)	(78)
Share of profit in joint venture	17	(568)	(234)
Write-back of interest on convertible loans	4	-	(809)
Finance cost	7	1,605	1,483
Interest income	4	(629)	(618)
Exchange translation differences		(4,023)	(6)
Operating cash flow before working capital changes		49,660	47,513
Changes in working capital:			
Increase in trade and other receivables		(3,253)	(66,218)
Decrease/(Increase) in other current assets		219	(267)
(Decrease)/Increase in trade and other payables		(10,199)	46,930
Increase in provisions		521	3,210
Cash generated from operations		36,948	31,168
Interest received		629	618
Finance cost paid		(1,605)	(1,483)
Income taxes paid		(27,329)	(4,159)
Net cash generated by operating activities		8,643	26,144
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		102	333
Purchase of property, plant and equipment	14	(32,716)	(16,516)
Net cash used in investing activities		(32,614)	(16,183)

Consolidated Statement of Cash Flows (cont'd)

for the year ended 30 June 2013

	Note	Group 2013 S$'000	Group 2012 S$'000
Cash Flows from Financing Activities			
Proceeds from issuance of shares		-	20,525
IPO expenses deducted from proceeds	28	-	(1,580)
Proceeds from borrowings		31,759	9,355
Repayment of borrowings		(12,517)	(11,755)
(Repayment to)/Advances from related parties		(123)	105
Dividends paid		(3,006)	-
Decrease/(Increase) in deposits pledged		993	(1,009)
Net cash generated by financing activities		17,106	15,641
Net (decrease)/increase in cash and cash equivalents		(6,865)	25,602
Effects of currency translation on cash and cash equivalents		(2,819)	570
Cash and cash equivalents at the beginning of the financial year		32,792	6,620
Cash and cash equivalents at the end of the financial year		23,108	32,792
Analysis of cash and cash equivalents:			
Cash on hand and in banks	12	23,108	33,801
Less: Deposits pledged		-	(1,009)
		23,108	32,792

Notes to the Financial Statements

30 June 2013

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

1 General Information

(a) The Company

Civmec Limited (the "Company") was incorporated in the Republic of Singapore on 3 June 2010 under the Singapore Companies Act, Cap. 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) since 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 2013 were authorised for issue on the date of the statement by the directors.

(b) Group Restructuring Exercise

On 27 March 2012, the Company undertook a reorganisation of the corporate structure to streamline and rationalise the Group's structure and business pursuant to which the Company became the holding company of the Group.

(i) Acquisition of CCE by the Company

On 27 March 2012, the Company entered into a share swap agreement with the Shareholders of Civmec Construction & Engineering Pty Ltd ("CCE") to acquire 100% of the issued and paid-up share capital of CCE from the Shareholders. The consideration was satisfied by the allotment and issuance of 323,938,000 ordinary shares in the capital of the Company, in the same proportions in which they held CCE Shares (Note 21).

Notes to the Financial Statements (cont'd)

30 June 2013

1 General Information (cont'd)

(b) Group Restructuring Exercise (cont'd)

(i) Acquisition of CCE by the Company (cont'd)

After the completion of the Group Restructuring Exercise, the Company has the following controlled entities:

Name of subsidiaries	Date and place of incorporation and principal place of business	Principal activities	Cost of investment (A$)	% of equity held by the Company
Civmec Construction & Engineering Pty Ltd	22 June 2009 (Australia)	Civil construction Structural Mechanical Process piping (SMP)	7,578,683	100%
Civmec Holdings Pty Ltd	30 June 2009 (Australia)	Asset holding company	120	100% (held by CCE)
Ballymount Holdings Pty Ltd	17 January 2005 (Australia)	Asset holding company	2,288,930	100% (held by CCE)
Civmec Pipe Products Pty Ltd	28 June 2010 (Australia)	Asset holding company	835	83.5% (held by CCE)

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies

(a) Basis of Preparation

The Group is regarded as a continuing entity resulting from the Group Restructuring Exercise since all the entities which took part in the Group Restructuring are deemed to be controlled by the same ultimate controlling parties, James Finbarr Fitzgerald and Olive Theresa Fitzgerald (acting as trustees for the JF & OT Fitzgerald Family Trust) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust). Consequently, immediately after the Group Restructuring, there is a continuation of the risks and benefits to the ultimate controlling parties that exist prior to the Group Restructuring Exercise. The Group Restructuring Exercise has been accounted for as a restructuring under common control in a manner similar to pooling of interests.

Accordingly, the financial statements for the financial year ended 30 June 2012 have been prepared on the basis of merger accounting and comprise the audited financial statements of the entities which are under common control of the ultimate controlling parties that exist before and after the Group Restructuring Exercise.

In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs and for any comparative periods disclosed, are included in the financial statements of the entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the entity. Therefore, the entity recognises the assets, liabilities and equity of the consolidated entities or businesses at the carrying amounts in the financial statements of the controlling party or parties prior to the common control combination. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the consolidated entities or businesses, whether occurring before or after the combination, are eliminated in preparing the consolidated financial statements of the entity.

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.

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

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.

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

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

For the financial year ended 30 June 2013, 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:

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*

The amendments to FRS 1 changes the grouping of items presented in other comprehensive income. Items that will be reclassified subsequently to profit and loss when specific conditions are met would be presented separately from items that will not be reclassified subsequently to profit or loss. As the amendments only affect the presentation of items that are already recognised in other comprehensive income, there is no impact on the financial position or performance of the Group upon adoption of these amendments.

(ii) New or Revised FRS Issued But Not Yet Effective

At the date of authorisation of these financial statements, the Group and the Company has not applied the following new and revised FRS that have been issued and which are relevant to the Group and the Company but will only be effective for the Group for annual periods beginning 1 July 2013 onwards.

FRS 27 (Revised) *Separate Financial Statements*

FRS 27 (Revised) will now solely address separate financial statements, the requirements for which are substantially unchanged. It is effective for annual periods beginning on or after 1 January 2014 and will not have any impact on the financial position or financial performance of the Group when implemented.

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

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

(ii) New or Revised FRS Issued But Not Yet Effective (cont'd)

FRS 28 (Revised) *Investments in Associates and Joint Ventures*

FRS 28 (Revised) changes in scope as a result of the issuance of FRS 111 *Joint Arrangements.* It continues to prescribe the mechanics of equity accounting. The changes are effective for accounting periods beginning on or after 1 January 2014, and will have no impact on the financial position or financial performance of the Group when implemented.

