

PROSPECTUS DATED 5 APRIL 2012
(REGISTERED BY THE MONETARY AUTHORITY
OF SINGAPORE ON 5 APRIL 2012)



CIVMEC LIMITED
(Incorporated in Singapore on 3 June 2010)
(Company Registration Number 201011837H)

BUILDING GLOBAL STRUCTURES

Invitation in respect of 101,000,000 Invitation Shares comprising 51,000,000 New Shares and 50,000,000 Vendor Shares as follows:

- (a) 2,000,000 Offer Shares at S\$0.40 for each Offer Share by way of public offer; and**
(b) 99,000,000 Placement Shares at S\$0.40 for each Placement Share by way of placement,
payable in full on application.

IMPORTANT NOTE

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.

We have made an application to the Singapore Exchange Securities Trading Limited ("SGX-ST") for permission to deal in and for quotation for all the ordinary shares ("Shares") in the capital of Civmec Limited ("Company") already issued (including the Vendor Shares as defined herein) and the new Shares ("New Shares") which are the subject of this Invitation. Such permission will be granted when our Company has been admitted to the Official List of the SGX-ST.

Acceptance of applications of the Invitation Shares (as defined herein) will be conditional upon, amongst others, the SGX-ST granting permission to deal in and for quotation for all of the existing issued Shares (including the Vendor Shares) and the New Shares. Monies paid in respect of any application accepted will, in the event such permission is not granted, be returned to you at your own risk without interest or any share of revenue or other benefit arising therefrom, and you will not have any claim against our Company, the Vendors or the Issue Manager, Underwriter and Placement Agent. **Quotation of and dealing in the Shares will be in Singapore dollars.**

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, the existing issued Shares (including the Vendor Shares) and the New Shares.

A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore ("Authority"). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act (Cap. 289) of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Shares (including the Vendor Shares) and the New Shares, as the case may be, being offered for investment.

Investing in the Shares involves risks which are described in the section entitled "Risk Factors".

No Share shall be allotted or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

Issue Manager and Underwriter



Maybank Kim Eng Corporate Finance Pte. Ltd.
(Incorporated in Singapore)
(Company Registration Number: 200207700C)

Placement Agent

Maybank Kim Eng Securities Pte. Ltd.
(Incorporated in Singapore)
(Company Registration Number: 197201256N)



Modularised Fabrication

Site Civil Works

Pre-cast Concrete

Modularised Fabrication

COMPANY OVERVIEW

We are an Australian-based integrated multi-disciplinary construction and heavy engineering services provider to the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries. We provide heavy engineering and other services including fabrication, site civil works, pre-cast concrete and maintenance services.

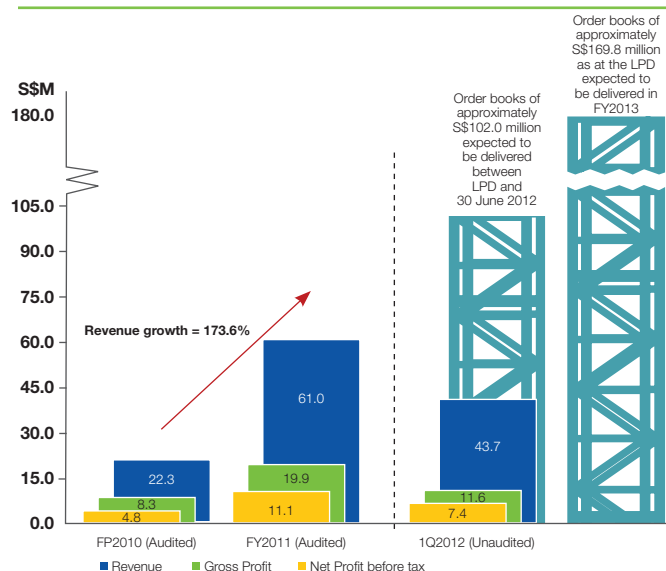
COMPETITIVE STRENGTHS

- Established relationships with leading notable companies in the mining and oil and gas industries.
- Largest under-cover sea-front fabrication and modular assembly facilities in Australia equipped with high capacity automated equipment.
- Proximate to the growing oil and gas and mining-related industries of Western Australia.
- An experienced management team with proven track records of sustainable growth and profitability.
- Flexible fabrication capabilities enable us to provide integrated multi-disciplinary specialist services.

MAJOR PROJECTS

Customer	Name of Project	Summary of products and services provided	Aggregate contract value (A\$ millions)
BHP Billiton	Asset Development Projects – SMP fabrication	Fabrication and modularisation of structural steel, plate work and conveyor systems	114.0
KJVG	Gorgon LNG project – stick fabricated steel	Supply and fabrication of structural steel	45.0
KBR – Rio Tinto	Hope Downs 4 iron ore project / new open-cut iron ore mine	Detailed earthworks and concrete construction works	35.0
Lycopodium – Rio Tinto	Marrandoo – Site Civil – concrete works	Detailed earthworks and concrete construction works	35.0
Leighton	Gorgon LNG project – pre-cast foundations	Construction of 45,000 cubic metres of pre-cast reinforced concrete foundations	27.0

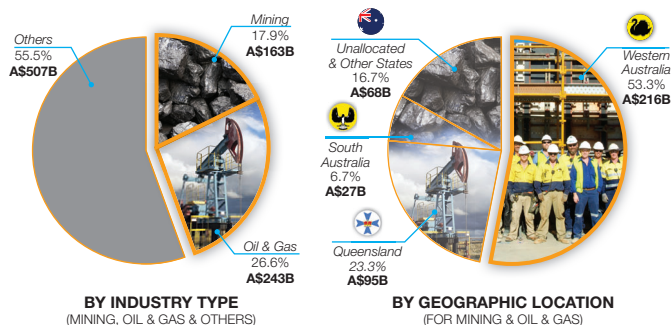
FINANCIAL HIGHLIGHT



PROSPECTS

Mining and oil & gas industries continue to dominate investment landscape in Australia

Western Australia - Major beneficiary of investment in the mining and oil & gas industries



FUTURE PLANS

- Continue expanding our office premises for the operations of our Group.
- Acquire additional plant and equipment and upgrade our Facilities.
- Expand our sales and marketing capabilities.
- Explore opportunities in strategic investments or alliances and acquisitions.

