Expanding Capabilities, Broadening Horizons

ANNUAL REPORT 2013/2014

Front and inside cover: The Chevron-operated Wheatstone Project located at Ashburton North, 12 km west of Onslow in Western Australia where Civmec have provided precast concrete and site civil works.

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Expanding Capabilities, Broadening Horizons

Civmec Limited Annual Report 2013/2014

Civmec is an integrated, multi-disciplined construction and engineering services provider to the resources and infrastructure sectors. Spread over 120,000m², Civmec's headquarters & state-of-the-art waterfront facilities are located in Perth, Western Australia.


CIVMEC

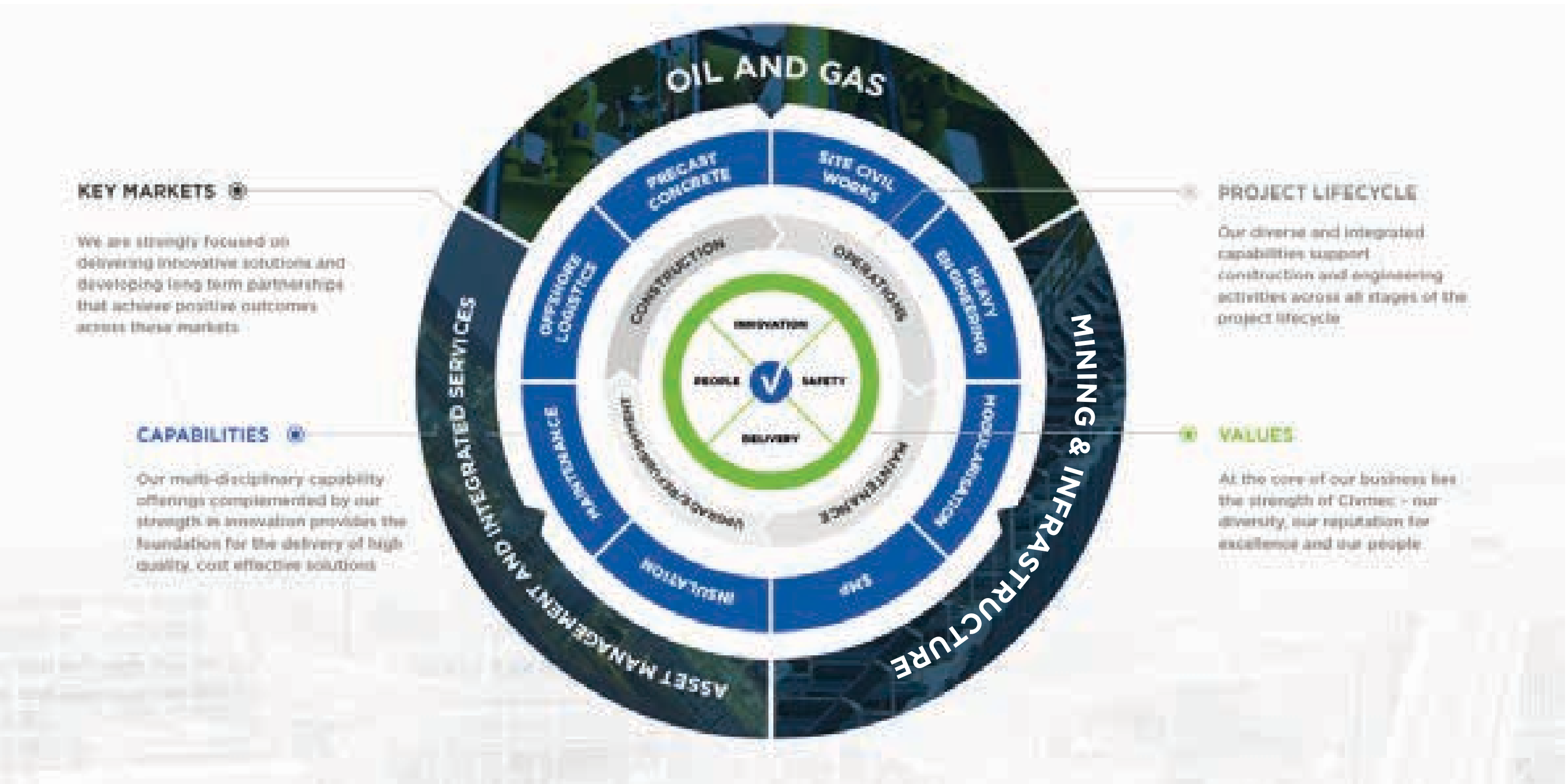
About Us

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

With our diverse capabilities, we can provide our clients with a wide range of complementary in-house core competencies and services. We provide heavy engineering and other services including modular assembly, precast concrete, site civil works, structural, mechanical and process piping installation, industrial insulation, surface treatment, access solutions, offshore logistics and maintenance services.

Spread over 120,000m², Civmec's headquarters & state-of-the-art waterfront facilities are located in Perth, Western Australia. With our diverse capabilities, resources and experience, our dedicated teams can deliver projects anywhere. Our construction projects are supported from our headquarters which include our 29,300m² heavy engineering facility, 7,500m² office headquarters and 4,800m² surface treatment facility.

In April 2012, Civmec Limited was listed on the Singapore Exchange (SGX).



Goals and Values

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

Our goal is to grow a sustainable company that will deliver mutually beneficial outcomes to all stakeholders for now and in the long-term.

We are focused on enhancing our future growth by embracing sound work ethics, innovation and technology, whilst at the same time providing outstanding service to all our customers.

Combined with our successful business model, this positions us to perform well, develop a strong client base and gain repeat business through customer satisfaction.

Our Core Values

- Safety and Well-being
- Accountability
- Teamwork
- Integrity
- Politeness and Courtesy
- Openness and Trust

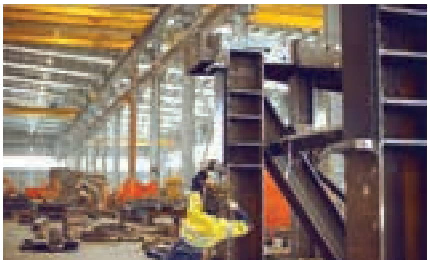
Civmec team members at our precast concrete facility in Darwin, Northern Territory.

Civmec's multi-disciplinary team from one of our remote construction sites in the Pilbara region of Western Australia.

Capability Overview

We provide a diverse range of capabilities across the energy, resources and infrastructure sectors. With our integrated capabilities, we can provide our clients with a wide range of complementary in-house core competencies and services.

Our strength lies in our diversity, our strong dedicated management team and our commitment to providing our clients with the best service. We have built an experienced, well-trained workforce that understands our clients' needs and is able to respond to their requirements efficiently.



Heavy Engineering

We undertake both large and small fabrication projects from our 29,300m^2 undercover facility.

Modularisation

Our large heavy engineering workshop and laydown area enables large modular assemblies that can be fabricated and assembled into single units.

Structural Mechanical & Piping

We undertake complex site structural, mechanical and process piping installation projects for the energy and resources sectors.

> "By continuing to build up our suite of capabilities, we are becoming a specialist provider to customers who increasingly request a holistic, cross-disciplinary, turnkey solution. This also positions the company further up the value-chain for major projects across a broader range of market sectors."

James Fitzgerald
Executive Chairman

Precast Concrete

Our precast concrete business unit has the capability to manufacture reinforced concrete products of all sizes and complexities.

Site Civil Works

We provide a full range of civil services and are at the forefront of creating innovative construction techniques.

Painting, Insulation & Fireproofing

We provide an integrated painting, insulation and fireproofing solution, all of which is supported from our technologically advanced engineering facilities.

Access Solutions

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

Offshore Logistics

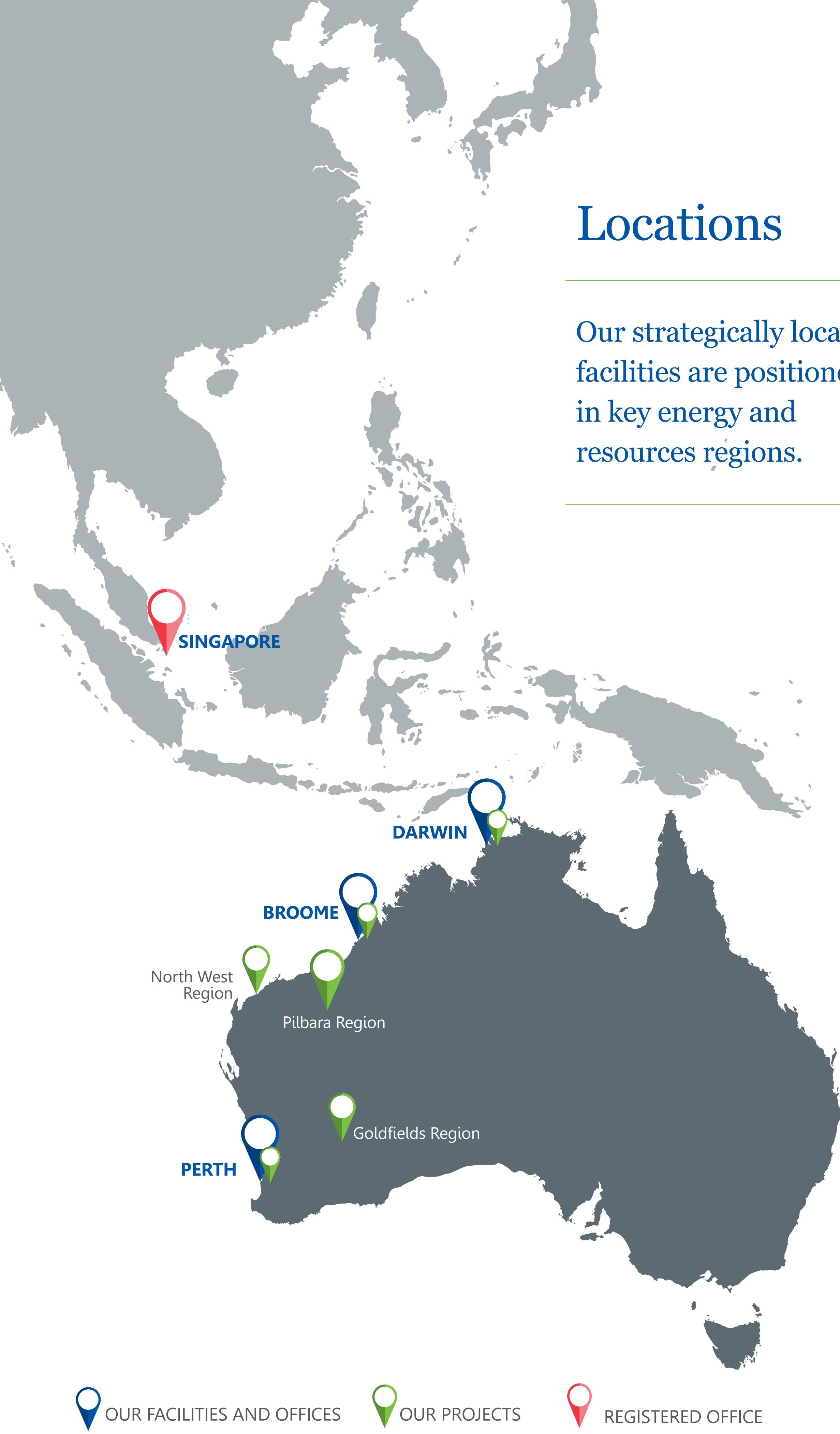
We provide comprehensive integrated supply chain solutions to the onshore and offshore industry.

Maintenance

Our diverse capabilities enable us to provide a single source solution for industrial maintenance.

Locations

Our strategically located facilities are positioned in key energy and resources regions.



Henderson Facility
in Perth, Western Australia

Record revenue of
S$433.7 million

EBITDA of
S$53.8 million

NPAT of
S$35.1 million

NPAT margin
of 8.1%

Conservative net debt to equity ratio
of 12.8%

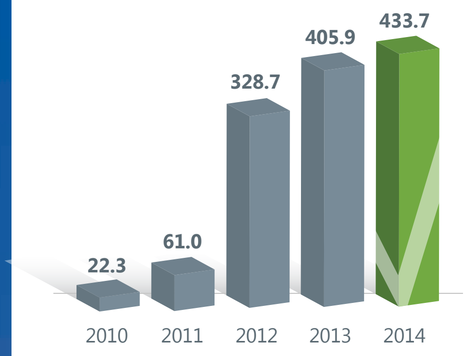
Cash balance of
S$32.5 million

Earnings per share
of 7.0 cents

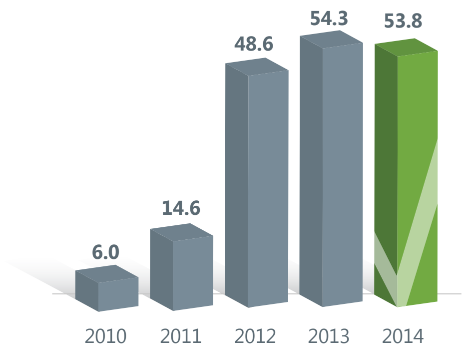
We continue to expand our oil and gas focussed facilities with the construction of a 1,200m² specialist subsea heavy engineering facility at our Henderson operations in Western Australia.

Financial Highlights

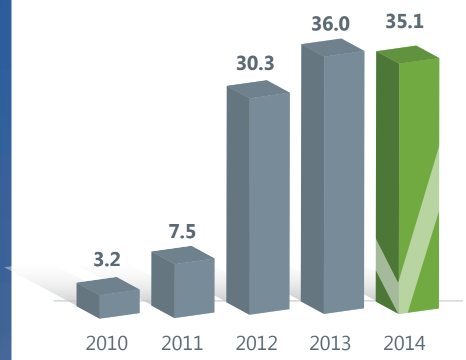
Revenue (S$M)



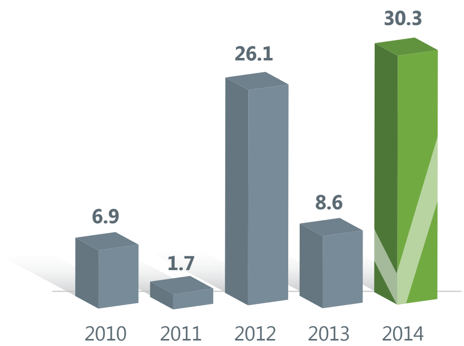
EBITDA (S$M)



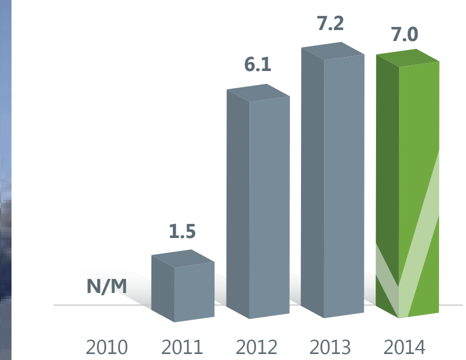
Net Profit After Tax (S$M)



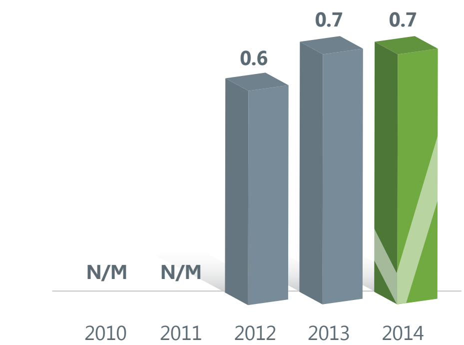
Operating Cash Flow (S$M)



Earnings per Share (Basic)



Dividends Per Share (cents)



Reporting Currency	S$'000	2014	2013	Change
Sales Revenue		433,677	405,924	+6.9%
EBITDA		53,779	54,285	-0.9%
Net Profit After Tax		35,079	36,049	-2.7%
Operating Cashflow		30,255	8,643	+250.0%
Earnings Per Share (Basic)		7.0	7.2	-2.7%
Dividend Per Share (cents)		0.7	0.7	-
Return On Equity (%)		24.3	32.7	-25.7%

Financials

We produced another solid financial performance in FY2014 with a record turnover of S$433.7 million complemented by a strong net profit after tax (NPAT) of S$35.1 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was S$53.8 million, and earnings before interest and tax (EBIT) was S$47.1 million.