FRS 110 *Consolidated Financial Statements*

FRS 110 *Consolidated Financial Statements* supersedes FRS 27 *Consolidated and Separate Financial Statements* and INT FRS 12 *Consolidation – Special Purpose Entities*, which is effective for annual periods beginning on or after 1 January 2014.

The standard changes the definition of control and applies it to all investees to determine the scope of consolidation. FRS 110 requirements will apply to all types of potential subsidiary. It 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 Group has reassessed which entities the Group controls and expects no change.

FRS 111 *Joint Arrangements*

FRS111 which is effective for annual periods beginning on or after 1 January 2014, supersedes FRS 31 *Interests in Joint Ventures Arrangements*, eliminates the option of using proportionate consolidation for a jointly controlled entity and FRS 31's 'jointly controlled operations' and 'jointly controlled assets' categories. These categories will fall into the newly defined category 'joint operation'. The adoption of this standard will have no impact on the financial position or financial performance of the Group when implemented.

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

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

(ii) New or Revised FRS Issued But Not Yet Effective (cont'd)

FRS 112 *Disclosures of Interests in Other Entities*

FRS 112 *Disclosures of Interests in Other Entities,* which is effective from 1 January 2014 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, it will not have any impact on the financial position or financial performance of the Group when implemented.

FRS 113 *Fair Value Measurement*

FRS 113 *Fair Value Measurement* provides guidance on how to measure fair values including those for both financial and non-financial items and introduces significantly enhanced disclosures about fair values. It does not address or change the requirements on when fair values should be used. When measuring fair value, an entity is required to use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. It requires disclosures of a fair value hierarchy for all assets and liabilities measured at fair value. This FRS is to be applied for annual periods beginning on or after 1 January 2013. The Group is in the process of assessing the impact on the financial statements. As for the disclosures, it will not have any impact on the financial position or financial performance of the Group when implemented.

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

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

(ii) New or Revised FRS Issued But Not Yet Effective (cont'd)

Amendments to FRS 32 *Offsetting of Financial Assets and Financial Liabilities*

The amendments to FRS 32 clarify that an entity must currently have a legally enforceable right of set off that is:

(a) not contingent on a future event; and
(b) legally enforceable in all of the following circumstances:

- (i) the normal course of business;
- (ii) the event of default; and
- (iii) the event of insolvency or bankruptcy of the entity and all of the counterparties.

The amendment to FRS 32 is effective for annual periods beginning on or after 1 January 2014. The Group is in the process of assessing the impact on the financial statements.

Amendments to FRS 107 *Disclosure of Offsetting of Financial Assets and Financial Liabilities*

Amendments to FRS 107 contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position or are subject to master netting arrangements or similar agreements. Therefore, an entity needs to identify all financial assets and financial liabilities that fall within the two categories mentioned. The amendments explain that their scope includes financial assets and financial liabilities subject to similar agreements that cover similar financial instruments and transactions. It is effective for annual periods beginning on or after 1 January 2013. As this is a disclosure standard, it will not have any impact on the financial position or financial performance of the Group when implemented.

(c) Basis of Consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by owners of the Company. They are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(d) 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").

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

(e) Income Tax

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

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

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

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

Deferred tax assets and liabilities are measured:

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

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

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

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

(e) Income Tax (cont'd)

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.

(f) Foreign Currency Translation

<u>Functional and presentation currency</u>

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$).

Notes to the Financial Statements (cont'd)

30 June 2013

2 **Significant Accounting Policies** (cont'd)

(f) Foreign Currency Translation (cont'd)

Transactions and balances

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

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

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

Group companies

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

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

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

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

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

(g) Construction Contracts 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:

i. total contract revenue can be measured reliably;
ii. it is probable that the economic benefits associated with the contract will flow to the enterprise;
iii. both the contract cost to complete the contract and the stage of contract completion at the balance sheet date can be measured reliably; and
iv. 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)

30 June 2013

2 Significant Accounting Policies (cont'd)

(h) Financial Assets

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.

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.

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.

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.

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

(h) Financial Assets (cont'd)

Impairment (cont'd)

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.

(i) 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.

(j) 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.

<u>Property</u>
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.

<u>Plant and equipment</u>
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.

<u>Depreciation</u>
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.

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

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

Depreciation (cont'd)

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.

(k) Impairment of Non-Financial Assets

Non-financial assets are tested for impairment whenever there is any objective evidence or 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)

30 June 2013

2 Significant Accounting Policies (cont'd)

(k) 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.

(l) 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.

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

<u>Classification as debt or equity</u>

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

<u>Financial liabilities</u>

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.

Notes to the Financial Statements (cont'd)

30 June 2013

2 **Significant Accounting Policies** (cont'd)

(m) Financial Liability and Equity Instruments Issued by the Group (cont'd)

Financial liabilities (cont'd)

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.

(n) 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.

(o) 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.

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

(o) Leases (cont'd)

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.

(p) Joint Venture

The Group's joint venture is the entity over which the Group has contractual arrangements to jointly share the control over the economic activity of the entity with another party. The Group's interest in the joint venture is accounted for in the consolidated financial statements using the equity method. On disposal of investment in joint venture, the difference between the net disposal proceeds and the carrying amount of the investment are recognised in profit or loss.

(q) 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.

(r) 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.

Notes to the Financial Statements (cont'd)

30 June 2013

2 Significant Accounting Policies (cont'd)

(s) 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.

(t) 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').

(i) 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.

(ii) 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 (i); or

(7) a person identified in (i) (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)

30 June 2013

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:

(a) 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 2013 was S$75,037,000 (2012: S$55,885,000) (Note 14). A 10% difference in the expected useful lives of these assets from management's estimate would result in an approximately S$517,000 (2012: S$416,000) variance in the Group's profit before tax.

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.

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 18.

Deferred tax assets

The Group recognises deferred tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised and that the Group is able to satisfy the continuing ownership test.

The carrying amount of deferred tax assets are S$4,383,000 (2012: S$2,470,000).

Notes to the Financial Statements (cont'd)

30 June 2013

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(b) 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:

Allowance for 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.

No impairment loss on trade and other receivables were recorded for the financial years ended 30 June 2013 and 2012.

The carrying value of the Group's trade and other receivables as at 30 June 2013 and 2012 is S$89,873,000 and S$86,620,000, 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 2013 and 2012.