CONTENTS

CORPORATE INFORMATION	5
DEFINITIONS	8
GLOSSARY OF TECHNICAL TERMS	22
GLOSSARY OF EXISTING PROJECTS	25
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS	27
INDUSTRY AND MARKET DATA	28
SELLING RESTRICTIONS	29
DETAILS OF THE INVITATION	30
LISTING ON THE SGX-ST	30
INDICATIVE TIMETABLE FOR LISTING	34
THE INVITATION	35
PLAN OF DISTRIBUTION	36
CLEARANCE AND SETTLEMENT	38
USE OF PROCEEDS AND LISTING EXPENSES	39
MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS	41
PROSPECTUS SUMMARY	44
OUR COMPANY	44
OUR BUSINESS	44
OUR COMPETITIVE STRENGTHS	44
OUR FINANCIAL PERFORMANCE	45
OUR BUSINESS STRATEGIES AND FUTURE PLANS	45
ISSUE STATISTICS	46
RISK FACTORS	48
RISKS RELATING TO OUR BUSINESS AND OUR INDUSTRY	48
RISKS RELATING TO INVESTMENT IN OUR SHARES	59
EXCHANGE RATES	63
DIVIDEND POLICY	64
CAPITALISATION AND INDEBTEDNESS	65
DILUTION	66
SHARE CAPITAL	69

RESTRUCTURING EXERCISE	73
GROUP STRUCTURE	77
AUSTRALIA ECONOMIC OVERVIEW	78
AUSTRALIA ECONOMIC OVERVIEW — AN INVESTMENT PROJECTS PERSPECTIVE .	78
OVERALL INVESTMENT CLIMATE IN AUSTRALIA	79
HISTORY AND BUSINESS	86
HISTORY	86
BUSINESS	88
MAJOR PROJECTS	93
PROJECT IMPLEMENTATION PROCESS	95
BUSINESS DEVELOPMENT	95
TENDER PREPARATION AND SUBMISSION	96
PROJECT EXECUTION AND COMPLETION	98
PROJECT COST CONTROL AND MANAGEMENT INFORMATION SYSTEM	99
MARKETING	100
OUR MAJOR CUSTOMERS	100
OUR MAJOR SUPPLIERS	101
COMPETITIVE STRENGTHS	102
RESEARCH AND DEVELOPMENT	104
INTELLECTUAL PROPERTY	104
QUALITY ASSURANCE AND SAFETY	105
AWARDS, ACCREDITATION AND RECOGNITIONS	107
PROPERTIES AND FIXED ASSETS	108
PRODUCTION FACILITIES AND CAPACITY	110
STAFF TRAINING	111
CORPORATE SOCIAL RESPONSIBILITY	112
PERMITS, APPROVALS, CERTIFICATIONS AND GOVERNMENT REGULATIONS	113
COMPETITION	113
INSURANCE	114
SELECTED FINANCIAL INFORMATION	115
OPERATING RESULTS OF OUR GROUP	115
FINANCIAL POSITION OF OUR GROUP	116
MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION	117
OVERVIEW	117
REVIEW OF RESULTS OF OPERATIONS	123

REVIEW OF PAST FINANCIAL POSITION	127
LIQUIDITY AND CAPITAL RESOURCES	129
MATERIAL CAPITAL EXPENDITURES AND DIVESTMENTS	132
MATERIAL COMMITMENTS AND CONTINGENCIES	132
FOREIGN EXCHANGE EXPOSURE.....	133
CHANGES IN ACCOUNTING POLICIES.....	134
CREDIT MANAGEMENT	134
PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS	136
PROSPECTS.....	136
OUR ORDER BOOK	136
TREND INFORMATION	136
BUSINESS STRATEGIES AND FUTURE PLANS	138
DIRECTORS, KEY EXECUTIVES AND EMPLOYEES	140
DIRECTORS	140
KEY EXECUTIVES.....	144
MANAGEMENT REPORTING STRUCTURE.....	148
SERVICE AGREEMENTS.....	148
DIRECTORS AND KEY EXECUTIVES' REMUNERATION.....	149
EMPLOYEES.....	150
CORPORATE GOVERNANCE	150
CIVMEC EMPLOYEE SHARE OPTION SCHEME.....	153
PRINCIPAL SHAREHOLDERS	162
SHAREHOLDING AND OWNERSHIP STRUCTURE.....	162
VENDORS.....	165
MORATORIUM.....	166
INTERESTED PERSON TRANSACTIONS.....	169
PAST INTERESTED PERSON TRANSACTIONS	169
ON-GOING INTERESTED PERSON TRANSACTIONS.....	170
REVIEW OF NON-MANDATED INTERESTED PERSON TRANSACTIONS.....	172
POTENTIAL CONFLICT OF INTERESTS	173
GENERAL AND STATUTORY INFORMATION.....	177
APPENDIX A — INDEPENDENT AUDITOR'S REPORT ON THE AUDITED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND THE FINANCIAL YEAR ENDED 30 JUNE 2011	A-1