Margins remain very healthy at 12.4% for EBITDA, 10.8% for EBIT and 8.1% for NPAT. This resulted in a return on equity of 24.3% and earnings per share of 7.0 cents.

Our continued focus on cash flow discipline resulted in a cash balance at year end of S$32.5 million with a conservative net debt to equity ratio of 12.8%. We now have a stronger balance sheet with an increase in shareholders' funds of S$34.1 million to S$144.3 million in FY2014.

When the currency translation effects are removed, the underlying increase in revenue was 17.5% to A$374.9 million. Likewise the underlying net profit after tax increased 6.7% to A$30.2 million.

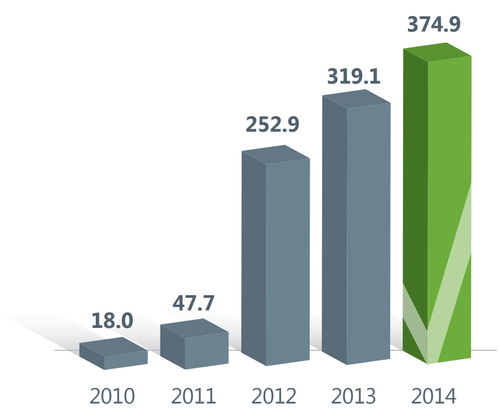
As a result of the high levels of business activity, the underlying revenues and profit in Australian Dollars (A$) increased impressively to new record highs.

A lower average exchange rate for FY2014 compared to FY2013 resulted in a higher revenue and a small drop in reported net profits in S$ terms.

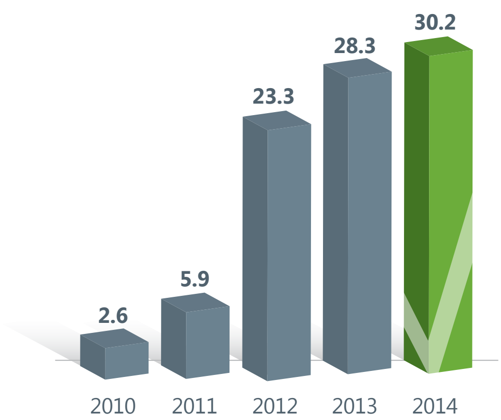
The charts below outlines our 5 year performance in our present operating currency (A$).

Operating Currency	A$'000	2014	2013	Change
Sales Revenue		374,927	319,072	+17.5%
EBITDA		46,480	42,670	+8.9%
Net Profit After Tax		30,231	28,336	+6.7%

Revenue (A$M)



Net Profit After Tax (A$M)



Executive Chairman's Statement

"We look ahead more secure in our strategic direction; more steadfast in our purpose and beliefs; and more confident of our potential to deliver long term value to shareholders."

James Fitzgerald
Executive Chairman

On behalf of the Board of Directors I am pleased to present the Annual Report of Civmec Limited for the year ending 30 June 2014. The company achieved strong results in terms of revenue, profitability and returns to shareholders thereby affirming the strategies implemented in prior years and their continued successful operationalisation during the year.

Financial Performance

As a result of the high levels of business activity, the underlying revenues and profit in Australian Dollars (A$) increased impressively to new record highs.

While the overall underlying business performance reflects a strong and continuing earnings growth, the significant shift in exchange rate between Australian dollars and Singapore dollars mask the magnitude of these outstanding improvements in the results which are reported in Singapore dollars.

Despite these adverse foreign currency translation effects, Civmec produced an excellent financial performance in FY2014 achieving a record turnover of S$433.7 million complemented by a strong net profit after tax (NPAT) of S$35.1 million.

We aim to achieve sound returns to shareholders and the Board has recommended a final cash dividend of 0.7 Singapore cent per share, subject to shareholders' approval at the Annual General Meeting on 28th October 2014.

Our financial performance reflects the considerable maturity we have achieved following a period of rapid evolution since our inception in 2009. Our innovative and creative business model has delivered global competitiveness. The company has demonstrated this by successfully securing contracts against lower cost base countries and delivering improved productivity to key projects with on-time, on-budget performance.

Geographic Expansion

Having achieved considerable market penetration in the Western Australian (WA) resources sector, we are now expanding our capabilities and broadening our horizons to further develop the business and respond to changing market dynamics.

Importantly, the company is already achieving success in developing these new revenue streams which will provide growth and consistency in earnings.

After expanding into Australia's Northern Territory just before the end of the previous financial year, this year we secured our first major contract in the Northern Territory on the A$33 billion Ichthys Onshore Liquefied

Natural Gas (LNG) Facilities project. This milestone affirms our decision to expand geographically into the Northern Territory and to increasingly target the oil and gas sector.

Strategic Focus

A recently completed review highlighted and confirmed three main strategies aimed at increasing revenues, strengthening our value proposition, and improving internal efficiencies:

- Expand via strategic alliances, mergers or acquisitions within Australia and to new geographical markets;
- Increase cross-discipline capabilities to further enhance our position as a preferred heavy engineering specialist in WA and NT; and
- Drive efficiencies by enhancing systems and processes.

We have quickly established ourself as a key construction and logistics services provider in the Northern Territory, demonstrating our ability to pursue strategic opportunities wherever they may emerge by applying our globally competitive practices and proven business model in other regions. Expansion to Singapore is already under consideration. This will serve as a base to establish a global footprint as well as enabling enhanced interaction with our shareholders and the investment community.

By continuing to build up our suite of capabilities, we are becoming a preferred provider to customers who increasingly request a holistic, cross-disciplinary, turnkey solution. This also positions the company further up the value-chain for major projects across a broader range of market sectors.

Our global competitiveness depends on working intelligently applying innovative solutions and technology, deployed in adaptable infrastructure by a flexible, multi-disciplinary workforce.

To maintain and build our advantage, we recognise the need to continuously improve our systems and processes. We have already made a substantial investment in developing our Civtrac business management system (BMS) tool which not only improves our current operations, it enables us to quickly and reliably implement and assess future operational enhancements.

Having firmly established the company following a period of rapid growth, we intend to build further momentum and we remain confident in our future. The three-pronged strategy provides the blueprint for our management and staff to write the next chapter in our success story by capitalising on the opportunities the market presents.

Outlook

We continue to see more opportunities emerging in the oil and gas industry. Investment in the oil and gas sector is forecast to grow, presenting ongoing prospects in 2015 and beyond. We also anticipate increased demand as a result of government spending on infrastructure in Australia. Investment in the Australian mining sector continues to remain at a high level. While the economic outlook sees a levelling in that activity, we remain optimistic about our growth prospects amidst the shift in the sector towards maintenance and sustaining capital – a segment that we actively pursue through our Asset Management and Integrated Services capability.

Conclusion

As with our past successes, delivering on our strategies and capturing the new business that will drive the company onward and upward will not be possible without the effort and talents of our team.

I extend my appreciation to my fellow Directors and the Executive team for their contribution and continued focus on our strategic objectives, and for their continuing resilience and responsiveness to opportunities as they arise.

Our Directors bring their wealth of experience to steer us towards our goals with great confidence and integrity, through the governance principles we instil.

Of course, our strength and culture of success would not be attainable without the dedication and effort of all our people. Through the leadership of our Chief Executive Officer, Pat Tallon, the experienced management team, and to all our hard working staff, I take this opportunity to personally thank you all for another extremely satisfying performance.

Finally, I extend my appreciation for the continued support and confidence of our shareholders, to whom we continue to commit to protect and enhance shareholder value.

As a result of our achievements and decisions in the last year, we look ahead more secure in our strategic direction; more steadfast in our purpose and beliefs; and more confident of our potential to deliver long-term value to shareholders.

Yours Sincerely,

James Fitzgerald
Executive Chairman

Civmec Ltd

CEO's Report

FY2014 marked another outstanding year, with the company achieving record levels of activity and outstanding performance highlights on some of Australia's largest projects.

A project involving site civil works, heavy engineering, structural, mechanical and process piping works currently being undertaken at a remote construction site in the Pilbara region of Western Australia.

Operational Highlights

- Delivering on three of Australia's largest oil and gas projects – Gorgon, Wheatstone and Ichthys – first major contract win in Northern Territory
- Award of vertical integrated contracts involving civil works, precast concrete, fabrication, structural, mechanical and process piping and electrical, affirms our integrated multi-disciplinary capabilities
- Completed construction of 4,800m² purpose built, specialised Surface Treatment Facility and increased our Henderson waterfront facility in Perth to a total 120,000m²
- Secured S$643 million in new contracts and contract extensions

Pat Tallon
Chief Executive Officer

The 2013/14 financial year marked another outstanding year for us, with the company achieving record levels of activity and outstanding performance highlights on some of Australia's largest projects.

Civmec produced an exceptional financial performance in FY2014 achieving record turnover of S$433.7 million and producing a solid net profit of S$35.1 million which equates to 8.1% of turnover.

Our financial performance was even more impressive when removing the currency translation. In Australian dollars we increased our revenue on the previous year and net profit after tax by 17.5% and 6.7%, respectively.

The company continued to focus on our core value of safety and well-being and achieved a record safety performance for the year. The Group's Total Recordable Injury Frequency Rate (TRIFR) is presently at 2.7 incidents per million man hours and is equal or better than most other companies operating in our sector. I would like to congratulate everyone in the organisation for their continual commitment to operating in a safe manner.

In a year with numerous highlights, the oil and gas division continued to perform strongly while the mining and infrastructure division secured a number of vertically packaged contracts that demonstrated our ability to integrate our capabilities across a range of disciplines. The ability to penetrate the expanding oil and gas segment, and to provide quality integrated services, are both important aspects to expanding our business.

I am also pleased to report that we further strengthened the growth platforms in the Northern Territory, our structural, mechanical and process piping sector and our infrastructure capabilities, which are all already providing positive returns.

Our decision to expand into the Northern Territory was validated by the award of our first major contract on the Ichthys Onshore LNG facility. This success was instrumental in our decision to expand our 38,000m² Darwin Offshore Logistics Base (DOLB) facility through the addition of a 48,000m² precast yard. This exemplifies our ability to replicate the already successful business model used in Western Australia into new geographic areas.

We now carry out precast concrete, offshore logistics and site installation services in the Northern Territory. This local presence provides us with a competitive advantage in a region where exploration activities are expected to increase. We plan to add capabilities in the region to capture business opportunities and generate improved economies of scale.

Recognising the value adding opportunities of vertically integrating our multiple disciplines, we have successfully expanded our structural, mechanical and process piping services and secured contracts for vertical packages from both the mining and oil and gas sectors. The depth of our structural, mechanical and process piping capabilities has been further strengthened through investment in new plant and equipment including a new 500 tonne heavy lift crane.

During the year we secured a contract on Rio Tinto's Yandicoogina Sustaining Project for a package which included fabrication, modular assembly and structural, mechanical and process piping site works following the previously awarded site civil works contract at the same site. We also secured several vertical package contracts on Rio Tinto's Nammuldi Iron Ore Project that included civil, structural, mechanical and process piping and electrical scope.

Leveraging our multi-disciplinary capabilities we also secured a contract on the BOC Kwinana Gas Plant Upgrade in which Civmec provided site civil works, precast concrete, structural, mechanical and process piping and insulation works.

The oil and gas division is gaining further momentum, particularly in continuing to provide services to three of the largest oil and gas projects in Australia, including the Gorgon LNG project where we have already supplied 11,000 tonnes of structural steel and 120,000 tonnes of precast components. We produced approximately 37,500 tonnes of Accropode II units for the Wheatstone LNG Project and have now established a facility to service the Ichthys LNG Project in Darwin.

With the ongoing investment in the oil and gas sector, combined with our expanded capabilities in providing vertically integrated disciplines, our penetration into the oil and gas market continues to increase leveraging our involvement in major LNG projects.

Reflecting the company's increasing stature in achievements in the oil and gas industry, Civmec was awarded the inaugural New Enterprise Award at the Subsea Energy Australia Business Awards 2014 in June.

One of our completed projects where Civmec have carried out site civil works, precast concrete, structural, mechanical and process piping and cryogenic insulation works.

Oil and Gas

HIGHLIGHTS

- Turnover of S$130 million
- First major contract win in Darwin, Northern Territory on the Ichthys Onshore LNG project
- Secured S$181 million in new contracts and extensions

The oil and gas division continued to perform strongly during the 2014 financial year as we built our capability to meet the sector's needs and expanded our operational footprint to capture work in the Northern Territory.

Whilst it appears that turnover of S$130 million was lower than S$143 million achieved in FY2013, when the currency translation effect is removed the result is in line with the previous year in Australian dollars. Growth in this sector has been controlled with the allocation of key resources to contracts secured by our mining division.

S$181 million in new contracts and contract extensions were secured during the year. These included the award of precast concrete components for the Ichthys Onshore LNG Facilities Project. We are producing in excess of 30,000 tonnes of precast concrete structures such as manholes and foundations in Darwin, where we have established a customised precast facility close to the project site.

We are providing a range of subsea items, including Buckle Triggers, for the Prelude Floating Liquefied Natural Gas (FLNG) Project – the world's first FLNG project, a revolutionary technology that will allow access to offshore gas fields. A buckle trigger is a platform to assist control of flow-line piping on the ocean floor. Our involvement in this ground-breaking project further demonstrates our ability to deliver large scale heavy engineering projects to the exacting requirements demanded by the oil and gas industry.

Following through on our initial strategic plan to be a turn key solutions provider and leveraging our multi-disciplinary capability, we have supplied site civil, precast concrete, fabrication, structural, mechanical and process piping, cryogenic insulation and project management services for BOC's Kwinana Gas Plant Upgrade.

The expansion of the existing plant includes the construction of a state-of-the-art air gas liquefaction plant, to replace an existing air separation unit and nitrogen liquefaction unit at its Kwinana site, near Perth, Western Australia.

The company has also continued to provide multi-disciplinary services for the Gorgon LNG Project - one of the world's largest natural gas projects, and the largest single resource project in Australia's history. Building on the success of supplying over 11,000 tonnes of structural steel and approximately 120,000 tonnes of precast structures to the project. In addition we have delivered substantial pipe spooling and various rectification works on equipment.

During the 2014 financial year we completed an Australian-first contract to produce approximately 37,500 tonnes of Accropode II precast concrete units for construction of the Materials Offloading Facility and Breakwater at the Chevron-operated Wheatstone Project located at Ashburton North, 12 kilometres west of Onslow in Western Australia. We are also performing civil works on site for the onshore LNG processing facility.

The outlook for oil and gas projects is positive and will continue to provide significant opportunities and we will look to further expand our geographical reach in this sector.

"Recognising the value-adding opportunities of vertically integrating our multiple disciplines, we have successfully expanded our structural, mechanical and process piping services and secured contracts for vertical service packages."

Pat Tallon
Chief Executive Officer

We are delivering site civil works, fabrication, modularisation and structural mechanical and piping installation services at a remote site in Western Australia's Pilbara region.