The carrying amount of property, plant and equipment at 30 June 2013 is S$75,037,000 (2012: S$55,885,000).

Notes to the Financial Statements (cont'd)

30 June 2013

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

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

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 2013 and 2012.

The carrying amount of the Company's investment in subsidiaries as at 30 June 2013 is S$8,769,000 (2012: S$9,792,000).

4 Revenue and Other Income

	Group	
	2013 S$'000	2012 S$'000
Revenue		
Construction contract revenue	404,988	328,016
Revenue from sales of goods	902	631
Revenue from the rendering of services	34	7
	405,924	328,654
Other Income		
Interest income on bank balances	629	618
Rental income	79	-
Gain on disposal of property, plant and equipment	34	78
Net foreign exchange gain	-	9
Write-back of interest on convertible loans	-	809
	742	1,514

Notes to the Financial Statements (cont'd)

30 June 2013

5 Profit before Income Tax

	Note	Group 2013 S$'000	Group 2012 S$'000
The following items have been included in arriving at profit before tax:			
Included in cost of sales:			
Direct materials		103,786	80,460
Employee benefits	6	134,924	106,708
Subcontract works		73,612	53,353
Manufacturing and other overheads		11,698	17,605
Workshop costs		7,247	5,867
Depreciation		4,710	3,867
Included in administrative expenses:			
Amortisation of management fee		-	422
Audit fees:			
▪ Auditors of the Company		106	90
▪ Other auditors		122	91
Non-audit fees paid to other auditors		32	12
Business development		281	256
Communications		695	754
Depreciation		459	293
Directors' fees		196	25
Employee benefits	6	13,568	9,143
IPO expenses		-	634
Occupancy expenses		2,588	2,506
Office costs		1,320	1,270
Other administrative expenses		1,692	1,538
Other professional fees		151	30
Tax fees		294	48
Foreign exchange difference, net		7	245

6 Employee Benefits Expenses

	Group 2013 S$'000	Group 2012 S$'000
Wages and salaries	146,875	114,775
Contributions to defined contribution plans	990	722
Other employee benefits	627	354
	148,492	115,851

Notes to the Financial Statements (cont'd)

30 June 2013

7 Finance Costs

	Group	
	2013	2012
	S$'000	S$'000
Bank bills	372	354
Finance leases	1,121	1,084
Premium funding	95	45
Other finance costs	17	-
	1,605	1,483

8 Income Tax Expense

	Group	
	2013	2012
	S$'000	S$'000
Current income tax – current year	15,680	14,400
Deferred income tax – current year	(2,347)	(1,573)
(Over)/Under-provision in respect of prior years	(1,242)	56
	12,091	12,883

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	
	2013	2012
	S$'000	S$'000
Profit before income tax	48,140	43,193
Income tax at 30% (2012: 30%)	14,442	12,958
Add tax effect of:		
Non-assessable items	(1,137)	(346)
Non-allowable items	28	215
(Over)/Under-provision respect of prior years	(1,242)	56
	12,091	12,883
Weighted average effective tax rates are as follows:	25.1%	29.8%

Notes to the Financial Statements (cont'd)

30 June 2013

8 Income Tax Expense (cont'd)

The tax rate used for the 2013 and 2012 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:

	Property, plant and equipment (tax allowance/ impairment) S$'000	Borrowing costs S$'000	Share of profits in joint venture S$'000	Prepayment S$'000	Total S$'000
Deferred tax liabilities:					
Balance at 1 July 2011	259	2	-	-	261
Charged to profit or loss	16	(2)	70	-	84
Currency translation	(4)	-	-	-	(4)
Balance at 30 June 2012	271	-	70	-	341
Balance at 1 July 2012	271	-	70	-	341
Charged to profit or loss	(132)	-	171	1	40
Currency translation	(16)	-	(23)	-	(39)
Balance at 30 June 2013	123	-	218	1	342

	Property, plant and equipment (tax allowance/ impairment) S$'000	Interest bearing loans and borrowings S$'000	Expenses accrued S$'000	Other current assets S$'000	Provision employee benefits S$'000	Provision others S$'000	Borrowing costs S$'000	Carried forward tax losses S$'000	Unrealised foreign exchange losses S$'000	Contract in progress S$'000	Intangibles S$'000	Total S$'000
Deferred tax assets:												
Balance at 1 July 2011	34	220	156	21	233	16	-	152	-	-	1	833
Credited to profit or loss	(33)	406	461	-	808	164	1	(150)	-	-	-	1,657
Currency translation	-	(5)	(5)	-	(8)	(1)	-	(1)	-	-	-	(20)
Balance at 30 June 2012	1	621	612	21	1,033	179	1	1	-	-	1	2,470
Balance at 1 July 2012	1	621	612	21	1,033	179	1	1	-	-	1	2,470
Credited to profit or loss	52	669	648	-	62	307	11	-	620	18	-	2,387
Currency translation	(5)	(125)	(123)	(2)	(114)	(46)	(1)	-	(56)	(2)	-	(474)
Balance at 30 June 2013	48	1,165	1,137	19	981	440	11	1	564	16	1	4,383

Notes to the Financial Statements (cont'd)

30 June 2013

8 Income Tax Expense (cont'd)

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2012: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to S$797,959 (2012: S$891,058). The deferred tax liability is estimated to be S$239,388 (2012: S$267,317).

Tax consequences of proposed dividends

There are no income tax consequences (2012: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 28 (b)).

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	
	2013	2012
Profit attributable to the owners of the Company (S$'000)	36,049	30,310
Weighted average number of ordinary shares issued	501,000,000	501,000,000*
Basic and diluted earnings per share (cents)	7.20	6.05

* Assumed to be issue throughout the entire financial year presented

Diluted earnings per share is calculated by dividing net profit attributable to the owners 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 there is no dilutive potential ordinary shares, the diluted earnings per share is the same as the basic earnings per share.