APPENDIX B	— INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS OF CIVMEC LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011	B-1
APPENDIX C	— REPORT ON EXAMINATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF CIVMEC LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011 ..	C-1
APPENDIX D	— REPORT ON EXAMINATION OF UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF CIVMEC LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011.....	D-1
APPENDIX E	— TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE	E-1
APPENDIX F	— SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION	F-1
APPENDIX G	— DESCRIPTION OF RELEVANT AUSTRALIAN LAWS AND REGULATIONS.....	G-1
APPENDIX H	— DESCRIPTION OF SINGAPORE COMPANY LAW RELATING TO SHARES.....	H-1
APPENDIX I	— DESCRIPTION OF SINGAPORE LAW RELATING TO TAXATION.....	I-1
APPENDIX J	— RULES OF THE CIVMEC EMPLOYEE SHARE OPTION SCHEME	J-1

CORPORATE INFORMATION

Board of Directors	:	James Finbarr Fitzgerald <i>(Executive Chairman)</i> Patrick John Tallon <i>(Chief Executive Officer)</i> Kevin James Deery <i>(Chief Operating Officer)</i> Chong Teck Sin <i>(Lead Independent Director)</i> Chelva Retnam Rajah <i>(Independent Director)</i> Wong Fook Choy Sunny <i>(Independent Director)</i>
Company Secretaries	:	Sin Chee Mei (ACIS) Ang Siew Koon (ACIS)
Our Registered Office	:	80 Robinson Road #02-00 Singapore 068898 Tel: 6236 3333 Fax: 6236 4399
Our 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
Issue Manager and Underwriter	:	Maybank Kim Eng Corporate Finance Pte. Ltd. 63 Market Street #13-01 Bank of Singapore Centre Singapore 048942
Placement Agent	:	Maybank Kim Eng Securities Pte. Ltd. 50 North Canal Road Singapore 059304
Reporting Accountants and Auditors	:	Moore Stephens LLP 10 Anson Road #29-15 International Plaza Singapore 079903 Partner-in-charge: Christopher Johnson (A member of the Institute of Certified Public Accountants of Singapore)
Solicitors to the Invitation and Legal Advisers to our Company on Singapore Law	:	Rajah & Tann LLP 9 Battery Road #25-01 Straits Trading Building Singapore 049910

Solicitors to the Issue Manager, Underwriter and Placement Agent	:	Stamford Law Corporation 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315
Legal Advisers to our Company on Australian Law	:	Downings Legal Pty Ltd Level 11 Westralia Plaza 167 St Georges Terrace Perth WA 6000
Industry Expert	:	Deloitte Access Economics Level 1, 9 Sydney Avenue Barton ACT 2600, PO Box 6334 Kingston ACT 2604
Principal Banker	:	St George Bank Level 3 Westralia Square 167 St Georges Terrace Perth WA 6000
Receiving Bank	:	Malayan Banking Berhad 200 Jalan Sultan #01-02 Textile Centre Singapore 199018
Vendors	:	Kariong Investment Trust Suite 11/19-21 Outram Street West Perth Western Australia 6005 JF & OT Fitzgerald Family Trust 10 Tara Vista, West Leederville Western Australia 6007 Deery Family Trust 5/42 Gardner St, Como Western Australia 6152 Glenn Stephenson Family Trust U1/28 Talbot Ave, Como Western Australia 6152 Silvera Family Trust 21 Milgun Drive, Yangebup Western Australia 6164 R&C Vitelli Family Trust 5 Penhurst St, East Fremantle Western Australia 6164 Ang Kong Hua 30 Hill Street, #05-04 Singapore 179360 Foo Siang Guan 48 Leedon Road Singapore 267859 Hong Pian Tee 50 Leedon Road Singapore 267860

Tan Siew Huay
78 Jalan Lanjut
Singapore 577716

Heng Kheng Long
238 Orchard Boulevard #36-07
The Orchard Residences
Singapore 237973

Goh Geok Ling
37 Jalan Kampong Chantek
Singapore 588615

Ng Kee Choe
10 Pasir Panjang Road
#03-01 Mapletree Business City
Singapore 117438

Leyau Lay Hoon
1 Melrose Drive,
Singapore 358498

Song Gin Puay Ronnie
1 Melrose Drive,
Singapore 358498

Cheng Yong Liang
745 Mountbatten Road
Singapore 437754

Wong Yuen Weng Ernest
50 Draycott Park #12-01,
Singapore 259396

Seah Wee Ling Karen
45 Binjai Park,
Singapore 589845

Mah Siok Hean Catherine
5 Goldhill Drive,
Singapore 308954

Lim Kuo Kae
Block 285-D Toh Guan Road
#20-72,
Singapore 604285

Yeo Kian Teong Alex
51 Jalan Ampang,
Singapore 268637

Tan Dah Ching
59 Holland Park,
Singapore 249495

Ho Lon Gee
15 Duchess Place,
Singapore 269056

DEFINITIONS

In this Prospectus, the accompanying Application Forms and, in relation to the Electronic Applications, the instructions appearing on the screens of the ATMs of Participating Banks, the IB websites of the Participating Banks and the mobile banking interface of the relevant Participating Banks, unless the context otherwise requires, the following definitions apply throughout where the context so admits:

Companies within our Group

“Ballymount”	:	Ballymount Holdings Pty Ltd
“CCE”	:	Civmec Construction & Engineering Pty Ltd, formerly known as Patnik Pty Ltd
“Civmec Holdings”	:	Civmec Holdings Pty Ltd, formerly known as Civmec Steel Pty Ltd
“Civmec Pipe”	:	Civmec Pipe Products Pty Ltd
“Company” or “Civmec”	:	Civmec Limited. The terms “we”, “our”, “our Company” or “us” have correlative meanings
“Group”	:	Our Company and our subsidiaries
“Group Company”	:	Any of our Company or subsidiaries