Mining and Infrastructure

HIGHLIGHTS

- Record turnover of S$303 million, an increase of 15.6%
- Secured S$456 million in new contracts and extensions
- Structural, mechanical and process piping capability recognised with key contract awards

The mining and infrastructure division delivered record turnover of S$303 million in the FY14 year, an increase of 15.6% on the previous year. This was predominantly due to an increase in contract activity in this sector.

Of particular strategic importance given our strategy of increasing our cross-discipline capabilities, the 2014 financial year saw the successful award of multiple contracts across our integrated disciplines. This ability to deliver vertical packages was primarily enabled through the growth of our structural, mechanical and process piping capability.

We have been providing a range of services at Rio Tinto's Yandicoogina Sustaining Project in the Pilbara region of Western Australia. Demonstrating the versatility of our operating model, we are delivering a package comprising of the supply, fabrication, modular assembly and structural, mechanical and process piping site works for an iron ore wet processing plant. This contract builds on the successful award of the civil works contract for this project.

Also highlighting the value of our integrated multi-disciplinary capability offerings, the company has been delivering works for Rio Tinto at the Nammuldi Below Water Table Iron Ore Project. We are executing three vertical package contracts for this project that comprise of civil works, precast concrete, fabrication, modular assembly, structural, mechanical and process piping site works and electrical works for non-process infrastructure.

Over the course of the year we have also completed a range of civil projects including the construction of concrete slabs, bunds and footings for supporting infrastructure at BHP Billiton's Jimblebar mine site.

We have successfully completed the construction of a new gold processing plant for La Mancha's Mungari Gold Project in Kalgoorlie, Western Australia. The scope of this contract included civil works, fabrication, modular assembly and structural, mechanical and process piping site works.

Following on from the delivery of the largest iron ore car dumper ever built in Australia, the company delivered a further two single cell tandem iron ore car dumpers for a major port expansion at Cape Lambert in Western Australia.

The segment also won a contract for the fabrication of structural steel as part of the Perth Airport Terminal 1 expansion. We have delivered over 2,400 tonnes of fabricated steel on this key infrastructure project for Western Australia.

Whilst going forward we expect to see a shift in activity in the mining sector and we remain optimistic of our growth prospects as the expenditure shifts towards maintenance and sustaining capital.

We also anticipate increased demand as a result of government spending on infrastructure in Australia.

One of our projects where we are delivering site civil works, precast concrete, heavy engineering, structural, mechanical and process piping installation and electrical and instrumentation installation and testing activities.

Asset Management and Integrated Services

HIGHLIGHTS

- Strong growth potential as expenditure shifts to maintenance and sustaining capital
- New division established gaining momentum
- Secured solid base with S$6 million in new contracts

Anticipating the Australian mining sector's shift in emphasis from new project investment to maintenance and sustaining capital, we have expanded and realigned our operational structure to include the new Asset Management and Integrated Services division towards the end of the 2013 financial year.

Taking this 'early mover' approach to this area was a strategic decision that has enabled us to conduct significant business development work in the area including engagement with new and existing clients in order to clarify anticipated requirements; develop awareness of our capabilities in this field; and develop plans to maximise value for both Civmec and our customers.

As a result of this work, we have identified core areas of focus in both the mining and oil and gas sectors where, importantly, we are also able to leverage off the existing relationships and activities of our other divisions and have secured revenue of S$6 million in the division, on which to build.

As anticipated, mining sector capital investment has begun to level off, however as ongoing operational expenditure increases we remain confident of the future demand for our asset management and integrated services offering, and steadily increased our level of bidding activity in this area during the course of the year.

Further expansion of the company's capabilities, facilities, and geographic footprint will also support growth in this segment.

Melissa De Aguiar from our Asset Management and Integrated Services division performing on-site maintenance activities on LNG equipment.

One of our heavy lift cranes aiding site erection activities.

Elizabeth Haeata, member of our Logistics Team at one of our remote project sites.

People

HIGHLIGHTS

- Peak labour force circa 1,500 during FY14, highest on record
- Established a Registered Training Organisation to provide competency based training courses
- Leadership initiatives commenced throughout the business

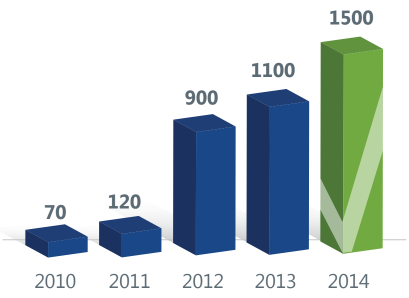
Being a company with a strong focus on values, we believe the Civmec values which are shared amongst all our people are the foundations to building a successful and united organisational culture. All our employees are dedicated to delivery on the company's core values.

Our success has been due to the efforts of a committed workforce. We continue to develop our people to bring new expertise and skills into our business while also providing them with enhanced, long-term career opportunities.

Recognising the value of investing in training, this year we have established a Registered Training Organisation (RTO) that is certified to provide a number of skills and competency based training courses. Our fully equipped facility serves a dual purpose from induction or pre-start training through to ongoing skills enhancement and management development courses.

Over the past year we have taken steps to boost the talent throughout the business, through 'right fit' selection and retention strategies which are aimed at attracting and keeping our top performing staff. In addition, we have established more formalised staff review and training procedures to assist our staff to apply new skills and develop a career path within Civmec.

Peak Resource Levels



Along with the focus on people-related productivity improvements, we will continue to invest in the development and retention of our key talent to enable the company to successfully achieve our vision and maintain our competitive advantage.

Simon McElhiney being presented certificates for successfully completing two accredited training courses through our Registered Training Organisation.

"Our success to date can be attributed to our ability to create an environment where collaboration leads to outstanding results through the willingness to listen to our people."

Pat Tallon
Chief Executive Officer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P2

Our Henderson team members in front of subsea manifold and single cell tandem iron ore rail car dumper in bay 3 of our 29,300m² heavy engineering facility.

Safety

HIGHLIGHTS

- Improved safety performance in FY2014
- Overall Group TRIFR of 2.7
- Further improvements made to Safe Day Good Day program

Our people are the key to everything we do, ensuring their safety is the company's most important goal. We are committed to achieving a high standard of incident prevention through the continuous improvement of our positive safety culture and management system.

We are extremely pleased that our safety strategies and improvement initiatives produced a continued and substantial improvement in our safety results during the year. The Group's Total Reportable Injury Frequency Rate (TRIFR) was an impressive 2.7 at the end of the year. While we target ourselves with reducing this number further, it is at least comforting to know that this statistic is equal or better than the majority of companies operating in our sectors.

These improvements have been due to the commitment and dedication of our management and safety teams in driving our safety principles at all levels. Our new training facilities also contribute by enhancing competency testing and safety compliance training.

Safety improvement is a never ending exercise and we are well aware of the importance of ensuring not only a safe workplace, but instilling and supporting a culture which places people's safety at the forefront of everything we do.

Civmec's safety management system is accredited to AS/NZS ISO 9001:2008.

We have adopted the philosophy that each day at Civmec shall be a 'Safe Day Good Day'.

The Group's Total Reportable Injury Frequency Rate (TRIFR) was an impressive 2.7 at the end of the year.

Environment

We acknowledge that we have an essential responsibility to the environment and fully comply with all regulatory requirements of ISO 14001. We are committed to the continual improvement of our environmental performance and to minimising our impact on the environment.

Our key areas of emphasis include:

- Ongoing development of strategic ways to implement waste minimisation, energy conservation and sustainable practices
- The encouragement and education of employees to apply best practice standards in environmental management
- Continual review and improvement of the organisation's environmental performance

For our offshore logistics services we are accredited to ISO14001, a global standard for Environmental Management.

Specialist welding of super duplex LNG piping.

Our commitment to operating in an environmentally responsible manner is exemplified through our recently completed surface treatment facility. Our 31 x 10 x 10 metre grit room for abrasive blasting operates a tru-glide floor recovery system that allows us to recycle steel grit for multiple-use. Our state-of-the-art ventilation system is positioned in the middle of the facility to optimise cross flow and operates a multiple plenums filtration process. A further solvent recycling initiative recently implemented enables us to reuse thinners which ultimately minimises both costs and impact to the environment.

Facilities and Systems

HIGHLIGHTS

- Continued expansion of Darwin facilities
- Expanded Henderson waterfront landholding to 120,000m^2
- Integrated Enterprise Resource Planning system - Civtrac

In addition to our 38,000m^2 offshore logistics facility in Darwin, Northern Territory, we have grown our footprint and capability offerings in the region through the development of a purpose built 48,000m^2 precast yard, that is currently delivering works for the construction of the Ichthy's Onshore LNG processing facility.

Civmec has continued to invest in new infrastructure to support and expand operations in Henderson, Western Australia. The company's modern waterfront facilities at Henderson, which enable us to expedite the shipping of large integrated modules, has been expanded to 120,000m^2. Our landholding now covers 120,000m^2 which includes a 29,300m^2 undercover fabrication facility with modern automated fabrication and robotic welding equipment.

Construction has begun for a 1,200m^2 subsea workshop for welding of exotic metals and assembly of subsea manifolds for the offshore sector. This custom built, segregated facility will strengthen Civmec's ability to provide specialised subsea heavy engineering services for the global market. We see opportunities in the construction of subsea equipment along with refurbishment and maintenance activities within this highly specialised area.

In April 2014, Western Australia's Premier, the Hon. Colin Barnett, officially opened our recently constructed Henderson office facility. The four storey, 6,500m^2 office is another key milestone in the development of our complex.

Also in April, we completed construction of our 4,800m^2 surface treatment facility. This has expanded our in-house blasting and surface treatment capabilities, reducing the need to outsource these activities. The increased landholding also provides further capacity for modularisation.

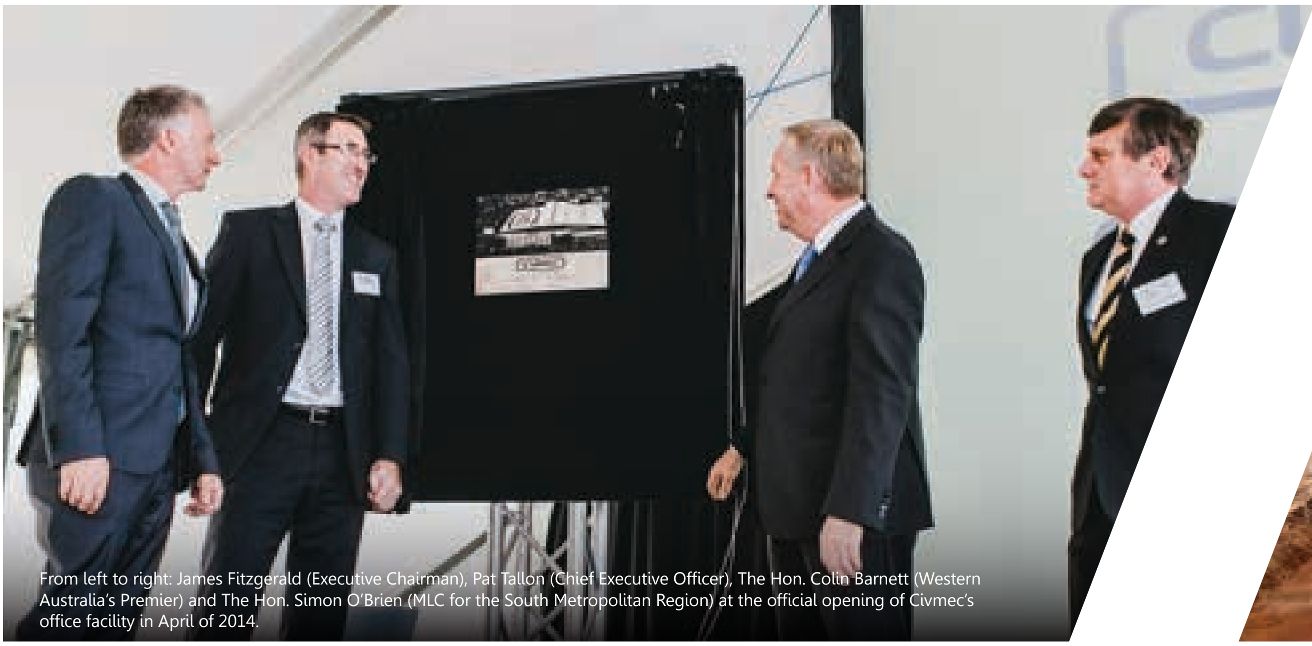
Plans for a 2,300m^2 plant maintenance workshop are progressing, and these works will complete the entire Henderson facility.

With a clear desire to continually improve efficiencies in everything we do, we have invested substantial resources into developing and implementing a fully integrated business management system (BMS) system, called Civtrac. Unique to Civmec, this innovative advanced management tool:

- Improves planning and resource allocation for project management;
- Helps monitor man hours and allows us to report material costs of actual vs planned;
- Allows real time monitoring of all work in progress;
- Provides integrated and analytical reporting to the project teams and clients.

Certified System Quality ISO 9001

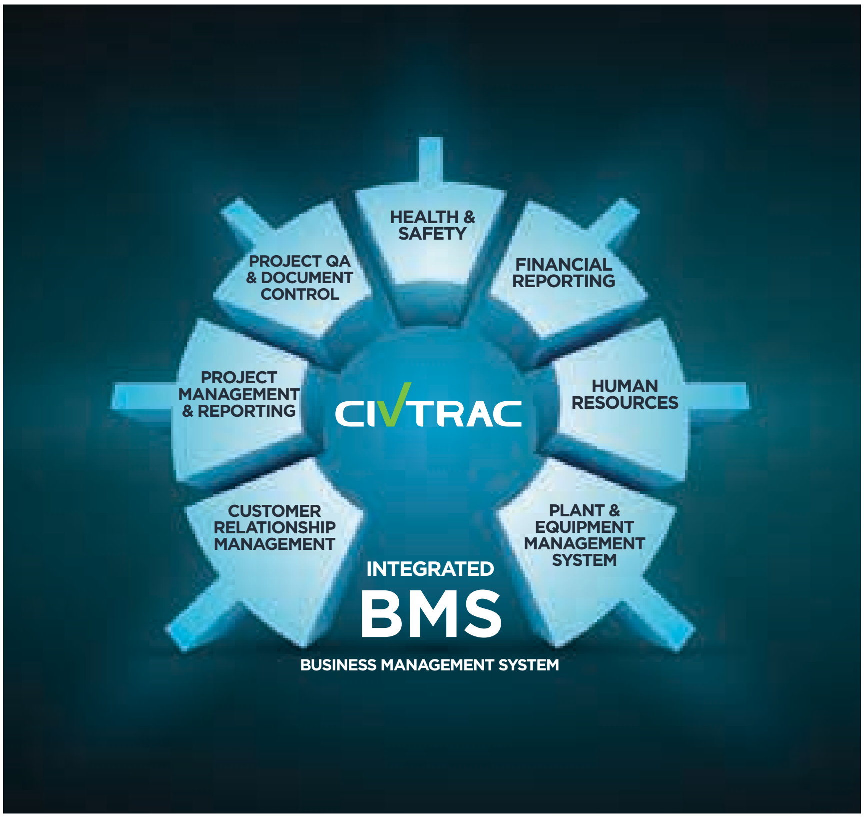
Civmec's quality management system is accredited to AS/NZS ISO 9001:2008