Notes to the Financial Statements (cont'd)

30 June 2013

10 Trade and Other Receivables

	Note	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000	Company 2012 S$'000
Current:					
Trade receivables					
- Third party		54,959	55,236	-	-
- Retention on construction claims		14,914	4,300	-	-
		69,873	59,536	-	-
Amount due from customers for contracts in progress	(a)	19,091	26,238	-	-
Receivables from subsidiaries		-	-	4,188	2,076
Receivables from joint venture		651	727	-	-
Dividends receivable		-	-	-	3,006
Other receivables		258	119	-	-
Total current trade and other receivables		89,873	86,620	4,188	5,082
(a) Contracts in progress:					
Contract costs incurred		331,456	267,860	-	-
Recognised profits		73,532	60,785	-	-
		404,988	328,645	-	-
Less: Progress billings		(392,063)	(302,262)	-	-
Currency translation		(1,170)	(145)	-	-
Amount due from customers for construction contracts		11,755	26,238	-	-
Presented as:					
Due from customers		19,091	26,238	-	-
Due to customers	18	(7,336)	-	-	-
		11,755	26,238	-	-

11 Other Current Assets

	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000	Company 2012 S$'000
Prepayments	118	337	31	-

Notes to the Financial Statements (cont'd)

30 June 2013

12 Cash and Cash Equivalents

	Group		Company	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Cash at bank and in hand	23,108	32,792	403	1,295
Short-term bank deposits	-	1,009	-	-
	23,108	33,801	403	1,295

For the purpose of presenting the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

	Group		Company	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Cash and cash equivalents	23,108	33,801	403	1,295
Less: cash in bank pledged	-	(1,009)	-	-
	23,108	32,792	403	1,295

The effective interest rate on short-term bank deposits was 4.12% per annum in the previous financial year. These deposits matured and were released on 9 August 2012.

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 19 for further details.

13 Loans Receivable

	Company	
	2013	2012
	S$'000	S$'000
Balance at the beginning of the year	37,380	19,638
Loans granted during the year	-	18,000
Currency translation	(2,025)	(258)
Balance at the end of the year	35,355	37,380

The loans granted to a subsidiary are unsecured and interest bearing at 6% per annum (2012: 6%). Interest income recognised for the year amounted to S$2,231,464 (2012: S$1,351,798).

The repayment terms are reviewed at the end of each financial year. As at 30 June 2013, there were no loans which are required to be repaid within the next twelve months.

Notes to the Financial Statements (cont'd)

30 June 2013

14 Property, Plant and Equipment

	Land S$'000	Leasehold building S$'000	Plant and equipment S$'000	Small tools S$'000	Motor vehicles S$'000	Office equipment S$'000	IT equipment S$'000	Assets under construction S$'000	Total S$'000
2013									
Cost									
At 01 July 2012	-	22,461	27,581	2,609	3,547	308	1,290	4,739	62,535
Additions	6,737	19,403	6,187	1,599	1,262	296	166	(2,934)	32,716
Disposals	-	(26)	(119)	(9)	(32)	-	(42)	-	(228)
Currency translation	(610)	(4,101)	(3,431)	(417)	(482)	(59)	(146)	(230)	(9,476)
At 30 June 2013	6,127	37,737	30,218	3,782	4,295	545	1,268	1,575	85,547
Accumulated depreciation									
At 01 July 2012	-	(908)	(3,913)	(458)	(958)	(48)	(365)	-	(6,650)
Depreciation for the year	-	(735)	(2,925)	(499)	(587)	(75)	(348)	-	(5,169)
Disposals	-	26	80	8	30	-	16	-	160
Currency translation	-	159	668	92	150	12	68	-	1,149
At 30 June 2013	-	(1,458)	(6,090)	(857)	(1,365)	(111)	(629)	-	(10,510)
Net carrying amount									
At 30 June 2013	6,127	36,279	24,128	2,925	2,930	434	639	1,575	75,037
2012									
Cost	-								
At 1 July 2011	-	21,932	16,108	811	2,381	138	481	5,516	47,367
Additions	-	824	12,278	1,918	1,213	172	820	(709)	16,516
Disposals	-	-	(525)	(98)	(9)	-	-	-	(632)
Currency translation	-	(295)	(280)	(22)	(38)	(2)	(11)	(68)	(716)
At 30 June 2012	-	22,461	27,581	2,609	3,547	308	1,290	4,739	62,535
Accumulated depreciation									
At 1 July 2011	-	(156)	(2,016)	(132)	(501)	(8)	(115)	-	(2,928)
Depreciation for the year	-	(761)	(2,211)	(420)	(475)	(40)	(253)	-	(4,160)
Transfer/adjustments	-	4	(4)	-	-	-	-	-	-
Disposals	-	-	278	90	9	-	-	-	377
Currency translation	-	5	40	4	9	-	3	-	61
At 30 June 2012	-	(908)	(3,913)	(458)	(958)	(48)	(365)	-	(6,650)
Net carrying amount									
At 30 June 2012	-	21,553	23,668	2,151	2,589	260	925	4,739	55,885

Notes to the Financial Statements (cont'd)

30 June 2013

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$19,127,229 (2012: S$14,384,043).

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

Property, plant and equipment	Borrowings	Group 2013 S$'000	Group 2012 S$'000
Leasehold building	Bank bill, Escrow and Multi-option facility	36,279	21,554
Leased plant and equipment	Finance lease	19,127	14,384
Remaining property, plant and equipment	Floating charge on Multi-option facility	19,631	19,947
		75,037	55,885

Refer to Note 19 for further information on Borrowings.

15 Intangible Assets

	Group 2013 S$'000	Group 2012 S$'000
Goodwill	12	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 2014. 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.

Notes to the Financial Statements (cont'd)

30 June 2013

15 Intangible Assets (cont'd)

Movement in goodwill during the year is follows:

	Group 2013 S$'000	Group 2012 S$'000
Balance at the beginning of the year	13	13
Currency translation	(1)	-
Balance at the end of the year	12	13

16 Investment in Subsidiaries

	Company 2013 S$'000	Company 2012 S$'000
At cost:		
Balance at the beginning of the year	9,792	-
Issuance of shares for acquisition of subsidiaries	-	9,010
Currency translation	(1,023)	782
Balance at the end of the year	8,769	9,792

Details of the Company's subsidiaries at 30 June 2013 are as follows:

Name of subsidiaries	Date and place of incorporation and principal place of business	Principal activities	Cost of investment 2013 S$'000	Cost of investment 2012 S$'000	% of equity held by the Group 2013 %	% of equity held by the Group 2012 %
Held by the Company						
Civmec Construction & Engineering Pty Ltd*	22 June 2009 (Australia)	Civil construction Structural Mechanical Process piping (SMP)	8,769	9,792	100	100

Notes to the Financial Statements (cont'd)