Other Companies, Organisations and Agencies

“Authority”	:	Monetary Authority of Singapore
“CCIG”	:	Cape Civmec Insulation Group Pty Ltd
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	The Central Provident Fund
“FAST — Fluor SKM Iron Ore Joint Venture”	:	Joint venture between Fluor Corporation and Sinclair Knight Merz Pty Ltd., which works with BHP Billiton Iron Ore on its growth plans in Western Australia
“GE Vetco Gray”	:	General Electric Company — Vetco Gray Australia (Pty) Ltd
“Goldfirm”	:	Goldfirm Pty Ltd, being the trustee of the Kariong Investment Trust
“KJVG”	:	Kellogg Joint Venture — Gorgon, a joint venture between Kellogg Brown & Root, JGC Corporation and Hatch and Clough
“Participating Banks”	:	DBS Bank Ltd (including POSB) (“DBS Bank”), Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (“UOB Group”)
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

“Share Registrar” : Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd)

Trusts

“Bowcon Family Trust” : Our Proposals Manager and his spouse, Margaret Mary Bowes, are the trustees of the Bowcon Family Trust. The Bowcon Family Trust is a discretionary trust, of which the assets of the trust (including the Shares) are legally owned by and registered in the names of the trustees. The trustees have the full and sole power and discretion to manage and deal with the trust assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The beneficiaries of the trust comprise our Proposals Manager and his spouse and family members, who have no proprietary interest in the trust assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the trust. Pursuant to Section 4(3) of the SFA, our Proposals Manager, his spouse (Margaret Mary Bowes) and their children (Daniel Joseph Bowes, Kate Elizabeth Bowes and Conor Brendan Bowes) are deemed to have an interest in the Shares owned by the Bowcon Family Trust, which are legally held in the names of our Proposals Manager and his spouse, Margaret Mary Bowes, as trustees

“Bowcon Superannuation Fund” : Our Proposals Manager and his spouse, Margaret Mary Bowes, are the trustees of the Bowcon Superannuation Fund, which is a self-managed pension fund. Assets of the fund (including the Shares) are legally owned by and registered in the names of the trustees. The trustees have the full and sole power and discretion to manage and deal with the fund assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The member beneficiaries of the fund comprise our Proposals Manager and his spouse, who have no proprietary interest in the fund assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the fund. Pursuant to Section 4(3) of the SFA, our Proposals Manager, his spouse (Margaret Mary Bowes) and their children (Daniel Joseph Bowes, Kate Elizabeth Bowes and Conor Brendan Bowes) are deemed to have an interest in the Shares owned by the Bowcon Superannuation Fund, which are legally held in the names of our Proposals Manager and his spouse, Margaret Mary Bowes, as trustees

- “Colin Swan Trust”** : Our Finance Manager is the trustee of the Colin Swan Trust. The Colin Swan Trust is a discretionary trust, of which the assets of the trust (including the Shares) are legally owned by and registered in the name of the trustee. The trustee has the full and sole power and discretion to manage and deal with the trust assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The beneficiaries of the trust comprise our Finance Manager and his family members, who have no proprietary interest in the trust assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the trust. Pursuant to Section 4(3) of the SFA, our Finance Manager and his father (John Robert Calder Swan) are deemed to have an interest in the Shares owned by the Colin Swan Trust, which are legally held in the name of our Finance Manager, as trustee
- “Deery Family Trust”** : Our COO and his spouse, Chaychanok Deery, are the trustees of the Deery Family Trust. The Deery Family Trust is a discretionary trust, of which the assets of the trust (including the Shares) are legally owned by and registered in the names of the trustees. The trustees have the full and sole power and discretion to manage and deal with the trust assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The beneficiaries of the trust comprise our COO and his spouse and family members, who have no proprietary interest in the trust assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the trust. Pursuant to Section 4(3) of the SFA, our COO and his spouse, Chaychanok Deery, are deemed to have an interest in the Shares owned by the Deery Family Trust, which are legally held in the names of our COO and his spouse, Chaychanok Deery, as trustees

- “Glenn Stephenson Family Trust”** : Glenn Allan Stephenson is the trustee of the Glenn Stephenson Family Trust. The Glenn Stephenson Family Trust is a discretionary trust, of which the assets of the trust (including the Shares) are legally owned by and registered in the name of the trustee. The trustee has the full and sole power and discretion to manage and deal with the trust assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The beneficiaries of the trust comprise Glenn Allan Stephenson and his family members, who have no proprietary interest in the trust assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the trust. Pursuant to Section 4(3) of the SFA, Glenn Allan Stephenson, his spouse (Stephanie Stephenson) and their child (Max Allan Stephenson) are deemed to have an interest in the Shares owned by the Glenn Stephenson Family Trust, which are legally held in the name of Glenn Allan Stephenson, as trustee
- “Hemsworth Family Trust”** : Our Support Services Manager and his spouse, Sandra Ann Hemsworth, are the trustees of the Hemsworth Family Trust. The Hemsworth Family Trust is a discretionary trust, of which the assets of the trust (including the Shares) are legally owned by and registered in the names of the trustees. The trustees have the full and sole power and discretion to manage and deal with the trust assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The beneficiaries of the trust comprise our Support Services Manager and his spouse and his family members, who have no proprietary interest in the trust assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the trust. Pursuant to Section 4(3) of the SFA, our Support Services Manager, his spouse (Sandra Ann Hemsworth) and their children (Robert Andrew Hemsworth, Paul Raymond Hemsworth and Katie Louise Hemsworth) are deemed to have an interest in the Shares owned by the Hemsworth Family Trust, which are legally held in the names of our Support Services Manager and his spouse, Sandra Ann Hemsworth, as trustees