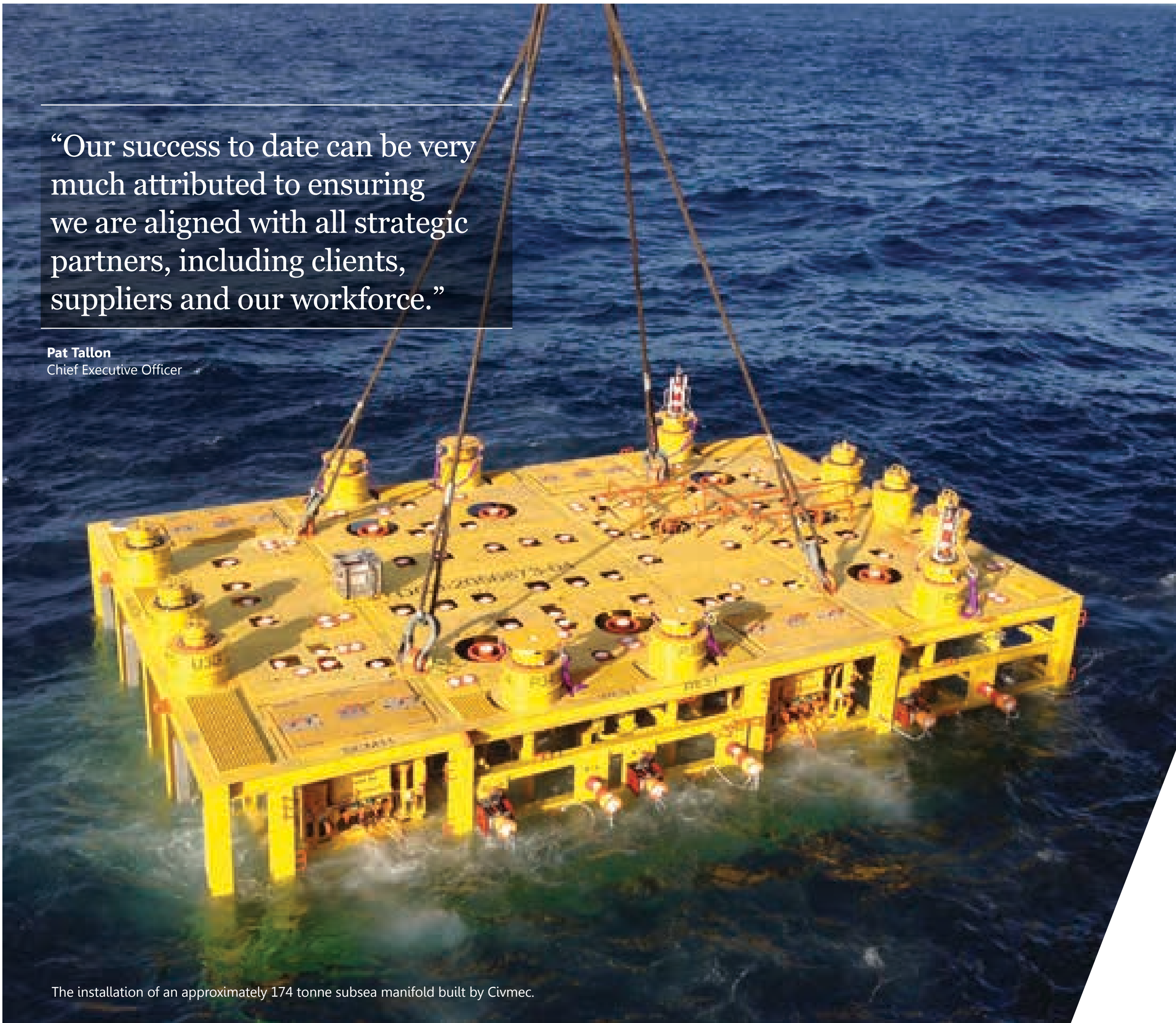
From left to right: James Fitzgerald (Executive Chairman), Pat Tallon (Chief Executive Officer), The Hon. Colin Barnett (Western Australia's Premier) and The Hon. Simon O'Brien (MLC for the South Metropolitan Region) at the official opening of Civmec's office facility in April of 2014.

Beyond supporting efficient and effective daily operations, Civtrac provides us with a continuous process improvement and cost efficiency tool. Its ability to measure the benefits resulting from our system and process enhancements will be instrumental in driving the efficiencies that will help us increase our competitive advantage in the global market.

We will continue to challenge our existing practices and focus on creating innovative delivery solutions across all aspects of our business to continually affirm our position as a market leader.



Civmec’s Precast Yard in Darwin, Northern Territory.



"Our success to date can be very much attributed to ensuring we are aligned with all strategic partners, including clients, suppliers and our workforce."

Pat Tallon
Chief Executive Officer

The installation of an approximately 174 tonne subsea manifold built by Civmec.

Civmec team members inspecting pipework.

Outlook

We are optimistic about our growth prospects amid the shift in resources investment and we will continue with our strategic initiatives to sustain our earnings growth by continuing to broaden our revenue base.

The most significant growth prospects in the immediate future are in the oil and gas sector. Awareness of environmental issues is shifting demand towards more cost efficient and cleaner energy sources, particularly LNG. While we continue to service the three largest LNG projects in Australia, and plan to leverage those activities for further growth, we will also adopt a broader horizon in the oil and gas sector.

As has already proven to be the case in the Northern Territory, geographic expansion also provides potential for expanding our customer base. Our Northern Territory presence provides us with a foothold from which to make further advances in the region's oil and gas, mining and infrastructure markets. It also establishes our ability to transpose Civmec's operational platform into new geographical areas, making us confident in our ability to undertake opportunities wherever they may emerge.

The outlook for global growth is more optimistic than in recent years and is expected to be stronger. While slower growth in China has raised some concerns about the demand for commodities, it is also expected to remain strong.

There has been a levelling in mining infrastructure investment during the past year, however demand for steel production will remain strong and is likely to do so for some time.

We commence the FY2015 with a steady order book of S$301 million of new contracts and contract extensions secured in FY2013/14. While a number of projects will ramp down, we are still seeing a high level of bidding activity in the early part of the new financial year.

We have established a shared vision and built a culture of leadership in Civmec that drives our business at every level, giving us a distinct competitive advantage and a focus on our continued growth.

Our growth, development and success would not have been possible without the commitment and hard work of all our people, and I thank all our employees and in particular our management team for their dedication and exceptional effort during the year.

The opportunities that lay ahead, both in our existing and new spheres of business, enable us to continue to drive sustained growth and to enhance shareholder value. While Civmec will continue to evolve, we remain committed to engage and further strengthen relationships with all our stakeholders. Our business model's core values are unchanged; striving to deliver quality service, on time and on budget, and to exceed our clients' expectations, while simultaneously remaining focused on our employees' safety and our clients' requirements.

Yours Sincerely,

Pat Tallon
Chief Executive Officer

Civmec Ltd

Subsea Energy Australia (SEA) Chairman, Mike Robinson (left), and SEA Board Member Arran Ewan (right) present Pat Tallon (middle) with the 2014 Subsea Energy Australia New Enterprise Award.

Civmec receives Subsea Energy Australia's "2014 New Enterprise Award" in recognition of outstanding achievements.

Civmec team member and Fire and Rescue volunteer, Paul Thompson at his station in Western Australia. This year Civmec received a Gold Award in the Volunteer Employer Recognition Program for their ongoing support of emergency volunteers.

Corporate Social Responsibility

We endeavour to achieve sustainable business growth by consistently contributing to the wellbeing of our people, community and environment.

By approaching Corporate Social Responsibility with our management and staff in a systematic, holistic and practical manner, we develop and evolve a positive culture within our organisation.

Community

At Civmec we recognise that our contribution to the community can, and should, combine the actions of the company and individual members of our staff. In keeping with this philosophy, as well as our own philanthropic activities, we wholeheartedly support our employees' engagement in community endeavours.

Indigenous Engagement

Through our long-standing relationship with the David Wirrpanda Foundation we have welcomed a number of new indigenous employees to the Civmec team over the past year. We are proud to offer continued support to the foundation, which makes a positive difference through empowering and improving the lives of indigenous Australians in society.

Over the course of the year we have also supported The Clontarf Foundation, an organisation that exists to improve the education, esteem and skills of young Aboriginal men in society.

Civmec remains committed to providing indigenous employment, training opportunities and cultural diversity awareness within our organisation.

Dreamfit Foundation

We have continued with our unique employee safety incentive whereby proceeds from savings attributable to the achievement of specific safety performance targets are donated to Dreamfit. In a fitting synergy with Civmec's own approach to business, this not-for-profit organisation uses innovative engineering to overcome challenges and fulfil dreams of people with disabilities.

The Hunger Project

The Hunger Project is a global movement aimed at empowering people to make rapid progress in overcoming hunger and poverty. Civmec pledged a donation to assist Tireni Bennett, a member of our precast team to reach his personal goal of hiking to Mount Everest Base Camp in support of this globally focussed charity.

Civmec team member Andrea Gumina (right), presenting Rhonda Parker CEO of Alzheimer's Australia WA with a cheque at the 'A Night To Remember Dinner Dance' she was responsible for organising.

Volunteer Employer Recognition Program

This year Civmec received a Gold Award in the Volunteer Employer Recognition Program.

The WA Department of Fire and Emergency Services developed this award to acknowledge the invaluable support given by companies who provide a supportive and flexible workplace for emergency volunteers who at times are required to attend incidents during work hours.

The core values that underpin the Volunteer Employer Recognition Program are a strong sense of community spirit and support, open and honest two way communication with volunteers, mutual respect and contribution to corporate social responsibility.

Civmec are proud of the efforts of our team member, Paul Thompson, and the contribution he makes to the community in his work with the Secret Harbour Volunteer Fire and Rescue Service.

Alzheimer's Australia – Western Australia (AAWA)

AAWA strives to improve the lives of people with dementia and their families. As the peak dementia organisation, AAWA provide leadership in care, advocacy and education to people living with dementia and the health and aged care industry. Civmec is proud to support this important organisation and acknowledges the fundraising efforts of our team member, Andrea Gumina.

Breast Cancer Care WA

Civmec's Nammuldi team members were involved with the Breast Cancer Care WA 2014 fundraising campaign. All funds raised go towards providing practical, financial and emotional support for those affected by breast cancer in WA.

WA Special Needs Children's Christmas Party

Civmec sponsored the WA Special Needs Children's Christmas Party in 2013, an event which relies on the generosity of WA's business community to provide a day of Christmas cheer for special needs children while raising much-needed funds for the Leukaemia Foundation.

Board of Directors

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 33 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.

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 27 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 O&G, mining and infrastructure projects has provided him with a strong understanding of the stakeholders' requirements at all levels in those respective segments.

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 Group's 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 Ausclad Group of Companies (AGC) where he managed structural, mechanical and process piping construction works for major clients. Mr Deery has over 20 years of experience in fabrication and construction projects for the O&G and mining sectors. Mr Deery holds a Bachelor of Engineering (Mechanical) Degree from Curtin University.

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 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 non-executive director on the boards of directors of companies and/or entities. Mr Chong is currently an independent director & Audit Committee Chairman of AVIC International Maritime Holdings Limited, InnoTek Limited and the recently SGX-listed Accordia Golf Trust Management Pte Ltd. Mr Chong is also an independent director of Changan Minsheng APLL Logistics Co., Ltd, which is listed on the mainboard of 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 of Singapore or ACRA, a statutory board under the Singapore Ministry of Finance. Between October 2008 and July 2010, Mr. Chong was also a board member of the National Kidney Foundation, the largest charitable organization in Singapore. Mr Chong graduated with a Bachelor of Engineering from the University of Tokyo in 1981 and subsequently obtained a Masters of Business Administration from the National University of Singapore in 1987.

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 thirty three 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 and Lead Independent Director of Kim Heng Offshore & Marine Holdings 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.

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.

Executive Team

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 Australia the United Kingdom, South Africa, New Zealand, Singapore and Malaysia.

Rodney John Bowes
Proposals Manager

Mr Rodney John Bowes is our Group Manager of Proposals. He joined our Group in 2010 and is responsible for managing the Group's business development and tendering activities including identifying and targeting new business opportunities, fostering existing client relationships, overseeing the preparation and submission of pre-qualification expressions of interest, preparing prospect assessments and evaluation for potential tenders, assisting in early contract engagement and preparing client presentations. His responsibilities also include managing the preparation and submission of tender proposals, responding to tender clarifications and final contract negotiations. Prior to joining our Group, Mr Bowes was General Manager (Marketing and Proposals) at Ausclad Group of Companies (AGC) for eight years, where he was in charge of the management of the Business Development, and the Marketing and Estimating departments.

Wil Cuperus
Chief Financial Officer

Mr Cuperus is a CPA with 15 years' experience as a finance executive in the contracting and construction services industries. As Chief Financial Officer and Company Secretary with ASX listed PCH Group Ltd and IFS Construction Services Ltd, he played a key role within both companies in establishing several South East Asian and Middle East branches, as well as expediting key strategic mergers and acquisitions. Mr Cuperus has a Bachelor of Business and is a member of ASCPA and GIA (Governance Institute of Australia).

Corporate Governance

Civmec's 6,500m^2 head office in Henderson, Western Australia.

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

Introduction

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

This Report describes the Company's corporate governance practices that were in place during the financial year ended 30 June 2014 ("FY2014") with specific reference to the Principles of the Code of Corporate Governance 2012 (the "Code") which was issued by the Monetary Authority of Singapore on 2 May 2012.

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

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

Board's Conduct of Affairs

Principle 1: Effective board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and 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 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 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, so as to familiarise them with the Company's business activities, strategic directions, policies and key new projects. In addition, newly appointed directors are also introduced to the senior management team. Upon appointment of each director, the company will provide a letter to the director setting out the director's duties and obligations.

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

The Board meets on a regular basis and as when necessary, to address any specific significant matters that may arise. Board meetings are scheduled in advance.

The Articles of Association of the Company provide for directors to conduct meeting by teleconferencing or video conferencing or other similar means of communication whereby all persons participating in the meeting are able to hear each other. The Board and Board Committees may also make decisions by way of circulating resolutions.

The number of Board and Board Committee meetings held and attended by each Board member during the financial year ended 30 June 2014 ("FY2014") is set out below:

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

** By invitation*

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

The Directors may also attend other trainings, conferences and seminars which may have a bearing on their duties and contribution to the Board, organised by the professional bodies, regulatory institutions and corporations at the Company's expense, to keep themselves updated on the latest developments concerning the Group and to keep abreast of the latest regulatory changes. During the year, the Board was briefed and/or updated on the following : (1) amendments to the SGX-ST Listing Manual; (2) amendments to the Code; (3) recent changes to the accounting standards; and (4) new notification regime for the disclosure of interests by Directors/CEOs and substantial shareholders of listed entities under the Securities and Futures Act.

Board Composition and Guidance

Principle 2: Strong and independent element on the Board.

The Board comprises six (6) Directors, three (3) of whom are Executive Directors and the remaining three (3) directors being Independent Directors. The Company has adopted the 2012 Code's definition of "Independent Director" and its guidance in respect of relationships which would deem a Director to be regarded as non-independent. This composition exceeds the Code's requirement of at least one-third of the Board of Directors to comprise Independent Directors.

The Board is of the view that the current Board comprises persons who, as a group, provide core competencies necessary to meet the Company's requirements. The profile of the Directors is set out on pages 36 and 37 of this annual report.

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 said form, which is drawn up based on the definitions and guidelines set forth in Guideline 2.1 in the Code, requires each Director to assess whether he considers himself independent despite not having any of the relationships identified in the Code. The NC has reviewed and determined that the Independent Directors are independent. None of the Independent Directors has served on the Board beyond nine years from the date of his first appointment. The Board reviews the size of the Board on an annual basis, and considers the present Board size as appropriate for the current scope and nature of the Group's operations.