30 June 2013

16 Investment in Subsidiaries (cont'd)

Name of subsidiaries	Date and place of incorporation and principal place of business	Principal activities	% of equity held by the Group	
			2013	2012
			%	%
Held by Civmec Construction &Engineering Pty Ltd				
Civmec Holdings Pty Ltd*	30 June 2009 (Australia)	Asset holding company	100	100
Ballymount Holdings Pty Ltd*	17 January 2005 (Australia)	Asset holding company	100	100
Civmec Pipe Products Pty Ltd*	28 June 2010 (Australia)	Asset holding company	83.5	83.5

*Audited by Moore Stephens Pty Ltd, Perth, Australia

17 Investment in Joint Venture

The joint venture of the Group as at the balance sheet date is set out below:

Name of entity	Date and place of incorporation and principal place of business	Principal activities	% of equity held by the Company	
			2013	2012
			%	%
Held by Civmec Construction &Engineering Pty Ltd				
Cape Civmec Insulation Group Pty Ltd*	16 September 2011 (Australia)	Insulation	50	50

*Audited by Moore Stephens Pty Ltd, Perth, Australia

Notes to the Financial Statements (cont'd)

30 June 2013

17 Investment in Joint Venture (cont'd)

The cost of investment in the joint venture was S$1. The roll forward analysis of the Group's investment in the joint venture is as follows:

	Group	
	2013	2012
	S$'000	S$'000
Balance at the beginning of the year	232	-
Share of profit in the joint venture	568	234
Currency translation	(75)	(2)
Balance at the end of the year	725	232

The following is the financial information for Cape Civmec Insulation Group Pty Ltd:

	Group	
	2013	2012
	S$'000	S$'000
Current assets	4,243	2,829
Non-current assets	1,163	1,156
Current liabilities	2,905	2,347
Non-current liabilities	1,176	1,313
Revenue	9,043	2,531
Cost of sales	6,977	2,023
Expenses	929	42

The Group's share of profit in the joint venture for the year ended 30 June 2013 is S$568,000 (2012: S$234,000).

Notes to the Financial Statements (cont'd)

30 June 2013

18 Trade and Other Payables

	Note	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000	Company 2012 S$'000
Trade creditors		23,399	29,161	-	-
Sundry payables and accrued expenses:					
Accrued expenses		12,393	25,078	121	359
Amount due to customers for contracts in progress	10	7,336	-	-	-
Goods and services tax payable		3,197	2,564	-	-
Other taxes payable		1,632	1,412	-	-
Other payables		59	-	59	-
		48,016	58,215	180	359

Trade and other payables are usually paid within 45 days.

19 Borrowings

	Note	Group 2013 S$'000	Group 2012 S$'000	Company 2013 S$'000	Company 2012 S$'000
Current:					
Finance lease liabilities - secured	19(a)	5,434	3,318	-	-
Bank bills - secured	19(b)	4,087	-	-	-
		9,521	3,318	-	-
Non-current:					
Finance lease liabilities - secured	19(a)	12,185	10,055	-	-
Bank bills - secured	19(b)	7,770	-	-	-
		19,955	10,055	-	-
Total Borrowings		29,476	13,373	-	-

Notes to the Financial Statements (cont'd)

30 June 2013

19 Borrowings (cont'd)

(a) 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 4 and 5 years at interest rates ranging from 5.23% to 9.59% per annum (2012: 6.49% to 9.56%).

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

	Group	
	2013 S$'000	2012 S$'000
Property, plant and equipment (Note 14)	19,127	14,384

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

	Minimum lease payments S$'000	Future finance charges S$'000	Net present value of minimum lease payments S$'000
2013			
Less than one year	6,478	(1,044)	5,434
Between one and five years	13,277	(1,092)	12,185
	19,755	(2,136)	17,619
2012			
Less than one year	4,272	(954)	3,318
Between one and five years	11,251	(1,196)	10,055
	15,523	(2,150)	13,373

Notes to the Financial Statements (cont'd)

30 June 2013

19 Borrowings (cont'd)

(b) 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 2013, the Group did meet all of these financial covenants.

As at 30 June 2013, the Group has a commercial bank facility amounting to S$21,306,644 which was utilised at 56% (2012: Nil). Interest rates are variable and ranged between 4.40% to 6.54% per annum during the financial year ended 30 June 2013 (2012: ranged between 7.11% to 7.52%).

Repayment of the bank bill facilities is on an interest only basis of which 34% is repayable within the next 12 month and 66% is repayable on 14 June 2016 where the terms of the bank bill will then be renegotiated.

(c) Other financing facilities available

The Group has a Multi Option Facility available for a limit of A$10,030,000 (approximately S$11,604,710) (2012: A$10,030,000 (approximately S$12,958,660)). 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 fixed and floating charge over the assets and undertaking of Civmec Holdings Pty Ltd.
- unlimited guarantee and indemnity given by Civmec Holdings Pty 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.

Notes to the Financial Statements (cont'd)

30 June 2013

20 Provisions

	Group 2013 S$'000	Group 2012 S$'000
Current		
Provision for employee benefits	3,233	3,400
Non-current		
Provision for employee benefits	1,330	642
	4,563	4,042

(a) Movements in provisions are as follows:

	Group 2013 S$'000	Group 2012 S$'000
Current		
Opening balance at the beginning of year	3,400	621
Provisions made during the year		
- included in employee benefits (Note 6)	10,069	10,263
Provisions utilised during the year	(9,862)	(7,459)
Currency translation	(374)	(25)
Closing balance at the end of year	3,233	3,400
Non-current		
Opening balance at the beginning of year	642	211
Provisions made during the year		
- included in employee benefits (Note 6)	830	1,825
Provisions utilised during the year	-	(1,389)
Currency translation	(142)	(5)
Closing balance at the end of year	1,330	642

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 2.76% to 3.30%.

Notes to the Financial Statements (cont'd)

30 June 2013

21 Share Capital

	Issued and fully paid			
	Number of shares	2013	Number of shares	2012
		S$'000		S$'000
At the beginning of the year	501,000,000	37,864	1	-
Issuance of shares	-	-	12,499,999	125
Share swap	-	-	323,938,000	-
Share conversion	-	-	113,562,000	18,919
Issuance of shares pursuant to the IPO	-	-	51,000,000	20,400
IPO expenses debited to equity	-	-	-	(1,580)
At the end of the year	501,000,000	37,864	501,000,000	37,864

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.

On 8 November 2011, the Company issued 124,999,999 new ordinary shares for a total consideration of S$124,999 pursuant to the increase in capital contribution. The newly issued fully paid-up ordinary shares rank pari passu in all respects with the previously issued share.