- “J.A.K.A.L. Trust”** : Andro Franic is the trustee of the J.A.K.A.L. Trust. The J.A.K.A.L. Trust is a discretionary trust, of which the assets of the trust (including the Shares) are legally owned by and registered in the name of the trustee. The trustee has the full and sole power and discretion to manage and deal with the trust assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The beneficiaries of the trust comprise Andro Franic and his family members, who have no proprietary interest in the trust assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the trust. Pursuant to Section 4(3) of the SFA, Andro Franic, his spouse (Karen Maxine Franic) and their children (Jake Andrew Franic and Logan Andrew Franic) are deemed to have an interest in the Shares owned by the J.A.K.A.L. Trust, which are legally held in the name of Andro Franic, as trustee
- “JF & OT Fitzgerald Family Trust”** : Our Executive Chairman and his spouse, Olive Teresa Fitzgerald, are the trustees of the JF & OT Fitzgerald Family Trust. The JF & OT Fitzgerald Family Trust is a discretionary trust, of which the assets of the trust (including the Shares) are legally owned by and registered in the names of the trustees. The trustees have the full and sole power and discretion to manage and deal with the trust assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The beneficiaries of the trust comprise our Executive Chairman and his spouse and his family members, who have no proprietary interest in the trust assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the trust. Pursuant to Section 4(3) of the SFA, our Executive Chairman, his spouse (Olive Teresa Fitzgerald), their children (Sean Fitzgerald, Claire Fitzgerald and Sarah Fitzgerald) and Parglade Holdings Pty Ltd. (which is equally held by our Executive Chairman and his spouse) are deemed to have an interest in the Shares owned by the JF & OT Fitzgerald Family Trust, which are legally held in the names of our Executive Chairman and his spouse, Olive Teresa Fitzgerald, as trustees

- “Kariong Investment Trust”** : Goldfirm is the trustee of the Kariong Investment Trust. The Kariong Investment Trust is a discretionary trust, of which the assets of the trust (including the Shares) are legally owned by and registered in the name of the trustee. The trustee has the full and sole power and discretion to manage and deal with the trust assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The beneficiaries of the trust comprise our CEO, his spouse and his family members, who have no proprietary interest in the trust assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the trust. Pursuant to Section 4(3) of the SFA, our CEO is deemed to have an interest in the Shares owned by the Kariong Investment Trust, which are legally held in the name of Goldfirm, as trustee
- Our CEO also has a deemed interest in the Shares which are held by Goldfirm as trustee
- “Macri Superannuation Fund”** : Our Business Development Manager and his spouse, Carolyn Christina Macri, are the trustees of the Macri Superannuation Fund, which is a self-managed pension fund. Assets of the fund (including the Shares) are legally owned by and registered in the names of the trustees. The trustees have the full and sole power and discretion to manage and deal with the fund assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The member beneficiaries of the fund comprise our Business Development Manager and his spouse, who have no proprietary interest in the fund assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the fund. Pursuant to Section 4(3) of the SFA, our Business Development Manager, his spouse (Carolyn Christina Macri) and their children (Anthony William Macri, Julie Marie Macri and Joanne Christina Macri) are deemed to have an interest in the Shares owned by the Macri Superannuation Fund, which are legally held in the names of our Business Development Manager and his spouse, Carolyn Christina Macri, as trustees

- “R&C Vitelli Family Trust”** : R.C.S.S. Vitelli Nominees Pty Ltd is the trustee of the R&C Vitelli Family Trust. The R&C Vitelli Family Trust is a discretionary trust, of which the assets of the trust (including the Shares) are legally owned by and registered in the name of the trustee. The trustee has the full and sole power and discretion to manage and deal with the trust assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The beneficiaries of the trust comprise Robert Vincent Vitelli and his family members, who have no proprietary interest in the trust assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the trust. Pursuant to Section 4(3) of the SFA, Robert Vincent Vitelli, his spouse (Carolina Vitelli) and their children (Simona Vitelli and Samantha Vitelli) are deemed to have an interest in the Shares owned by the R&C Vitelli Family Trust, which are legally held in the name of R.C.S.S. Vitelli Nominees Pty Ltd, as trustee
- “Silvera Family Trust”** : Carlo Silvera and his spouse, Giselle Jayne Silvera, are the trustees of the Silvera Family Trust. The Silvera Family Trust is a discretionary trust, of which the assets of the trust (including the Shares) are legally owned by and registered in the names of the trustees. The trustees have the full and sole power and discretion to manage and deal with the trust assets (including the Shares, exercise of voting rights in relation to the Shares and subjecting the Shares to moratorium), as well as to determine, upon vesting, the allocation of trust assets amongst beneficiaries (as determined by the trustees), on the terms of the trust deed, subject always to applicable laws and regulations. The beneficiaries of the trust comprise Carlo Silvera and his spouse and his family members, who have no proprietary interest in the trust assets (including the Shares) and cannot dispose of their beneficial interest in the Shares owned by the trust. Pursuant to Section 4(3) of the SFA, Carlo Silvera, his spouse (Giselle Jayne Silvera) and their children (Jordan Silvera, Julian Silvera and Samarah Silvera) are deemed to have an interest in the Shares owned by the Silvera Family Trust, which are legally held in the names of Carlo Silvera and his spouse, Giselle Jayne Silvera, as trustees
- “Tallon Investment Trust”** : Anta Carpentry Pty Ltd is the trustee of Tallon Investment Trust. Nicholas Paul Tallon (being the sibling of our CEO) and Anne Tallon (being the spouse of Nicholas Paul Tallon) hold Anta Carpentry Pty Ltd in equal shares, and they are both the directors of Anta Carpentry Pty Ltd
- General**
- “1Q”** : Financial period of the three months ended, or as the case may be, ending 30 September