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

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

Chairman and Chief Executive Officer

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

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

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

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

Board Membership

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

The Company has 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.

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 competencies, contribution, performance and ability to commit sufficient time and attention to the affairs of our Group taking into account the Directors' respective commitments outside our Group;
(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;
(f) assess the performance of the Board as a whole and contribution of each director to the effectiveness of the Board;
(g) review and recommend succession plans for directors, in particular, the Chairman and the CEO; and
(h) review and recommend training and professional development programs for the Board.

The process for the selection and appointment of new Board members is as follows:

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

Pursuant to 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. Patrick John Tallon
3. Kevin James Deery
4. Chong Teck Sin
5. Wong Fook Choy Sunny
6. 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 Directors 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	29 Oct 2013	-	-
Patrick John Tallon	27 Mar 2012	29 Oct 2013	-	-
Kevin James Deery	27 Mar 2012	29 Oct 2013	-	-
Chong Teck Sin	27 Mar 2012	29 Oct 2013	AVIC International Maritime Holdings Limited Changan Minsheng APLL Logistics Co., Ltd(1) InnoTeck Limited Accordia Golf Trust Management Pte. Ltd.	Blackgold International Holdings Limited(2)
Wong Fook Choy Sunny	27 Mar 2012	29 Oct 2013	Mencast Holdings Ltd KTL Global Ltd Albedo Limited Excelpoint Technology Ltd	-
Douglas Owen Chester	2 Nov 2012	29 Oct 2013	Stamford Land Corporation Limited Kim Heng Offshore & Marine Holdings Limited	-

* Within the past three years

Notes:
(1) Listed on Hong Kong Stock Exchange
(2) Listed on Australian Stock Exchange

The NC has considered and taken the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, the nature of the organisations in which they hold appointments and the committees on which they serve are of different complexities, and accordingly, each Director would personally determine the demands of his competing directorships and obligations and assess the number of directorships they could hold and serve effectively. Currently, none of the Directors hold more than 5 directorships in other listed companies. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company and the Group, notwithstanding that some of the Directors have multiple board representations. The NC would continue to review from time to time, the Board representations and other principal commitments to ensure that Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Board Performance

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

The NC undertakes an annual formal review and evaluation of both the Board's performance as a whole, as well as individual Director's performance, such as board commitment, standard of conduct, competency, training & development and interaction with directors, management and stakeholders. The results of the evaluation exercise were considered by the NC, which then made recommendations to the Board, aimed at assisting the Board to discharge its duties more effectively. The Chairman of the Board may take actions as may be appropriate according to the results of the performance evaluation, which will be based on objective performance criteria proposed by the NC and approved by the Board.

The Board holds the view that there is a direct relationship between the performance of the Group and that of the Board. The NC is satisfied that despite some of the Directors having board representations in other non-Group companies, the Directors are able to and have adequately carried out their duties as Directors of the Company.

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

Access to Information

Principle 6: Board members should be provided with complete, adequate and timely information prior to board meetings and 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, agenda and related material, background or explanatory information relating to matters to be discussed are sent out to the Directors prior to each meeting so that all Directors may better understand the issues beforehand, allowing more time at such meetings for questions and deliberations that the Directors may have.

The Company Secretaries administer, 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 has established a RC to make recommendations to the Board on remuneration packages of individual Directors and key management personnel. 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;

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

The RC has established a framework of remuneration for the Board and key management personnel covering all aspects of remuneration 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 Scheme/Plan. The Option Scheme and Share Plan were established on 27 March 2012 and 25 October 2013 and had a 10 year tenure commencing on the establishment date.

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

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

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

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

The Executive Directors and key management personnel remuneration comprises a fixed and a variable component, the latter of which is in the form of bonus linked to the performance of the individual as well as the Company. In addition, short-term and long-term incentives, such as the 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. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. The Executive Directors and key management personnel have met the performance conditions during the financial year.

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.

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

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

For competitive reasons, the Company does not disclose the annual remuneration of each individual Director for the financial year ended 30 June 2014. Instead, the Company discloses the bands of remuneration as follows:

Remuneration band and Name of Director	Salary	Bonus	Directors' Fees	Allowances and Other Benefits	Total
S$500,000 to S$749,999					
James Finbarr Fitzgerald	78%	10%	-	12%	100%
Patrick John Tallon	78%	10%	-	12%	100%
Kevin James Deery	79%	10%	-	11%	100%
Below S$250,000					
Chong Teck Sin	-	-	100%	-	100%
Douglas Owen Chester	-	-	100%	-	100%
Wong Fook Choy Sunny	-	-	100%	-	100%

Details of remuneration paid to key management personnel (who are not Directors of the Company) of the Group for the financial year ended 30 June 2014 are set out below. For competitive reasons, the Company discloses only the band of remuneration of each management personnel as follows:

Remuneration band and Name of Key Executive	Designation	Salary	Bonus	Allowances and Other Benefits	Total
S$500,000 to S$749,999					
Adam Portaro[1]	General Manager (Oil & Gas)	86%	-	14%	100%
S$250,000 to S$499,999					
Terence Hemsworth	Support Services Manager	76%	10%	14%	100%
Rodney John Bowes	Proposals Manager	77%	10%	13%	100%
Colin Brown Swan[2]	Finance Manager	73%	10%	17%	100%
Lenard Greenhalgh[3]	General Manager (Asset Management & Integrated Services)	90%	-	10%	100%
Below S$250,000					
Giuseppe Carrabba[4]	Chief Financial Officer	87%	-	13%	100%
Wil Cuperus[5]	Chief Financial Officer	83%	-	17%	100%
Giuseppe Macri[6]	Business Development Manager	87%	-	13%	100%

[1] Mr Adam Portaro ceased to act as a key manager as a consequence of the restructure of the Executive team on 15 November 2013
[2] Mr Colin Swan ceased to act as a key manager as a consequence of the restructure of the Executive team on 15 November 2013
[3] Mr Lenard Greenhalgh resigned from the Company on 15 November 2013
[4] Mr Guiseppe Carrabba resigned from the Company on 15 November 2013
[5] Mr Wil Cuperus was appointed to the Company on 15 November 2013
[6] Mr Giuseppe Macri retired from the Company on 4 October 2013

The annual aggregate remuneration paid to all the above mentioned Directors and key management personnel of the Group is S$4,806,595 in FY2014.

Apart from Thomas Tallon who holds the position of "Supervisor" with a remuneration of S$200,000 to S$250,000 for FY2014, being the brother of Patrick Tallon, the CEO, the Company does not have any employees who are immediate family members of a Director or CEO during FY2014. The RC is of the view that the remuneration of Thomas Tallon is in line with the staff remuneration guidelines and commensurate with his job scope and level of responsibilities

More details of each of the Share Plans can be found on page 52, in the "Report by the Board of Directors" in the Financials" section of this Annual Report.

Accountability and Audit

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

The Management has provided all members of the Board with Management Accounts, and sundry reports and such explanation and information on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and understandable assessment of the Company's performance, position and prospects, to its shareholders, the public and regulators. The Board 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 was publicly released either before the Company meets with any of the Company's investors or analysts or simultaneously with such meetings. Financial results and statutory corporate announcements of the Company are disseminated through announcements via SGXNET.

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

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

The external auditors carry out, in the course of their statutory audit, annual reviews of the effectiveness of the Group's key internal controls, including financial, operational, compliance, information technology controls as well as risk management systems to the extent of their scope as laid out in their audit plan. Any material weaknesses in internal controls, together with 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 was in place throughout the financial year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance risks. Based on the risk management and internal control systems established and implemented by the Group, and work conducted by the internal auditors, external auditors and in our internal audit team, the Board, with the concurrence of the AC, is of the opinion that the Company's system of internal controls and risk management procedures maintained by the Group are adequate to meet the needs of the Company in addressing the financial, operational, compliance, information technology controls and risk management systems in the Group's current business environment.

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

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) that the Company's risk management and internal control systems are adequate and effective.

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

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

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

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

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

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

(b) to provide a channel of communication between the Board, the management team, the external auditors & internal 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);
(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; and
(e) to monitor and review the scope and results of internal audit and its cost effectiveness and the independence and objectivity of the internal 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;
(c) review the quarterly, and annual financial statements and any formal announcements relating to our Group's financial performance before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant and statutory or regulatory requirements;
(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 our 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 and consider the appointment or re-appointment of the internal auditors and matters relating to resignation or dismissal of the auditors;
(g) review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
(h) review the Groups' hedging policies, procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging polices approved by the Board;
(i) review potential conflicts of interest, if any, and to set out a framework to resolve or mitigate such potential conflicts of interests;
(j) 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;
(k) review and discuss with investigators, any suspected fraud, irregularity, or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response thereto;
(l) 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;
(m) review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;
(n) 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;
(o) review our key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET; and
(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 authorize investigations into any matters within its scope of responsibility. The AC is authorized 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 scope of work of the internal auditors;
(c) reviewed the audit plans and discussed the results of the respective findings and their evaluation of the Company's system of internal accounting controls;
(d) reviewed the interested person transactions of the Company;
(e) met with the Company's external auditors and internal auditors without the presence of the management;
(f) reviewed the external auditors' independence and objectivity;
(g) reviewed the internal auditors' independence and objectivity;
(h) 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, was of the opinion that there was no non-audit services rendered that would affect the independence of the external auditors. The AC recognizes 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 aggregate amount of agreed fees to be paid to Moore Stephens LLP and Moore Stephens Pty Ltd for FY2014 is S$227,640 which comprises of audit fee of S$189,690 and non-audit fees of S$37,680. The AC has recommended to the Board the re-appointment of Moore Stephens LLP as the Company's external auditors at the forthcoming AGM.

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

The Company has established the whistle-blowing policy where staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters, and ensure that arrangements are in place for independent investigations of such matters and for appropriate follow up actions.

As of to-date there were no reports received through the whistle-blowing mechanism.

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

The Board recognizes 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 Deloitte Touche Tohmatsu, who is independent of the Company's business activities. The internal auditors conduct audits 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 AC reviews the adequacy and effectiveness of the internal audit function at least quarterly.

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

The Company has a Risks and Conflicts Committee and it reviews all significant control policies and procedures and highlights all significant risk matters to the Board for discussions and to take appropriate actions, if required.

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

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

Shareholders' Rights and Responsibilities

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

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

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

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

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

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

The Group fully supports the Code's principle to encourage shareholders' participation. The Company's Articles of Association allows the appointment of one or two proxies by shareholders, to attend the AGM and vote in his/their 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.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and Management, and to make these minutes, subsequently approved by the Board, available to shareholders during office hours.

For greater transparency, the Company will put all resolutions to vote by poll at the AGMs and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will be made on the same day.

As at the date of this report, the Company does not have a formal dividend policy in place. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, cash position, positive cash flow generated from operations, projected capital requirements and other factors as the Board may deem appropriate. Any payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results.

Other Governance Practices

Material Contracts

There were no new 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 FY2014 or if not, then subsisting entered into since the end of the previous financial year.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and these interested persons transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. There were no interested person transactions for FY2014.

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.

Risk Management Committee

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

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

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

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

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

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 2014 and the statement of financial position of the Company as at 30 June 2014.

1. Directors

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

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

2. Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate, other than as disclosed under "Share Options" and "Shares" in this report on page 52.

3. Directors' Interests in Shares and Debentures

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

	Holdings registered in the name of directors		Holdings in which a director is deemed to have an interest	
	At 1.7.13	At 30.6.14	At 1.7.13	At 30.6.14
The Company				
No. of Ordinary shares			**No. of Ordinary shares**	
Mr. James Finbarr Fitzgerald	-	-	97,566,806	97,620,806
Mr. Patrick John Tallon	-	-	97,566,806	97,620,806
Mr. Kevin James Deery	-	-	13,660,000	13,710,000

There was no change in any of the above-mentioned interests between the end of the financial year and 21 July 2014.

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

4. Directors' Contractual Benefits

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

5. Share Options

Civmec Limited Employee Share Option Scheme

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

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

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

5. Share Options (cont'd)

Civmec Limited Employee Share Option Scheme (cont'd)

Principal terms of the Scheme

(i) Participants

Under the rules of the Scheme, executive and non-executive directors (including independent directors) and employees of the Company, who are not Controlling Shareholders or their associates, are eligible to participate in the Scheme.

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

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

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

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

(ii) Size of the Scheme

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

(iii) Options, Exercise Period and Exercise Price

The Options that are granted under the Scheme may have exercise prices that are, at the Committee's discretion, set at a price as quoted on the Singapore Exchange for five market days immediately preceding the date of grant (the "Market Price") equal to the weighted average share price of the shares for the last trading day immediately preceding the relevant date of grant of the option or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price ("Market Price Option") may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price ("Incentive Option") may only be exercised after the second anniversary from the date of grant of the option. The vesting of the options is conditional on the key management personnel or employees completing another two years of service to the Group and the Group achieving its targets of profitability and sales growth once the options are vested, they are exercisable for a period of three years.

(iv) Grant of Options

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

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

(v) Termination of Options

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

(vi) Acceptance of Options

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

5. Share Options (cont'd)

Civmec Limited Employee Share Option Scheme (cont'd)

Principal terms of the Scheme (cont'd)

(vii) Duration of the Scheme

The Scheme shall continue in operation for a maximum duration of 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 ended 30 June 2014, the following options to subscribe for ordinary shares of the Company pursuant to the CESOS were granted.

Date of grant	Exercise period	Expiry date	Number of options
11 September 2013	12 September 2014 to 10 September 2023	10 September 2023	6,000,000

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

Options Exercised

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

Options Outstanding

Details of all the options to subscribe for ordinary shares of the Company pursuant to the CESOS, outstanding as at 30 June 2014 are as follows:

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

6. Performance Share Plan

Civmec Limited Performance Share Plan

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

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

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

Principal terms of the Scheme

(i) Participants

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

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

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

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

6. Performance Share Plan (cont'd)

Civmec Limited Performance Share Plan (cont'd)

Principal terms of the Scheme (cont'd)

(ii) Size of the Scheme

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

(iii) Grant of Awards

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

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

(iv) Lapse of Awards

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

(v) Release of Awards

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

(vi) Duration of the Plan

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

Awards Granted under the Scheme

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

Year of Award	No. of holders	No. of shares
2013	126	1,199,000

7. Audit Committee

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

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

All members of the Audit Committee are non-executive Directors. The Audit Committee performs the functions specified by the Listing Manual and 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 Fitzgerald
Chairman

....

Patrick Tallon
Director

Singapore
25 September 2014

Statement by Directors

In the opinion of the Directors,

(a) The statement of financial position of the Company and the consolidated financial statements of the Group set out on pages 59 to 101 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 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended; and

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

On behalf of the Board of Directors

....

James Fitzgerald
Chairman

....

Patrick Tallon
Director

Singapore
25 September 2014

Independent Auditors' Report

to the members of Civmec Limited (incorporated in Singapore)

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 59 to 101, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2014, 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 Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, (Chapter 50) (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair 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.