On 27 March 2012, the Company entered into a Share Swap Agreement with the shareholders of Civmec Construction & Engineering Pty Ltd ("CCE") in relation to the acquisition of the entire issued and paid up share capital of CCE for a purchase consideration of 323,938,000 shares (Note 2).

On 11 June 2010 and 15 December 2010, the Company issued convertible loans of A$5,000,000 (approximately S$5,936,380) and A$10,000,000 (approximately S$12,982,800) respectively which incurred interest at 6% per annum. Each convertible loan entitled the holders to convert a loan of A$1 to 11.312 conversion shares and 5.7002 conversion shares respectively. This conversion occurred on 27 March 2012.

On 13 April 2012, the Company was listed on the SGX-Mainboard. The Company issued 51,000,000 new shares valued at S$0.40 for each offer share.

Share Options

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.

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.

Notes to the Financial Statements (cont'd)

30 June 2013

21 Share Capital (cont'd)

Share Options (cont'd)

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.

Particulars of the CESOS are set out under "Share Options" of this Directors' Report.

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

During the current 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 (2012: Nil).

22 Other Reserves

	Group		**Company**	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Foreign currency translation reserve	(10,808)	1,469	(4,070)	1,422
Merger reserve	9,010	9,010	9,010	9,010
	(1,798)	10,479	4,940	10,432

(a) 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.

(b) Merger reserve

Pursuant to the completion of the Restructuring Exercise as disclosed in Note 2, the share capital of Civmec Construction & Engineering Pty Ltd and Controlled Entities is adjusted to merger reserve based on the "pooling of interest method".

Notes to the Financial Statements (cont'd)

30 June 2013

23 Commitments

(a) 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	
	2013	2012
	S$'000	S$'000
Not later than 12 months	2,187	1,540
Between 12 months and five years	9,014	7,369
More than five years	53,435	62,037
	64,636	70,946

The Group has two 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.
- The Darwin property lease at 56 Pruen Road, Northern Territory is for a 3-year period from July 2013 with an option to renew for a further 3 years. Rent increases as per the CPI Index.

(b) Capital expenditure commitments

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

	Group	
	2013	2012
	S$'000	S$'000
Plant and equipment purchases	8,195	2,232
Capital projects	344	18,194
	8,539	20,426
Not later than 12 months	8,539	20,426

Notes to the Financial Statements (cont'd)

30 June 2013

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.

As at 30 June 2013, the Group has provided the following:

	Group	
	2013	2012
	S$'000	S$'000
Bank guarantee	1,289	469
Surety bond facility	30,687	21,706
Letter of credit	61	388
	32,037	22,563

The surety bond facility is provided for the provision of performance bonds to customers of the Group. It has a limit of A$40 million (equivalent to S$46.28 million) as at 30 June 2013 (2012: A$30 million: S$39 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%).

Notes to the Financial Statements (cont'd)

30 June 2013

25 Related Party Transactions (cont'd)

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	
	2013	2012
	S$'000	S$'000
Directors' remuneration		
- Salaries and other related costs	1,945	959
- Directors' fees	174	25
- Post-employment benefits	143	77
Key management personnel		
- Salaries and other related costs	2,488	1,840
- Post-employment benefits	199	142
	4,949	3,043

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.

Notes to the Financial Statements (cont'd)

30 June 2013

25 Related Party Transactions (cont'd)

Transactions with Related Parties (cont'd)

The following transactions occurred with related parties:

	Group 2013 S$'000	Group 2012 S$'000
(a) Purchases of goods and services		
Other Related Parties:		
• Rental paid to a related party (who is a spouse of one of the directors)	(159)	(257)
• Consultant fee paid to a related party (who is a shareholder of the Company)	(20)	-
(b) Borrowings		
Other Related Parties:		
• (Repayment to)/Advances from related parties	(123)	105

The advances from related parties are non-trade in nature, interest-free and are now fully repaid during the financial year.

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, Finance Manager 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

Notes to the Financial Statements (cont'd)

30 June 2013

26 Financial Information by Segments (cont'd)

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, SMP (Structural, Mechanical and Piping Erection), insulation, maintenance and plant hire.

Basis of Accounting for Purposes of Reporting by Operating Segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the consolidated financial statements of the Group.

(b) Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reviewed quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs.

(c) Segment assets and liabilities

The Group does not identify nor segregate its assets and liabilities in operating segments as these are managed on a "group basis".

Geographical Segments (Secondary Reporting)

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 2013, the Group supplies to a single external customer in Mining & Others segment who accounts for 35% of external revenue (2012: 45%). The next most significant client accounts for 22% and 20% (2012: 20% and 18% respectively) of external revenue.

Notes to the Financial Statements (cont'd)

30 June 2013

26 Financial Information by Segments (cont'd)

	2013 Oil and Gas S$'000	2013 Mining and Others S$'000	2013 Total S$'000	2012 Oil and Gas S$'000	2012 Mining and Others S$'000	2012 Total S$'000
Revenue - external sales	143,634	262,290	405,924	79,225	249,429	328,654
Cost of sales (excluding depreciation)	(115,378)	(215,889)	(331,267)	(55,543)	(208,450)	(263,993)
Depreciation expense	(2,186)	(2,524)	(4,710)	(1,755)	(2,112)	(3,867)
Segment results	26,070	43,877	69,947	21,927	38,867	60,794
Unallocated costs			(21,512)			(17,866)
Other income			742			1,514
Share in profit of joint venture	568	-	568	234	-	234
Finance costs			(1,605)			(1,483)
Profit before income tax			48,140			43,193
Income tax expenses			(12,091)			(12,883)
Net profit for the year			36,049			30,310
Segment assets:						
Intangible assets	-	12	12	-	13	13
Unallocated assets:						
Assets			188,743			176,538
Other current assets			118			337
Deferred tax assets			4,383			2,470
Total assets			193,256			179,358
Segment liabilities:						
Unallocated liabilities:						
Liabilities			48,016			58,338
Borrowings			29,476			13,373
Current income tax liabilities			681			13,852
Deferred tax liabilities			342			341
Provisions			4,563			4,042
Total liabilities			83,078			89,946
Other segment information						
Capital expenditures during the year			32,716			16,516

Notes to the Financial Statements (cont'd)

30 June 2013

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.

(a) Market risk

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 2013, approximately 60% (2012: 100%) 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% (2012: Nil) with all other variables remain constant, the Group's profit before tax will be approximately lower/higher by S$119,000 (2012: Nil) as a result of higher/lower interest expenses on these borrowings.