“2Q”	:	Financial period of the three months ended, or as the case may be, ending 31 December
“3Q”	:	Financial period of the three months ended, or as the case may be, ending 31 March
“4Q”	:	Financial period of the three months ended, or as the case may be, ending 30 June
“Adjusted NAV”	:	NAV per Share as at 30 September 2011 and adjusted for the Conversion
“Application Forms”	:	The printed application forms for the Invitation Shares which form part of this Prospectus
“Application List”	:	The list of applications for the subscription and/or purchase of the Invitation Shares
“Associate”	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees, acting in their capacity as such trustees, of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more of the aggregate of the nominal amount of all the voting shares; and (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“ATM”	:	Automated teller machine of a Participating Bank
“Audit Committee”	:	The audit committee of our Company
“Audited Combined Financial Statements”	:	As set out in Appendix A
“Board”	:	The board of Directors of our Company, unless otherwise stated
“Business Development Manager”	:	Mr. Giuseppe Macri, being our business development manager and one of our Key Executives
“CCE Shares”	:	Ordinary shares in the capital of CCE

“CEO”	:	Mr. Patrick John Tallon, being our chief executive officer and one of our Directors
“CFO”	:	Mr. Giuseppe Carrabba, being our chief financial officer and one of our Key Executives
“COO”	:	Mr. Kevin James Deery, being our chief operating officer and one of our Directors
“Civmec Employee Share Option Scheme” or “CESOS”	:	Our Company’s employee share option scheme as described in the section entitled “Directors, Key Executives and Employees — Civmec Employee Share Option Scheme”
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
“Controlling Shareholder”	:	In relation to a corporation, (a) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation; or (b) a person who has an interest of 15% or more of the aggregate of the nominal amount of all the voting shares in a corporation, unless he does not exercise control over the corporation. Immediately after this Invitation, our Controlling Shareholders are the JF & OT Fitzgerald Family Trust and Kariong Investment Trust, each of which will hold approximately 19.5% of our post-Invitation issued Shares
“Conversion”	:	The conversion of A\$15 million of convertible loans into an aggregate of 113,562,000 Shares on 27 March 2012
“Convertible Loan Agreements”	:	The First Convertible Loan Agreement and the Second Convertible Loan Agreement
“Corporations Act”	:	Corporations Act 2001 (Cth) of Australia, as amended, supplemented or modified from time to time
“Directors”	:	The Directors of our Company
“Electronic Applications”	:	Applications for the Invitation Shares made through an ATM, through the IB website or through the mobile banking interface of one of the Participating Banks (as the case may be), in accordance with the terms and conditions of this Prospectus
“EPS”	:	Earnings per Share
“Executive Chairman”	:	Mr James Finbarr Fitzgerald, being our executive chairman and one of our Directors
“Executive Director”	:	An executive director of our Company
“Facilities”	:	Our fabrication, modular assembly and pre-cast concrete facilities

“Finance Manager”	:	Mr. Colin Brown Swan, being our finance manager and one of our Key Executives
“Financial Statements”	:	Collectively, the Audited Combined Financial Statements, Unaudited Interim Condensed Combined Financial Statements, Unaudited Pro Forma Combined Financial Statements (FY2011) and Unaudited Pro Forma Combined Financial Statements (1Q2012)
“First Convertible Loan Agreement”	:	The convertible loan agreement dated 11 June 2010 entered into between, <i>inter alia</i> , the First Pre-IPO Investors, our Company and CCE, as may be supplemented
“First Pre-IPO Investors”	:	(a) Ang Kong Hua; (b) Foo Siang Guan; (c) Clarendon Pacific Ventures Pte. Ltd.; (d) JF & OT Fitzgerald Family Trust; (e) Kariong Investment Trust; (f) Hemsworth Family Trust; (g) Bowcon Family Trust; (h) Bowcon Superannuation Fund; (i) our General Manager (Operations); and (j) Colin Swan Trust
“Founders”	:	As defined in the section entitled “Restructuring Exercise”
“FP2010”	:	Financial period from 22 June 2009 (being the date of incorporation of CCE) to 30 June 2010
“FY”	:	Financial year ended or, as the case may be, ending 30 June
“General Manager (Operations)”	:	Mr. Trevor White, being our general manager (operations) and one of our Key Executives
“IB” or “Internet Banking”	:	Internet banking
“Independent Director”	:	An independent non-executive Director of our Company
“Invitation”	:	Our invitation to the public in Singapore to subscribe for and/or purchase the Invitation Shares at the Invitation Price, subject to and on the terms and conditions of this Prospectus
“Invitation Price”	:	S\$0.40 for each Invitation Share
“Invitation Shares”	:	The 101,000,000 Shares which are the subject of this Invitation, comprising 51,000,000 New Shares and 50,000,000 Vendor Shares
“Issue Manager” and “Underwriter”	:	Maybank Kim Eng Corporate Finance Pte. Ltd., being the Issue Manager and Underwriter of the Invitation
“Key Executives”	:	Our key executives, whose names are set out in the section entitled “Key Executives”