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 2014 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 2014

Consolidated Income Statement

for the year ended 30 June 2014

		Group	
	Note	2014 S$'000	2013 S$'000
Revenue	4	433,677	405,924
Cost of Sales		(369,922)	(335,977)
Gross profit		63,755	69,947
Other Income	4	1,014	742
Share in profit of a joint venture	16	462	568
Negative goodwill	16	1,058	-
Administration expenses		(18,769)	(21,512)
Finance costs	7	(1,652)	(1,605)
Other expenses		(389)	-
Profit before income tax	5	45,479	48,140
Income tax expense	8	(10,400)	(12,091)
Profit for the year		35,079	36,049
Profit attributable to:			
Owners of the Company		35,079	36,049
Non-controlling interest		-	-
		35,079	36,049
Earnings per share attributable to equity holders of the Company (cents per share):			
- Basic	9	7.01	7.20
- Diluted	9	6.94	7.20

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

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2014

	Note	Group 2014 S$'000	Group 2013 S$'000
Profit for the year		35,079	36,049
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on re-translation from functional currency to presentation currency		2,305	(12,277)
Total comprehensive income for the year		37,384	23,772
Total comprehensive income attributable to:			
Owners of the Company		37,384	23,772
Non-controlling interest		-	-
		37,384	23,772

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

Statement of Financial Position

as at 30 June 2014

	Note	Group 2014 S$'000	Group 2013 S$'000	Company 2014 S$'000	Company 2013 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	32,557	23,108	186	403
Trade and other receivables	10	143,324	89,873	8,571	4,188
Other current assets	11	65	118	-	31
		175,946	113,099	8,757	4,622
Non-current assets					
Investment in joint venture	16	-	725	-	-
Investments in subsidiaries	16	-	-	8,916	8,769
Loans receivable	13	-	-	35,648	35,355
Property, plant and equipment	14	108,312	75,037	-	-
Intangible assets	15	13	12	-	-
Deferred tax assets	8	5,303	4,383	18	-
		113,628	80,157	44,582	44,124
TOTAL ASSETS		289,574	193,256	53,339	48,746
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	17	82,446	48,016	156	180
Borrowings	18	30,584	9,521	-	-
Payable to related parties	25	-	-	2,492	1,001
Provisions	19	6,713	3,233	-	-
Current tax liabilities		2,485	681	106	-
		122,228	61,451	2,754	1,181
Non-current liabilities					
Borrowings	18	20,459	19,955	-	-
Provisions	19	1,996	1,330	-	-
Deferred tax liabilities	8	620	342	537	-
		23,075	21,627	537	-
TOTAL LIABILITIES		145,303	83,078	3,291	1,181
Capital and Reserves					
Share capital	20	37,864	37,864	37,864	37,864
Treasury stock	20	(11)	-	(11)	-
Other reserves	22	734	(1,798)	5,879	4,940
Retained earnings		105,685	74,113	6,316	4,761
Total equity attributable to the Owners of the Company		144,272	110,179	50,048	47,565
Non-controlling interest		(1)	(1)	-	-
TOTAL EQUITY		144,271	110,178	50,048	47,565
TOTAL LIABILITY AND EQUITY		289,574	193,256	53,339	48,746

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2014

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

		Other reserves						
Group	Share capital S$'000	Merger reserve S$'000	Foreign currency translation reserve S$'000	Share option reserve S$'000	Retained earnings S$'000	Total S$'000	Non-controlling interest S$'000	Total S$'000
Balance as at 01 July 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								
Exchange differences on re-translation from functional currency to presentation currency	-	-	(12,277)	-	-	(12,277)	-	(12,277)
Total comprehensive income for the year	-	-	(12,277)	-	36,049	23,772	-	23,772
Dividends paid (Note 20)	-	-	-	-	(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

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2014

	Note	Group	
		2014 S$'000	2013 S'000
Cash Flows from Operating Activities			
Profit before income tax		45,479	48,140
Adjustment for:			
Depreciation of property, plant and equipment	14	6,648	5,169
Loss/(Gain) on disposal of property, plant and equipment		389	(34)
Share of profit in joint venture	16	(462)	(568)
Negative goodwill	16	(1,058)	-
Expense recognised in respect of equity-settled share-based payments	6	227	-
Finance cost	7	1,652	1,605
Interest income	4	(652)	(629)
Foreign exchange differences		870	(4,023)
Operating cash flow before working capital changes		53,093	49,660
Changes in working capital:			
Increase in trade and other receivables		(51,124)	(3,253)
Decrease in other current assets		115	219
Increase/(Decrease) in trade and other payables		30,937	(10,199)
Increase in provisions		4,081	521
Cash generated from operations		37,102	36,948
Interest received		652	629
Finance cost paid		(1,652)	(1,605)
Income tax refund		3,014	-
Income taxes paid		(13,261)	(27,329)
Net cash generated by operating activities		25,855	8,643
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		482	102
Purchase of property, plant and equipment	14	(37,915)	(32,716)
Net cash of acquired subsidiary	16	3,298	-
Net cash used in investing activities		(34,135)	(32,614)
Cash Flows from Financing Activities			
Proceeds from borrowings		35,514	31,759
Repayment of borrowings		(14,815)	(12,517)
Repayment to related parties		-	(123)
Dividends paid		(3,507)	(3,006)
Purchase of treasury shares		(948)	-
Treasury shares reissued		936	-
Decrease in deposits pledged		-	993
Net cash generated by financing activities		17,180	17,106
Net increase/(decrease) in cash and cash equivalents		8,900	(6,865)
Effects of currency translation on cash and cash equivalents		549	(2,819)
Cash and cash equivalents at the beginning of the financial year		23,108	32,792
Cash and cash equivalents at the end of the financial year		32,557	23,108

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

Notes to the Financial Statements

30 June 2014

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

1. General Information

Civmec Limited (the "Company") was incorporated in the Republic of Singapore on 3 June 2010 under the Singapore Companies Act, 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 2014 were authorised for issue on the date of the statement by the directors.

2. Significant Accounting Policies

(a) Basis of preparation

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

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

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

(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 2014, the Group and the Company has adopted the following new or revised FRS that are mandatory for application in the said year and which are relevant to the Group as follows:

FRS 113 *Fair Value Measurements*

FRS 113 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. There is no material impact on the financial position or financial performance of the Group when implemented.

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

At the date of authorisation of these financial statements, the Group has not applied the following new and revised FRS that have been issued and which are relevant to the Group but will only be effective for the Group for annual periods beginning 1 July 2014 onwards.

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 27 (Revised) *Separate Financial Statements*

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

FRS 110 *Consolidated Financial Statements*

FRS 110 supersedes FRS 27 Consolidated and Separate Financial Statements. The standard changes the definition of control and applies it to all investees to determine the scope of consolidation. FRS 110 requirements requires an investor to reassess the decision whether to consolidate an investee when events indicate that there may be a change to one of the three elements of control, i.e. power, variable returns and the ability to use power to affect returns. The changes are effective for accounting periods beginning on or after 1 January 2014. The Group has reassessed which entities the Group controls and expects no change.

FRS 112 *Disclosures of Interests in Other Entities*

FRS 112 combines the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities within a comprehensive disclosure standard. FRS 112 specifies minimum disclosures that an entity must provide. It requires an entity to provide summarised financial information about the assets, liabilities, profit or loss and cash flows of each subsidiary that has non-controlling interests that are material to the reporting entity and to disclose the nature of its interests in unconsolidated structured entities and the nature of the risks it is exposed to as a result; a schedule of the impact on the parent entity is required for changes in the ownership interest in a subsidiary without a loss of control; details of any gain/loss recognised on loss of control, and the line item of the income statement in which it is recognised; year ends of subsidiaries, joint arrangements or associates if different from the parent's that are consolidated using different year ends and the reasons for using a different date. The changes are effective for accounting periods beginning on or after 1 January 2014. As this is a disclosure standard, it will not have any impact on the financial position or financial performance of the Group when implemented.

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

The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or the parent company of the reporting entity. The amendments also clarify that the reporting entity that obtains the management personnel services from another entity (also referred to as the management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for the annual periods beginning on or after 1 July 2014 and are applied retrospectively. The amendments affect disclosures only and will have no impact on the Group's financial position or performance.

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

Amendments to FRS 108 require entities to disclose the judgement made by management by aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share economic characteristics. The amendment also clarifies that an entity shall provide reconciliations of the total reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after 1 July 2014 and are applied retrospectively. The amendments affect disclosures only and will have no impact on the Group's financial position or performance.

2. Significant Accounting Policies (cont'd)

(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.

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").

(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.

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2. Significant Accounting Policies (cont'd)

(e) Income Tax (cont'd)

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.

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.

2. Significant Accounting Policies (cont'd)

(e) Income Tax (cont'd)

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

Functional and presentation currency

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

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

Transactions and balances

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

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

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

Group companies

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

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

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.

2. Significant Accounting Policies (cont'd)

(g) Construction Contract and Work in Progress

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

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

(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".

(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.

2. Significant Accounting Policies (cont'd)

(h) Financial Assets (cont'd)

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.

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.

Property

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

Plant and equipment

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

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

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

2. Significant Accounting Policies (cont'd)

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

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

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

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

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

(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.

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.

2. Significant Accounting Policies (cont'd)

(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

Classification as debt or equity

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

Financial liabilities

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

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

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

Borrowings

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

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

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

Derecognition of financial liabilities

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

(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.

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

2. Significant Accounting Policies (cont'd)

(o) Leases (cont'd)

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.

Share-based payments

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

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

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

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

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

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

2. Significant Accounting Policies (cont'd)

(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.

(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.

Treasury Shares

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

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

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

(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).

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 2014 was S$108,312,000 (2013: S$75,037,000) (Note 14). A 10% difference in the expected useful lives of these assets from management's estimate would result in an approximately S$665,000 (2013: S$517,000) 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 17.

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$5,303,000 (2013: S$4,383,000).

(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:

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 and loans receivable were recorded for the financial years ended 30 June 2014 and 2013.

The carrying value of the Group's trade and other receivables and loans receivable as at 30 June 2014 and 2013 is S$178,972,000 and S$125,228,000, respectively.

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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 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 2014 and 2013.

The carrying amount of property, plant and equipment at 30 June 2014 is S$108,312,000 (2013: S$75,037,000).

Impairment of investment in subsidiaries

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

No impairment loss was recorded for the financial years ended 30 June 2014 and 2013.

The carrying amount of the Company's investment in subsidiaries as at 30 June 2014 is S$8,916,000 (2013: S$8,769,000).

4. Revenue and Other Income

	Group	
	2014 S$'000	2013 S$'000
Revenue		
Construction contract revenue	429,292	404,988
Revenue from sales of goods	326	902
Revenue from the rendering of services	4,059	34
	433,677	405,924
Other Income		
Interest income on bank balances	652	629
Rental income	12	79
Gain on disposal of property, plant and equipment	-	34
Fuel tax rebate	350	-
	1,014	742

5. Profit before Income Tax

	Note	Group 2014 S$'000	Group 2013 S$'000
The following items have been included in arriving at profit before tax:			
Included in cost of sales:			
Direct materials		104,280	103,786
Employee benefits	6	159,636	134,924
Subcontract works		52,899	73,612
Operating overheads		46,954	18,945
Depreciation		6,153	4,710

	Note	Group 2014 S$'000	Group 2013 S$'000
Included in administrative expenses:			
Audit fees:			
• Auditors of the Company		96	106
• Other auditors		94	122
Non-audit fees paid to other auditors		38	32
Business development		544	281
Communications		1,118	695
Depreciation		495	459
Directors' fees		191	196
Employee benefits	6	12,962	13,568
Occupancy expenses		410	2,588
Office costs		866	1,320
Other administrative expenses		956	1,692
Other professional fees		375	151
Tax fees		559	294
Net foreign exchange loss		65	7

6. Employee Benefits Expenses

	Note	Group 2014 S$'000	Group 2013 S$'000 (Restated)
Wages and salaries		162,647	141,054
Contributions to defined contribution plans		7,308	6,811
Other employee benefits		2,416	627
Share based expense (1)	22	227	-
		172,598	148,492

(1)Employee share option scheme.

7. Finance Costs

	Note	Group 2014 S$'000	Group 2013 S$'000
Bank bills		193	372
Finance leases		1,411	1,121
Premium funding		45	95
Other finance costs		3	17
		1,652	1,605

8. Income Tax Expense

	Group 2014 S$'000	Group 2013 S$'000
Current income tax – current year	14,109	15,680
Deferred income tax – current year	(544)	(2,347)
Over provision in respect of prior years	(3,165)	(1,242)
	10,400	12,091

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 2014 S$'000	Group 2013 S$'000
Profit before income tax	45,479	48,140
Income tax at 30% (2013: 30%)	13,644	14,442
Add tax effect of:		
Non-assessable income	(347)	(967)
Non-allowable items	86	28
Negative goodwill	(319)	-
Share in profit of a joint venture	(141)	(170)
Utilisation of previously unrecognised deferred tax asset	642	-
Over provision in respect of prior years	(3,165)	(1,242)
	10,400	12,091
Weighted average effective tax rates are as follows:	22.9%	25.1%

* The overprovision in respect of prior years includes adjustments recognised in the current year in relation to the prior years' research and development concessions which crystallised in the current year.

The tax rate used for the 2014 and 2013 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.

8. Income Tax Expense (cont'd)

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

	Opening balance	Charged to profit or loss	Acquisitions	Currency translation	Closing balance
	S$'000	S$'000	S$'000	S$'000	S$'000
Deferred tax liabilities:					
Property, plant and equipment	271	(132)	-	(16)	123
Share of profits in joint venture	70	171	-	(23)	218
Prepayments	-	1	-	-	1
Balance at 30 June 2013	341	40	-	(39)	342
Property, plant and equipment	123	(74)	-	1	50
Share of profits in joint venture	218	(217)	-	(1)	-
Prepayments	1	(6)	5	-	-
Fringe benefits tax instalments	-	32	-	1	33
Interest bearing borrowings	-	288	-	5	293
Unrealised foreign exchange gain	-	240	-	4	244
Balance at 30 June 2014	342	263	5	10	620

	Opening balance	Charged to profit or loss	Acquisitions	Currency translation	Closing balance
	S$'000	S$'000	S$'000	S$'000	S$'000
Deferred tax assets:					
Property, plant and equipment	1	52	-	(5)	48
Interest bearing borrowings	622	680	-	(126)	1,176
Expenses accrued	612	648	-	(123)	1,137
Other current assets	21	-	-	(2)	19
Provisions	1,212	369	-	(160)	1,421
Carried forward tax losses	1	-	-	-	1
Unrealised foreign exchange losses	-	620	-	(56)	564
Contract in progress	-	18	-	(2)	16
Intangibles	1	-	-	-	1
Balance at 30 June 2013	2,470	2,387	-	(474)	4,383
Property, plant and equipment	48	49	-	2	99
Interest bearing borrowings	1,176	(637)	-	9	548
Expenses accrued	1,137	340	4	25	1,506
Other current assets	19	(19)	-	-	-
Provision	1,421	1,128	20	44	2,613
Carried forward tax losses	1	-	-	-	1
Unrealised foreign exchange losses	564	(76)	-	8	496
Contract in progress	16	22	-	1	39
Intangibles	1	-	-	-	1
Balance at 30 June 2014	4,383	807	24	89	5,303

8. Income Tax Expense (cont'd)

Deferred tax liabilities not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 2(e) occur:

- temporary differences S$1,174,673 (2013: S$797,959)

Aggregate amount of temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, for which deferred tax liabilities have not been recognised as set out in Note 2(e):

- temporary differences S$3,903,812 (2013: S$2,648,291)

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	
	2014	2013
Profit attributable to the owners of the Company (S$'000)	35,079	36,049
Share Capital	501,000,000	501,000,000
Weighted average number of ordinary shares issued		
• Basic	500,352,162	501,000,000
• Diluted	505,800,000	501,000,000
Earnings per ordinary share (S$ cents)		
• Basic	7.01	7.20
• Diluted	6.94	7.20

Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the company, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the company, by the weighted average number of ordinary shares during the year plus the weighted average number of ordinary shares that would be in issue on the conversion of all the dilutive potential ordinary shares into ordinary shares.