The Group and the Company has cash balances placed with reputable banks and financial institutions. Such balances are placed on varying maturities and generate interest income for the Group and the Company.

The Group obtains additional financing through bank borrowings and leasing arrangements. Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's borrowings and leasing obligations. They are both fixed and floating rates of interest. The policy is to retain flexibility in selecting borrowings at both fixed and floating rates interest.

	Variable rates		Fixed rates			
	Within 1 year	Between 2 to 5 years	Within 1 year	Between 2 to 5 years	Non-interest bearings	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
2013						
Financial Assets						
Cash and cash equivalents	23,108	-	-	-	-	23,108
Trade and other receivables	-	-	-	-	89,873	89,873
	23,108	-	-	-	89,873	112,981
Financial Liabilities						
Trade and other payables	-	-	-	-	35,851	35,851
Borrowings - finance lease	-	-	5,434	12,185	-	17,619
Borrowings - bank bills	4,087	7,770	-	-	-	11,857
	4,087	7,770	5,434	12,185	35,851	65,327

Notes to the Financial Statements (cont'd)

30 June 2013

27 Financial Risk Management (cont'd)

(a) Market risk (cont'd)

Interest rate risk (cont'd)

	Variable rates Within 1 year S$'000	Variable rates Between 2 to 5 years S$'000	Fixed rates Within 1 year S$'000	Fixed rates Between 2 to 5 years S$'000	Non-interest bearings S$'000	Total S$'000
Group						
2012						
Financial Assets						
Cash and cash equivalents	33,801	-	-	-	-	33,801
Trade and other receivables	-	-	-	-	86,620	86,620
	33,801	-	-	-	86,620	120,421
Financial Liabilities						
Trade and other payables	-	-	-	-	54,239	54,239
Borrowings - finance lease	-	-	3,318	10,055	-	13,373
Payable to related parties	-	-	-	-	123	123
	-	-	3,318	10,055	54,362	67,735
Company						
2013						
Financial Assets						
Cash and cash equivalents	403	-	-	-	-	403
Trade and other receivables	-	-	-	-	4,188	4,188
	403	-	-	-	4,188	4,591
Financial Liabilities						
Trade and other payables	-	-	-	-	180	180
Payable to related parties	-	-	-	-	1,001	1,001
	-	-	-	-	1,181	1,181
2012						
Financial Assets						
Cash and cash equivalents	1,295	-	-	-	-	1,295
Trade and other receivables	-	-	-	-	5,082	5,082
	1,295	-	-	-	5,082	6,377
Financial Liabilities						
Trade and other payables	-	-	-	-	359	359
Payable to related parties	-	-	-	-	901	901
	-	-	-	-	1,260	1,260

Notes to the Financial Statements (cont'd)

30 June 2013

27 Financial Risk Management (cont'd)

(a) Market risk (cont'd)

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.

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. 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 Group has a concentration of credit risk with one counterparty accounting for 46% of trade receivables as at 30 June 2013 (2012: 56%). The main source of credit risk to the Group is considered to relate to the class of assets described as "Trade and other receivables".

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)

30 June 2013

27 Financial Risk Management (cont'd)

(a) Market risk (cont'd)

Credit risk (cont'd)

	Gross amount	Within initial trade terms	Past due but not impaired 31 - 60 days	61 - 90 days	> 90 days	Past due and impaired
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
2013						
Trade receivables	69,873	38,272	29,970	570	1,061	-
Other receivables	20,000	20,000	-	-	-	-
Total	89,873	58,272	29,970	570	1,061	-
2012						
Trade receivables	59,536	32,870	23,113	1,368	2,185	-
Other receivables	27,084	27,084	-	-	-	-
Total	86,620	59,954	23,113	1,368	2,185	-
Company						
2013						
Receivables from subsidiaries	4,188	4,188	-	-	-	-
Total	4,188	4,188	-	-	-	-
2012						
Receivable from subsidiaries	2,076	2,076	-	-	-	-
Dividends receivable	3,006	3,006	-	-	-	-
Total	5,082	5,082	-	-	-	-

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 and the Company believe 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 and the Company's monitoring of customer credit risk, the Group and the Company 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.

Notes to the Financial Statements (cont'd)

30 June 2013

27 Financial Risk Management (cont'd)

(a) Market risk (cont'd)

Credit Risk (cont'd)

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		Company	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Cash and cash equivalents:				
AA Rated	23,108	33,801	403	1,295

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 realization profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the Group and the Company has no control over the timing of any potential settlement of the liability.

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.

Notes to the Financial Statements (cont'd)

30 June 2013

27 Financial Risk Management (cont'd)

(a) Market risk (cont'd)

Liquidity Risk (cont'd)

	Carrying amount S$'000	Contractual Undiscounted Cash Flows: Within 1 year S$'000	Between 2 to 5 years S$'000	Total S$'000
Group				
2013				
Financial liabilities:				
Trade and other payables	35,851	35,851	-	35,851
Borrowings:				
− Finance lease	17,619	6,478	13,277	19,755
− Bank bills	11,857	4,267	8,197	12,464
Total financial liabilities	65,327	46,596	21,474	68,070
2012				
Financial liabilities:				
Trade and other payables	54,239	54,239	-	54,239
Borrowings:				
− Finance lease	13,373	4,272	11,251	15,523
Payable to related parties	123	123	-	123
Total financial liabilities	67,735	58,634	11,251	69,885
Company				
2013				
Financial liabilities:				
Trade and other payables	180	180	-	180
Payable to related parties	1,001	1,001	-	1,001
Total financial liabilities	1,181	1,181	-	1,181
2012				
Financial liabilities:				
Trade and other payables	359	359	-	359
Payable to related parties	901	901	-	901
Total financial liabilities	1,260	1,260	-	1,260

Notes to the Financial Statements (cont'd)

30 June 2013

27 Financial Risk Management (cont'd)

(a) Market risk (cont'd)

Capital Management

Management controls the capital of the Group in order to maintain a good debt-to-equity ratio, provide the shareholders with adequate returns and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

The Group and the Company have no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distribution to shareholders and share issues.

The net debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total financial liabilities less cash and cash equivalents.

	Group	
	2013	2012
	S$'000	S$'000
Net debt	42,219	33,934
Total equity	110,179	89,413
Net debt-to-equity ratio	0.38	0.38

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

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. Areas of judgement and the assumptions have been detailed in Note 3 to the consolidated financial statements.