“Latest Practicable Date” or “LPD”	:	16 March 2012, being the latest practicable date for the purposes of lodgement of this Prospectus with the Authority
“Lead Independent Director”	:	The lead non-executive independent Director of our Company
“Listing Manual”	:	Listing manual of the SGX-ST, as amended, supplemented or modified from time to time
“Management & Underwriting Agreement”	:	The management and underwriting agreement dated 5 April 2012 entered into between our Company, the Vendors, the Issue Manager and the Underwriter
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“New Shares”	:	The 51,000,000 new Shares which may be subscribed for pursuant to the Invitation, subject to and on the terms and conditions of this Prospectus
“Nominating Committee”	:	The nominating committee of our Company
“Non-Executive Director”	:	A non-executive Director of our Company from time to time
“NTA”	:	Net tangible assets
“Offer”	:	The offer by our Company and/or the Vendors of the Offer Shares to the public in Singapore for subscription and/or purchase at the Invitation Price subject to and on the terms and conditions of this Prospectus
“Offer Shares”	:	2,000,000 of the Invitation Shares which are the subject of the Offer
“PER”	:	Price earnings ratio
“Placement”	:	The placement of the Placement Shares by the placement agent(s) on behalf of our Company for subscription and/or purchase at the Invitation Price subject to and on the terms and conditions of this Prospectus
“Placement Agent”	:	Maybank Kim Eng Securities Pte. Ltd., being the Placement Agent of the Invitation
“Placement Agreement”	:	The placement agreement dated 5 April 2012 entered into between our Company, the Vendors and the Placement Agent
“Placement Shares”	:	99,000,000 of the Invitation Shares which are the subject of the Placement
“Proposals Manager”	:	Mr. Rodney John Bowes, being our proposals manager and one of our Key Executives
“Prospectus”	:	This prospectus dated 5 April 2012 issued by our Company in respect of the Invitation
“Relevant Exchange Rate”	:	The exchange rate of A\$1.00:S\$1.332 as at the Latest Practicable Date, as used for the purposes of this Prospectus

“Remuneration Committee”	:	The remuneration committee of our Company
“Restructuring Exercise”	:	The restructuring exercise implemented in connection with the Invitation, more fully described in the section entitled “Restructuring Exercise”
“Risks and Conflicts Committee”	:	The risks and conflicts committee of our Company
“Second Convertible Loan Agreement”	:	The convertible loan agreement dated 15 December 2010 entered into between, <i>inter alia</i> , the Second Pre-IPO Investors, our Company and CCE, as may be supplemented
“Second Pre-IPO Investors”	:	(a) Hong Pian Tee; (b) Lee Teck Leng; (c) Tan Siew Huay; (d) Heng Kheng Long; (e) Goh Geok Ling; (f) Ng Kee Choe; (g) Leyau Lay Hoon; (h) Song Gin Puay Ronnie; (i) Cheng Yong Liang; (j) Wong Yuen Weng Ernest; (k) Foo Siang Guan; (l) Seah Wee Ling Karen; (m) Seah Sze-Ling Ginny; (n) Mah Siok Hean Catherine; (o) Lim Kuo Kae; (p) Yeo Kian Teong Alex; (q) Tan Dah Ching; (r) Megan Ford Development Limited; and (s) Ho Lon Gee
“Securities Account”	:	The securities account maintained by a depositor with CDP, but does not include a securities sub-account
“Securities and Futures Act” or “SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
“Service Agreement(s)”	:	As defined under the section entitled “Service Agreements”
“Shareholder(s)”	:	Shareholders of our Company
“Shares”	:	Ordinary shares in the capital of our Company
“Substantial Shareholders”	:	Persons who have an interest in the Shares, the nominal amount of which is not less than 5% of the aggregate of the nominal amount of all the voting Shares

“Support Services Manager”	:	Mr. Terence Hemsworth, being our support services manager and one of our Key Executives
“Unaudited Interim Condensed Combined Financial Statements”	:	As set out in Appendix B
“Unaudited Pro Forma Combined Financial Statements (FY2011)”	:	As set out in Appendix C
“Unaudited Pro Forma Combined Financial Statements (1Q2012)”	:	As set out in Appendix D
“Vendor Shares”	:	The 50,000,000 issued and fully paid-up Shares for which the Vendors invite applications to purchase on the terms and subject to the conditions set out in this Prospectus
“Vendors”	:	The owners of the Vendor Shares, as set out in the section entitled “Vendors”

Currencies

“S\$” or “\$” and “cents”	:	Singapore dollars and cents respectively
“A\$” or “A\$ cents”	:	Australian dollars and cents respectively
“€”	:	Euros

Units and Others

“km”	:	Kilometres
“m”	:	Metres
“mm”	:	Millimetres
“sqm”	:	Square metres
“%” or “percent”	:	Percentage or per centum

The expressions **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Prospectus, the Application Forms and Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any statutory modification thereof and used in this Prospectus, the Application Forms and Electronic Applications shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Prospectus, the Application Forms and Electronic Applications to Shares being allotted and/or allocated to an applicant includes allotment and/or allocation to CDP for the account of that applicant.

Any reference to a time of day in this Prospectus, the Application Forms or the Electronic Applications shall be a reference to Singapore time unless otherwise stated.

References in this Prospectus to “**our Group**”, “**we**”, “**our**”, and “**us**” refer to our Group.