10. Trade and Other Receivables

	Note	Group 2014 S$'000	Group 2013 S$'000	Company 2014 S$'000	Company 2013 S$'000
Current:					
Trade receivables					
- Third party		96,774	54,959	-	-
- Retention on construction claims		99	14,914	-	-
		96,873	69,783	-	-
Amount due from customers for contract in progress	(a)	45,735	19,091	-	-
Receivables from subsidiaries		-	-	3,261	4,188
Receivables from joint venture		-	651	-	-
Dividends receivable		-	-	5,294	-
Other receivables		716	258	16	-
Total current trade and other receivables		143,324	89,873	8,571	4,188
(a) Contracts in progress:					
Contract costs incurred		365,681	331,456	-	-
Recognised profits		63,611	73,532	-	-
		429,292	404,988	-	-
Less: Progress billings		(387,499)	(392,063)	-	-
Currency translation		764	(1,170)	-	-
Amount due from customers for construction contracts		42,557	11,755	-	-
Presented as:					
Due from customers		45,735	19,091	-	-
Due to customers	17	(3,178)	(7,336)	-	-
		42,557	11,755	-	-

11. Other Current Assets

	Group		Company	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Prepayments	65	118	-	31

12. Cash and Cash Equivalents

	Group		Company	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Cash at bank and in hand	32,557	23,108	186	403

Cash at banks earns interest at floating rates ranging from 0.01% to 2.50% (2013: 0.01% to 2.85%) per annum.

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

13. Loans Receivable

	Company	
	2014 S$'000	2013 S$'000
Balance at the beginning of the year	35,355	37,380
Currency translation	293	(2,025)
Balance at the end of the year	35,648	35,355

The loans granted to a subsidiary are unsecured and interest bearing at 6% per annum (2013: 6%). Interest income recognised for the year amounted to S$2,124,134 (2013: S$2,231,464).

The repayment terms are reviewed at the end of each financial year. As at 30 June 2014, there were no loans which are required to be repaid within the next twelve months.

14. Property, Plant and Equipment

2014	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$'000	Assets under con-struction S$'000	Total S$'000
Cost									
At 01 July 2013	6,127	37,737	30,218	3,782	4,295	545	1,268	1,575	85,547
Additions	-	9,791	18,286	1,887	2,641	930	1,046	3,334	37,915
Additions via acquisition of subsidiary	-	-	1,090	-	5	-	-	7	1,102
Disposals	-	-	(816)	(40)	(30)	(53)	(261)	-	(1,200)
Currency translation	103	811	784	97	120	24	25	88	2,052
At 30 June 2014	6,230	48,339	49,562	5,726	7,031	1,446	2,078	5,004	125,416
Accumulated depreciation									
At 01 July 2013	-	(1,458)	(6,090)	(857)	(1,365)	(111)	(629)	-	(10,510)
Depreciation for the year	-	(1,408)	(3,144)	(833)	(678)	(195)	(390)	-	(6,648)
Disposals	-	-	131	40	7	13	138	-	329
Currency translation	-	(50)	(152)	(29)	(34)	(6)	(4)	-	(275)
At 30 June 2014	-	(2,916)	(9,255)	(1,679)	(2,070)	(299)	(885)	-	(17,104)
Net carrying amount									
At 30 June 2014	6,230	45,423	40,307	4,047	4,961	1,147	1,193	5,004	108,312

2013	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$'000	Assets under con-struction S$'000	Total S$'000
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 2013	-	(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 2014	-	(1,458)	(6,090)	(857)	(1,365)	(111)	(629)	-	(10,510)
Net carrying amount									
At 30 June 2014	6,127	36,279	24,128	2,925	2,930	434	639	1,575	75,037

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

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$36,078,242 (S$19,127,229) (Note 18).

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

		Group	
Property, plant and equipment	Borrowings	2014 S$'000	2013 S$'000
Leasehold building	Bank bill, Escrow and multi-option facility	45,423	36,279
Leased plant and equipment	Finance lease	36,078	19,127
Remaining property, plant and equipment	Floating charge on multi-option facility	26,811	19,631
		108,312	75,037

Refer to Note 18 for further information on Borrowings.

15. Intangible Assets

	Group	
	2014 S$'000	2013 S$'000
Goodwill	13	12

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 2015. In arriving at this assessment, management has determined the recoverable amount using a two year forecasting process based on the current order book, projected orders and a consumer price index ("CPI") factor of 1.2% per annum on direct costs and overhead costs.

	Group	
	2014 S$'000	2013 S$'000
Balance at the beginning of the year	12	13
Currency translation	1	(1)
Balance at the end of the year	13	12

16. Investment in Subsidiaries

	Company	
	2014 S$'000	2013 S$'000
At cost:		
Balance at the beginning of the year	8,769	9,792
Currency translation	147	(1,023)
Balance at the end of the year	8,916	8,769

16. Investment in Subsidiaries (cont'd)

Acquisition of subsidiary

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

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

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

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

	Group	
	2014 S$'000	2013 S$'000
Balance at the beginning of the year	725	232
Share of profits in the joint venture	462	568
Currency translation	(60)	(75)
Balance at the acquisition date	1,127	725

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

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

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

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

16. Investment in Subsidiaries (cont'd)

Acquisition of subsidiary (cont'd)

Net cash inflow on acquisition of subsidiary

	Group	
	2014 S$'000	2013 S$'000
Consideration paid in cash	- *	-
Less: Cash and cash equivalent balances acquired	(3,298)	-
Balance at the acquisition date	(3,298)	-

*less than 1,000

Details of the Company's subsidiaries at 30 June 2014 are as follows:

Name of subsidiary/ country of incorporation	Principal activity	% of equity held by the Group	
		2014 %	2013 %
Held by the Company:			
Civmec Construction & Engineering Pty Ltd* Australia	Civil construction Structural Mechanical Process Piping (SMP)	100	100
Held by Civmec Construction & Engineering Pty Ltd:			
Civmec Holdings Pty Ltd* Australia	Asset holding company	100	100
Ballymount Holdings Pty Ltd* Australia	Asset holding company	100	100
Civmec Pipe Products Pty Ltd* Australia	Asset holding company	83.5	83.5
Civmec Coatings & Insulation Group Pty Ltd* Australia	Insulation	100	50

*Audited by Moore Stephens Pty Ltd, Perth, Australia

17. Trade and Other Payables

		Group		Company	
	Note	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Trade creditors		29,225	23,399	-	-
Sundry payables and accrued expenses:					
Accrued expenses		39,975	12,393	156	121
Amount due to customers for contracts in progress	10	3,178	7,336	-	-
Goods and services tax payable		5,000	3,197	-	-
Other taxes payable		5,068	1,632	-	-
Other payables		-	59	-	59
		82,446	48,016	156	180

Trade and other payables are usually paid within 45 days.

18. Borrowings

		Group		Company	
	Note	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Current:					
Finance lease liabilities					
- secured	18(a)	8,780	5,434	-	-
Bank bills – secured	18(b)	21,804	4,087	-	-
		30,584	9,521	-	-
Non-current:					
Finance lease liabilities					
- secured	18(a)	20,459	12,185	-	-
Bank bills – secured	18(b)	-	7,770	-	-
		20,459	19,955	-	-
Total borrowings		51,043	29,476	-	-

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

18. Borrowings (cont'd)

(i) Finance lease liabilities

The Group (the lessee) leases motor vehicles, workshop equipment and office fitout from non-related parties under finance leases. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term. The average lease term is between 4 and 5 years at interest rates ranging from 4.73% to 9.59% per annum (2013: 5.23% to 9.59%).

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

		Group	
	Note	2014 S$'000	2013 S$'000
Property, plant and equipment	14	36,078	19,127

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

	Minimum lease payments	Future finance charges	Net present value of minimum lease payments
2014	S$'000	S$'000	S$'000
Less than one year	10,192	(1,412)	8,780
Between one and five years	22,070	(1,611)	20,459
	32,262	(3,023)	29,239
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

(ii) Bank bills

Banking covenants

The Group is required by the banks to maintain certain financial ratios such as loan value ratio and interest cover ratio. As at 30 June 2014, the Group did meet all of these financial covenants.

As at 30 June 2014, the Group has a commercial bank facility amounting to S$33,824,375 which was utilised 64% (2013: 56%). Interest rates are variable and ranged between 3.62% to 4.71% per annum during the financial year (2013: 4.40% to 6.54%).

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

(iii) Other financing facilities available

The Group has a Multi Option Facility available for a limit of A$15,000,000 (approximately S$17,647,500) (2013: 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 real property mortgage by Civmec Holdings Pty Ltd over the leasehold interest in the Commercial property located at 2 & 8 Stuart Drive, Henderson WA 6166.
- First registered fixed and floating charge over the assets and undertaking of Civmec Construction & Engineering Pty and Civmec Holdings Pty Ltd.
- Unlimited guarantee and indemnity given by Civmec Holdings Pty Ltd and Civmec Ltd.
- Consent to Mortgage of Lease over Commercial property located at Lot 804 (16) Nautical Drive, Henderson WA 6166 given by Western Australian Land Authority.
- Unlimited guarantee and indemnity given by the Company.

19. Provisions

	Group	
	2014 S$'000	2013 S$'000
Current		
Provision for employee benefits	6,713	3,233
Non-current		
Provision for employee benefits	1,996	1,330
	8,709	4,563

(a) Movements in provisions are as follows:

		Group	
	Note	2014 S$'000	2013 S$'000
Current			
Opening balance at the beginning of year		3,233	3,400
Provisions made during the year			
- Included in employee benefits	6	9,911	10,069
Provisions utilised during the year		(6,546)	(9,862)
Currency translation		115	(374)
Closing balance at the end of year		6,713	3,233
Non-current			
Opening balance at the beginning of year		1,330	642
Provisions made during the year			
- Included in employee benefits	6	633	830
Currency translation		33	(142)
Closing balance at the end of year		1,996	1,330

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 2.65% to 3.08% (2013: 2.76% to 3.30%).

20. Share Capital

(i) Fully paid ordinary shares

	2014		2013	
	No. of shares	S$'000	No. of shares	S$'000
Ordinary shares issued and fully paid				
Balance at the beginning of the year	501,000,000	37,864	501,000,000	37,864
Shares held as treasury shares	(15,000)	(11)	-	-
Balance at the end of the year	500,985,000	37,853	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.

At the Annual Meeting held on 29 October 2013, the Company approved the payment of tax exempt (1-Tier) First and Final dividend of 0.7 Singapore cents (2013: 0.7 Singapore cents) per ordinary share amounting to S$3,507,000 (2013: S$3,006,000) for the financial year ended 30 June 2013. The dividend payment was made on 16 December 2013.

20. Share Capital (cont'd)

(ii) Treasury shares

	2014		2013	
	No. of shares	S$'000	No. of shares	S$'000
Balance at beginning of the year	-	-	-	-
Purchase of treasury shares	1,214,000	948	-	-
Reissued pursuant to the performance share plan	(1,199,000)	(937)	-	-
Balance at the end of the year	15,000	11	-	-

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

(iii) Share options

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

No options vested or were exercised during the reporting period. Share options granted under the Civmec Employee Share Option plan carry no rights to dividends and no voting rights. Further details of the employee option plan are contained in Note 21.

21. Share-Based Payments

(i) Performance Share Plan

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

Under the CPSP, 1,199,000 ordinary shares with a market value of S$0.70 per share were fully allotted out of treasury shares issued by the company on 13 June 2014. The share based payment expense was based on the cost of the treasury shares acquired for S$0.78 per share in December 2013.

Included in the employee benefits expense in the statement of profit and loss is S$935,834, which relates to equity-settled share-based payment transactions (2013: $Nil), of which S$1,090,042 was recognised as a provision in the year ended 30 June 2013.

(ii) Employee Share Option Scheme

The Civmec Employee Share Option Scheme (the "CESOS") was established on 27 March 2012 and formed part of the Civmec Limited prospectus dated 5 April 2012. The CESOS is a long term incentive scheme to reward and retain key management and employees of the Group whose service are integral to the success and the continued growth of the Group. Executive and non-executive directors (including independent directors) and employees of the Company, who are not controlling shareholders or their associates, are eligible to participate in the scheme. Controlling shareholders or their associates cannot participate in the scheme unless certain conditions are satisfied and shareholder approval is obtained.

The options are issued for no consideration and carry no entitlements to voting rights or dividends of the Group and are not transferable. The number of options granted is subject to approval by the Remuneration Committee and is based on a performance framework which incorporates financial and/or non-financial performance measurement criteria.

Options are forfeited immediately after the holder ceases to be employed by the Group (except in the case of ill health, retirement, redundancy or bankruptcy), unless the committee determines otherwise.

The options are issued with a strike price that is at the Remuneration Committee's discretion, set at a price as quoted on the Singapore Exchange for three market days immediately preceding the relevant date of grant of the option or at a discount to the market price (subject to a maximum discount of 20%).

The vesting period for options issued with no discount to market price is over one year.

On 11 September 2013, 6,000,000 options were granted to employees under the CESOS to take up ordinary shares at an exercise price of S$0.65 per share. The options are exercisable on or before 11 September 2023.

21. Share-Based Payment (cont'd)

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

Options granted to employees are as follows:

Grant date	Total number granted	Vesting period
11 September 2013	6,000,000	1 year

Since the end of the reporting period, no employees have retired from the Group. During the financial year, no options vested (2013: Nil).

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

	2014		2013	
	No.	WAEP $	No.	WAEP $
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	6,000,000	0.65	-	-
Outstanding at the end of the year	6,000,000	0.65	-	-
Exercisable at the end of the year	-		-	

The weighted average remaining contractual life of options outstanding as at 30 June 2014 is 9 years (2013: Nil). The exercise price of outstanding shares was S$0.65 (2013: $Nil).

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was $0.0472 (2013: $Nil). These values were calculated using the Binomial option pricing model applying the following inputs:

Grant date:	11 September 2013
Vesting period	1 year
Dividend yield	11%
Weighted average exercise price	S$0.65
Share price	S$0.65
Expected average life of the option	5.9 years
Expected share price volatility	26%
Risk-free interest rate	2.68%

The expected volatility of the Company has been determined having regard to the historical volatility of the market price of the Company's share and the mean reversion tendency of volatilities.

The life of the options is based on the expected exercise patterns, which may not eventuate in the future.

A liquidity discount has also been applied to the value of the options to account for historically low trading volume of the shares.

22. Other Reserves

	Group		Company	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Foreign currency translation reserve	(8,503)	(10,808)	(3,358)	(4,070)
Merger reserve	9,010	9,010	9,010	9,010
Share option reserve	227	-	227	-
	734	(1,798)	5,879	4,940

22. Other Reserves (cont'd)

(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, the share capital of Civmec Construction & Engineering Pty Ltd and Controlled Entities is adjusted to merger reserve based on the "pooling of interest method".