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.

Notes to the Financial Statements (cont'd)

30 June 2013

27 Financial Risk Management (cont'd)

(a) Market risk (cont'd)

Fair Value Estimation (cont'd)

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.

28 Cash Flow Information

(a) Proceeds from issuance of shares of the Company

	Group	
	2013	2012
	S$'000	S$'000
Balance at beginning of year	37,864	-
Issuance of shares of the Company for the year	-	37,864
Balance at end of year	37,864	37,864
Movement in share capital during the year		
Issuance of shares of the Company for the year	-	37,864
Conversion of loans to equity	-	(18,919)
IPO expenses debited to equity	-	1,580
Proceeds from issuance of share of the Company	-	20,525

(b) Declaration of first and final dividends

For the financial year ended 30 June 2013, the board of directors proposed a first and final dividend of 0.7 Singapore cents per ordinary share, subject to the approval of the shareholders at the forthcoming annual general meeting.

Statistics of Shareholders

as at 20 September 2013

Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of issued shares	:	501,000,000 shares
No. of treasury shares	:	Nil

STATISTICS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	3	0.34	368	0.00
1,000 - 10,000	377	42.70	2,317,185	0.46
10,001 - 1,000,000	466	52.77	46,958,194	9.37
1,000,001 and Above	37	4.19	451,724,253	90.17
TOTAL	**883**	**100.00**	**501,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Shareholders' Name	No. of Shares	%
1.	CIMB SECURITIES (SINGAPORE) PTE LTD	187,322,272	37.39
2.	JAMES FINBARR FITZGERALD AND OLIVE TERESA FITZGERALD	97,566,806	19.47
3.	CLARENDON PACIFIC VENTURES PTE LTD	23,812,000	4.75
4.	VAZ LORRAIN MICHAEL	15,277,000	3.05
5.	RAFFLES NOMINEES (PTE) LTD	14,479,321	2.89
6.	HSBC (SINGAPORE) NOMINEES PTE LTD	13,155,000	2.63
7.	FOO SIANG GUAN	11,484,849	2.29
8.	DBS NOMINEES PTE LTD	9,900,038	1.98
9.	LEE TECK LENG	5,700,200	1.14
10.	MAYBANK KIM ENG SECURITIES PTE LTD	5,482,000	1.09
11.	LEYAU LAY HOON	5,477,899	1.09
12.	TAN SIEW HUAY	5,016,845	1.00
13.	CITIBANK NOMINEES SINGAPORE PTE LTD	4,388,386	0.88
14.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,263,000	0.85
15.	ANG KONG HUA	4,153,677	0.83
16.	GOH GEOK LING	3,425,134	0.68
17.	LIM KIM LYE	3,360,000	0.67
18.	LAI VOON NEE	3,300,000	0.66
19.	BANK OF EAST ASIA NOMINEES PTE LTD	3,062,000	0.61
20.	ABN AMRO NOMINEES SINGAPORE PTE LTD	2,800,000	0.56
	TOTAL	**423,426,427**	**84.51**

Statistics of Shareholders (cont'd)

as at 20 September 2013

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
JT & OT Fitzgerald Family Trust[1]	97,566,806	19.47	-	-
Kariong Investment Trust [2]	97,566,806	19.47	-	-
Michael Lorrain Vaz [3]	17,788,000	3.55	23,812,000	4.75
James Finbarr Fitzgerald (and Olive Teresa Fitzgerald)[1]	-	-	97,566,806	19.47
Goldfirm Pty Ltd [2]	-	-	97,566,806	19.47
Patrick John Tallon[2]	-	-	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 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 20 September 2013 and to the best knowledge of the Directors, approximately 50.02% 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 M Hotel Singapore, Shenton Room, Basement 1, 81 Anson Road, Singapore 079908 on Tuesday, 29 October 2013 at 10.30 a.m., 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 2013 together with the Directors' Report and Independent Auditors' Report thereon. *Resolution 1*

2. To approve the 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 2013. *Resolution 2*

3. To approve the payment of Directors' fees of S$190,000 for the financial year ending 30 June 2014, to be paid quarterly in arrears. (FY2013: S$175,000) *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 *Resolution 4*

   (b) Mr Patrick John Tallon *Resolution 5*

   (c) Mr Kevin James Deery *Resolution 6*

   (d) Mr Chong Teck Sin *Resolution 7*

   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.

   (e) Mr Wong Fook Choy Sunny *Resolution 8*

   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.

5. To re-elect Mr Douglas Owen Chester, the director retiring pursuant to Article 123 of the Company's Articles of Association :- *Resolution 9*

   Mr Douglas 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.

6. To re-appoint Messrs Moore Stephens LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. *Resolution 10*

AS SPECIAL BUSINESSES :

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

7. **Authority to allot and issue shares** *Resolution 11*

   "THAT pursuant to Section 161 of the Companies Act, Cap. 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;

(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 (i)]

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

"THAT authority be and is hereby given to the Directors of the Company to offer and grant options in accordance with the Civmec Employee Share Option Scheme (the "CESOS") and/or to grant awards in accordance with the Civmec Performance Share Plan (the "Share Plan") and allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the CESOS and/or the vesting of awards under 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."

[See Explanatory Note (ii)]

9. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Sin Chee Mei
Ang Siew Koon
Company Secretaries
14 October 2013
Singapore

Explanatory Notes:-

(i) Special Business – Item 7 of the Agenda

The Resolution No. 11 proposed in item no. 7 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.

(ii) Special Business – Item 8 of the Agenda

The Resolution No. 12 proposed in item no. 8 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.

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 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.

(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.

(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.

CIVMEC LIMITED
(Company No. : 201011837H)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

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 an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

*I/We ____

of ____

____

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 M Hotel Singapore, Shenton Room, Basement 1, 81 Anson Road, Singapore 079908 on Tuesday, 29 October 2013 at 10.30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary 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.

No.	Ordinary Resolutions	For#	Against#
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 30 June 2013 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 2013.		
3.	Approval of the payment of Directors' fees of S$190,000 for the financial year ending 30 June 2014 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.		

Dated this ________day of ____________________ 2013

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.*

IMPORTANT. Please read notes overleaf.

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.

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.


CO43

“Civmec has consolidated its strengths and is poised to continue the momentum”

James Fitzgerald
Executive Chairman

CIVMEC Limited

Company Registration No. 201011837H

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