(c) Share option reserve

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

23. Commitments

(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	
	2014 S$'000	2013 S$'000
Not later than 12 months	2,566	2,187
Between 12 months and five years	10,309	9,014
More than five years	67,974	53,435
	80,849	64,636

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. Since March 2014, the Group has increased the area of land leased.
- 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 contracted capital expenditure commitments at the reporting date but not recognised in the financial statement as follows:

	Group	
	2014 S$'000	2013 S$'000
Plant and equipment purchases	810	8,195
Capital projects	4.,755	344
	5,565	8,539
Not later than 12 months	5,565	8,539

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 2014, the Group has provided the following:

	Group	
	2014 S$'000	2013 S$'000
Bank guarantee	1,384	1,289
Surety bond facility	66,449	30,687
Letter of credit	-	61
	67,833	32,037

The surety bond facility is provided for the provision of performance bonds to customers of the Group. It has a limit of A$75 million (equivalent to S$88.24 million) as at 30 June 2014 (2013: A$40 million: S$46.28 million).

25. Related Party Transactions

The Group's main related parties are as follows:

Entities Exercising Control over the Group

The largest shareholders are James Finbarr Fitzgerald and Olive Theresa Fitzgerald (acting as trustees for the JF & OT Fitzgerald Family Trust) (19.47%) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust) (19.47%).

Key Management Personnel

Any person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

Remuneration paid to key management personnel is as follows:

	Group	
	2014 S$'000	2013 S$'000
Directors' remuneration		
- Salaries and other related costs	1,918	1,945
- Directors' fees	191	174
- Post-employment benefits	130	143
Key management personnel		
- Salaries and other related costs	2,383	2,488
- Post-employment benefits	185	199
	4,807	4,949

Directors' interest in Employee Share Benefit Plans

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

	Group	
	2014 No.	2013 No.
Directors	-	-
Key management personnel	2,000,000	-

Other Related Parties

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

25. Related Party Transactions (cont'd)

Transactions with Related Parties

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

The following transactions occurred with related parties:

	Group	
	2014 S$'000	2013 S$'000
(a) Purchase of goods and services		
Other Related Parties:		
- Rental paid to a related party (who was a spouse of one of the directors)	-	(159)
- Consultant fee paid to a related party (who is a shareholder of the Company)	(22)	(20)
(b) Borrowings		
Other Related Parties		
- (Repayment to)/Advances from related parties	-	(123)

26. Financial Information by Segments

Management has determined the operating segments based on the internal reports which are regularly reviewed by the Operations Management that are used to make strategic decisions.

The Operations Management comprises of the Executive Chairman, Chief Executive Officer, Chief Operations Officer, Chief Financial Officer and the department heads of each operating segment.

The business is managed primarily on the basis of different products and services as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements

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

Basis of Accounting for Purpose of Reporting by Operating Segments

(a) Accounting policies adopted

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

(b) Inter-segment transactions

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

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

(c) Segment assets and liabilities

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

26. Financial Information by Segments (cont'd)

Geographical Segments (Secondary Reporting)

The Group operates within Australia.

Major Customers

The Group has a number of customers to whom it provides both products and services. For the year ended 30 June 2014, the Group supplies to a single external customer in Mining & Others segment who accounts for 51.9% of external revenue (2013: 35%). The next most significant client accounts for 8.2% and 7.8% (2013: 22% and 20% respectively) of external revenue.

	2014			2013		
	Oil and Gas S$'000	Mining and Others S$'000	Total S$'000	Oil and Gas S$'000	Mining and Others S$'000	Total S$'000
Revenue – external sales	130,444	303,233	433,677	143,634	262,290	405,924
Cost of sales (excluding depreciation)	(107,410)	(256,359)	(363,769)	(115,378)	(215,889)	(331,267)
Depreciation expense	(1,231)	(4,922)	(6,153)	(2,186)	(2,524)	(4,710)
Segment results	21,803	41,952	63,755	26,070	43,877	69,947
Unallocated costs			(18,769)			(21,512)
Other income			1,014			742
Negative goodwill			1,058			-
Share in profit of joint venture	462	-	462	568	-	568
Finance costs			(1,652)			(1,605)
Other expenses			(389)			-
Profit before income tax			45,479			48,140
Income tax expenses			(10,400)			(12,091)
Net profit for the year			35,079			36,049
Segment assets:						
Intangible assets	-	13	13	-	12	12
Unallocated assets:						
Assets			284,193			188,743
Other current assets			65			118
Deferred tax assets			5,303			4,383
Total assets			289,574			193,256
Segment liabilities:						
Unallocated liabilities						
Liabilities			82,446			48,016
Borrowings			51,043			29,476
Current income tax liabilities			2,485			681
Deferred tax liabilities			620			342
Provisions			8,709			4,563
Total liabilities			145,303			83,078
Other segment information						
Capital expenditures during the year			39,017			32,716

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 2014, approximately 57% (2013: 60%) 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% (2013: 1%) with all other variables remain constant, the Group's profit before tax will be approximately lower/higher by S$218,000 (2013: S$119,000) as a result of higher/lower interest expenses on these borrowings.

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

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

	Variable rates		Fixed rates			
	Within 1 year S$'000	Between 2 to 5 years S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000	Non-interest bearings S$'000	Total S$'000
Group						
2014						
Financial Assets						
Cash and cash equivalents	32,557	-	-	-	-	32,557
Trade and other receivables	-	-	-	-	143,324	143,324
	32,557	-	-	-	143,324	175,881
Financial Liabilities						
Trade and other payables	-	-	-	-	82,446	82,446
Borrowings – finance lease	-	-	8,780	20,459	-	29,239
Borrowings – bank bills	21,804	-	-	-	-	21,804
	21,804	-	8,780	20,459	82,446	133,489
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

27. Financial Risk Management (cont'd)

(a) Market risk (cont'd)

Interest rate risk (cont'd)

	Variable rates		Fixed rates			
	Within 1 year S$'000	Between 2 to 5 years S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000	Non-interest bearings S$'000	Total S$'000
Company						
2014						
Financial Assets						
Cash and cash equivalents	186	-	-	-	-	186
Trade and other receivables	-	-	-	-	8,571	8,571
	186	-	-	-	8,571	8,757
Financial Liabilities						
Trade and other payables	-	-	-	-	156	156
Payable to related parties	-	-	-	-	2,492	2,492
	-	-	-	-	2,648	2,648
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

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. Depending on the division within the Group and the Company, credit terms are generally 30 days from the date of invoice.

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

The Group has a concentration of credit risk with one counterparty accounting for 66% of trade receivables as at 30 June 2014 (2013: 46%).

27. Financial Risk Management (cont'd)

(b) Credit risk (cont'd)

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.

	Gross amount	Within initial trade terms	Past due but not impaired			Past due and impaired
			31 – 60 days	61 – 90 days	> 90 days	
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
2014						
Trade receivables	96,873	92,108	4,649	116	-	-
Other receivables	46,451	46,451	-	-	-	-
Total	143,324	138,559	4,649	116	-	-
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	-
Company						
2014						
Receivables from subsidiaries	3,261	3,261	-	-	-	-
Dividends receivable	5,294	5,294	-	-	-	-
Other receivables	16	16	-	-	-	-
Total	8,571	8,571	-	-	-	-
2013						
Receivables from subsidiaries	4,188	4,188	-	-	-	-
Total	4,188	4,188	-	-	-	-

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.

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	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Cash and cash equivalents:				
AA Rated	32,557	23,108	186	403

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

27. Financial Risk Management (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting its commitments concerning its financial liabilities. The Group and the Company manages this risk through the following mechanism:

- Preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- Monitoring undrawn credit facilities;
- Maintaining credit risk related to financial assets;
- Obtaining funding from a variety of sources;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

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.

		Contractual Undiscounted Cash Flows		
	Carrying amount S$'000	Within 1 year S$'000	Between 2 to 5 years S$'000	Total S$'000
Group				
2014				
Financial liabilities:				
Trade and other payables	69,200	69,200	-	69,200
Borrowings:				
- Finance lease	29,239	10,192	22,070	32,262
- Bank bills	21,804	22,620	-	22,620
Total financial liabilities	120,243	102,012	22,070	124,082
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

27. Financial Risk Management (cont'd)

(c) Liquidity risk (cont'd)

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

(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	
	2014 S$'000	2013 S$'000
Net debt	91,525	42,219
Total equity	144,272	110,179
Net debt-to-equity ratio	0.70	0.38

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

(e) 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.

27. Financial Risk Management (cont'd)

(e) 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. The carrying amounts of financial assets and financial liabilities are assumed to approximate their respective fair values. The Group does not anticipate that the carrying amounts recorded at the balance sheet date would be significantly different from the values that would eventually be received or settled.

The fair value of non-current loan receivables is based on a valuation technique using market observable inputs. These instruments are included in Level 2 of the fair value hierarchy.

Statistics of Shareholders

as at 19 September 2014

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

Distribution of Shareholdings

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	5	0.55	2,083	0.00
1,000 - 10,000	429	47.83	2,572,000	0.51
10,001 - 1,000,000	424	47.27	41,088,899	8.20
1,000,001 and Above	39	4.35	457,337,018	91.29
TOTAL	897	100.00	501,000,000	100.00

Twenty Largest Shareholders

No.	Shareholders' Name	No. of Shares	%
1.	CIMB SECURITIES (SINGAPORE) PTE LTD	185,112,272	36.95
2.	JAMES FINBARR FITZGERALD OR OLIVE TERESA FITZGERALD	97,620,806	19.49
3.	CLARENDON PACIFIC VENTURES PTE LTD	23,812,000	4.75
4.	HSBC (SINGAPORE) NOMINEES PTE LTD	17,159,000	3.43
5.	DBS NOMINEES PTE LTD	14,235,000	2.84
6.	RAFFLES NOMINEES (PTE) LTD	14,149,321	2.82
7.	VAZ LORRAIN MICHAEL	12,577,000	2.51
8.	FOO SIANG GUAN	6,704,849	1.34
9.	CITIBANK NOMINEES SINGAPORE PTE LTD	6,005,000	1.20
10.	LEE TECK LENG	5,700,200	1.14
11.	LEYAU LAY HOON	5,227,899	1.04
12.	TAN SIEW HUAY	5,016,845	1.00
13.	OCBC SECURITIES PRIVATE LTD	4,341,000	0.87
14.	ANG KONG HUA	4,153,677	0.83
15.	LIM KIM LYE	3,619,000	0.72
16.	MAYBANK KIM ENG SECURITIES PTE LTD	3,596,000	0.72
17.	HONG LEONG FINANCE NOMINEES PTE LTD	3,485,000	0.70
18.	GOH GEOK LING	3,425,134	0.68
19.	LAI VOON NEE	3,300,000	0.66
20.	DBSN SERVICES PTE LTD	3,086,189	0.62
	Total	**422,326,192**	**84.31**

Substantial Shareholders

	Direct Interest		Deemed interest	
Name	No. of Shares	%	No. of Shares	%
JT & OT Fitzgerald Family Trust(1)	97,620,806	19.48	-	-
Kariong Investment Trust (2)	97,566,806	19.47	-	-
Michael Lorrain Vaz (3)	15,088,000	3.01	23,812,000	4.75
James Finbarr Fitzgerald (and Olive Teresa Fitzgerald)(1)	-	-	97,620,806	19.48
Goldfirm Pty Ltd (2)	-	-	97,566,806	19.47
Patrick John Tallon(2)	54,000	0.01	97,566,806	19.47

Note:

1. Mr. James Finbarr Fitzgerald and his spouse (Olive Teresa Fitzgerald) are the trustees of the JF & OT Fitzgerald Family Trust. Pursuant to Section 4(3) of the 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 19 September 2014 and to the best knowledge of the Directors, approximately 50.53% 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 the Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Tuesday, 28 October 2014 at 3.30 p.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 2014 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 2014.		*Resolution 2*
3.	To approve the payment of Directors' fees of S$190,000 for the financial year ending 30 June 2015, to be paid quarterly in arrears. (FY2014: S$190,000)		*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 *[See Explanatory Note (i)]*	*Resolution 7*
	(e)	Mr Wong Fook Choy Sunny *[See Explanatory Note (ii)]*	*Resolution 8*
	(f)	Mr Douglas Owen Chester *[See Explanatory Note (iii)]*	*Resolution 9*
5.	To re-appoint Messrs Moore Stephens LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.		*Resolution 10*

As Special Businesses:

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

6. **Authority to allot and issue shares** — *Resolution 11*

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 (the "Act") and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

(a) issue shares in the capital of the Company whether by way of bonus issue, rights issue or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and/or

(c) issue additional Instruments convertible into shares arising from adjustments made to the number of Instruments at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(i) the aggregate number of shares and convertible securities that may be issued shall not be more than 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;

(ii) the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders shall not be more than 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;

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

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

[See Explanatory Note (iv)]

7. **Authority to allot and issue shares under the Civmec Employee Share Option Scheme and the Civmec Performance Share Plan** *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 (v)]

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

That:

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

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

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

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

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

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

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

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

(d) in this Ordinary Resolution:-

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

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

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

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

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

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

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

[See Explanatory Note vi)]

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

BY ORDER OF THE BOARD

James Finbarr Fitzgerald
Executive Chairman

13 October 2014

Explanatory Notes:

(i) Mr Chong Teck Sin, will, upon re-election as Director of the Company remain as Chairman of Audit Committee and Risks and Conflicts Committee and a member of Nominating and Remuneration Committees. Mr Chong will be considered independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited. Key information on Mr Chong can be found on page 37 of the Annual Report 2013/2014. There are no relationships (including family relationship) between Mr Chong and the other Director or the Company or its 10% shareholders.

(ii) Mr Wong Fook Choy Sunny, will, upon re-election as Director of the Company remain as Chairman of Remuneration Committee and a member of Audit, Risks and Conflicts and Nominating Committees. Mr Wong will be considered independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited. Key information on Mr Wong can be found on page 37 of the Annual Report 2013/2014. There are no relationships (including family relationship) between Mr Wong and the other Director or the Company or its 10% shareholders.

(iii) Mr Douglas Owen Chester, will, upon re-election as Director of the Company remain as Chairman of Nominating Committee and a member of Audit, Risks and Conflicts and Remuneration Committees. Mr Douglas Chester will be considered independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited. Key information on Mr Douglas Chester can be found on page 37 of the Annual Report 2013/2014. There are no relationships (including family relationship) between Mr Douglas Chester and the other Director or the Company or its 10% shareholders.

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

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

(vi) The Resolution no. 13 proposed in item no.8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of on-market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares in the capital of the Company at the Maximum Price as defined in the Appendix to Annual Report accompanying this Notice.

Notes:

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

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

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

(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.

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Proxy Form

ANNUAL GENERAL MEETING

CIVMEC LIMITED

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

IMPORTANT

1. For investors who have used their CPF monies to buy Civmec Limited's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as 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 the Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Tuesday, 28 October 2014 at 3.30 p.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 2014 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 2014.		
3.	Approval of the payment of Directors' fees of S$190,000 for the financial year ending 30 June 2015 to be paid quarterly in arrears.		
4.	Re-election of Mr James Finbarr Fitzgerald as a Director of the Company.		
5.	Re-election of Mr Patrick John Tallon as a Director of the Company.		
6.	Re-election of Mr Kevin James Deery as a Director of the Company.		
7.	Re-election of Mr Chong Teck Sin as a Director of the Company.		
8.	Re-election of Mr Wong Fook Choy Sunny as a Director of the Company.		
9.	Re-election of Mr Douglas Owen Chester as a Director of the Company.		
10.	Re-appointment of Messrs Moore Stephens LLP as the Auditors.		
11.	Authority to allot and issue shares.		
12.	Authority to allot and issue shares under the Civmec Employee Share Option Scheme and the Civmec Performance Share Plan.		
13.	Renewal of Share Purchase Mandate.		

Dated this _______day of _________________ 2014

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 below.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (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.

CIVMEC Limited
Company Registration No. 201011837H

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