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

References in this Prospectus to an Appendix or Appendices are references to an appendix or appendices, respectively, to this Prospectus.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of our business, the following glossary provides a description of some of the technical terms and abbreviations commonly found in our industry. The terms and their assigned meanings may not correspond to standard industry or common meanings, as the case may be, or usage of these terms:

“AS/NZS 1554”	:	a joint Australian/New Zealand set of standards which prescribes requirements for the welding of steel
“AS/NZS 4801”	:	a joint Australian/New Zealand set of standards for occupational health and safety management systems, which specifies requirements for an occupational health and safety management system, to enable an organisation to formulate policies and objectives taking into account legislative requirements and information about hazards or risks
“AWS D01.1”	:	a set of standards issued by the American Welding Society which prescribes requirements for the structural welding of steel
“beveling”	:	the preparation of steel for welding
“blasting chambers”	:	rooms designated for sand or grit blasting of steelwork for the preparation of surface treatment
“blasting lines”	:	automated equipment for shot blasting steel to remove mill scale or rust prior to fabrication
“caissons”	:	water-tight steel or concrete structures which can be used for the purpose of offshore foundations
“cladding”	:	the application of metal sheeting to buildings, pipe, vessels and warehouse metal surfaces
“CNC”	:	computer numerical control, a system of automating machine tools that are operated by abstractly programmed commands encoded on a storage medium, as opposed to controlled manually via mechanical means alone
“coping”	:	the process of cutting steel beams to fit into another beam or structure
“cryogenic insulation”	:	an insulation process associated with low temperature surfaces (below –40 degrees celsius and in the instance of LNG, below –160 degrees celsius)
“ducting”	:	hollow structure for the conveyance of material using light steel or sheet metal
“exotic steel”	:	special steel other than carbon steel which is usually Inconel (an alloy of chrome and nickel), stainless or titanium steel
“formwork”	:	the temporary mould in which concrete and certain other materials are poured into

“insulation”	:	layer of protective material to protect against heat and sound such as rockwool or fibreglass
“ISO”	:	International Organisation for Standardisation, a worldwide federation of national standards bodies
“ISO 8501”	:	a set of standards prescribed by the ISO which specifies a series of rust grades and preparation grades of steel surfaces
“ISO 9001:2008”	:	a set of requirements prescribed by the ISO for a quality management system
“ISO 15630”	:	a set of standards prescribed by the ISO which specifies test methods applicable to steel reinforcing bars, wire rods and wires used for the reinforcing and pre-stressing of concrete
“ISO 19902”	:	a set of standards prescribed by the ISO which specifies requirements and provides recommendations applicable to the following types of fixed steel offshore structures for the petroleum and natural gas industries: caissons (free-standing and braced), jackets, monotowers and towers
“IT”	:	information technology or use of computer, electronic and telecommunications systems for storing, retrieving, processing and sending information or data
“jacket”	:	a structural steel sub-structure supporting the topside structure of an offshore platform
“LNG”	:	liquefied natural gas
“machining”	:	a form of manufacturing in which a collection of processes utilising power-driven machine tools are used with a sharp cutting tool to physically remove material to achieve a desired geometry
“modularised structures”	:	pre-assembled structures usually made from steel constructed off-site and prepared for final installation on-site
“MOF”	:	materials offloading facility for the loading and unloading of materials from transport vessels or vehicles
“non-destructive testing”	:	analysis techniques used to evaluate the properties of a weldment, material, component or system without causing damage
“OHSM”	:	occupational health and safety management
“pipe spooling”	:	the assembly and welding of pipework
“plate”	:	the steel sheets for use in fabrication
“pre-cast marine structures”	:	concrete structures manufactured off-site and used for off-shore marine work
“pressure vessels”	:	vessels or containers designed to hold high-pressure gases or liquids
“process piping”	:	general piping associated with process plants

“process skid”	:	supporting structures which carry modularised portion of the process system
“profiling”	:	the shaping of steelwork in accordance with prescribed drawings or specifications
“retaining walls”	:	supporting structures to hold back earth which would otherwise move downwards
“shutdown”	:	the closing of plants for the purposes of servicing, modifications, improvements or maintenance
“SMP”	:	structural, mechanical and piping works
“sub-sea structures”	:	underwater structures which sometimes carry process equipment
“sumps”	:	low space to collect undesirable liquids such as water or chemicals
“tanks”	:	liquid holding vessels
“topside”	:	a structure that contains process equipment for offshore installation to a deck platform which sits on top of the sub-structure or jacket

GLOSSARY OF EXISTING PROJECTS

The following glossary contains a brief description of some projects undertaken and/or completed by our Group up to the Latest Practicable Date. Please refer to the section entitled “History and Business” for more information.

Ongoing projects related to the oil and gas industry

Name of project	Project description	Brief description of products and services provided
Gorgon LNG project	LNG processing plant	Offsite manufacture of pre-cast concrete LNG plant foundations and ground slabs Offsite manufacture of pre-cast concrete sumps and drains and various below ground pre-cast concrete structures
Gorgon LNG project	LNG processing plant	Supply and fabrication of structural steel and preassemblies for tie in steel work for the LNG plant
Gorgon LNG project	LNG processing plant	Supply of onsite labour
Apache Energy Coniston/Novara Development	Petroleum extraction plant	Supply of subsea fabrication works and services

Ongoing projects related to the mining and other industries

Name of project	Project description	Brief description of products and services provided
FAST — BHP Billiton Rapid Growth Project 5 — Finicane Island	Iron ore processing plant	Supply and fabrication of approximately 5,000 tonnes of structural steel, piping and platework including modularisation and mechanical preassembly work
FAST — BHP Billiton Nelson Point	Iron ore processing plant	Supply and fabrication of approximately 6,000 tonnes of structural steel, piping and platework including modularisation and mechanical preassembly work
Lycopodium — Rio Tinto Marrandoo iron ore project	Iron ore processing plant	Site detailed earthworks and concrete construction of foundations and slabs associated with iron ore processing system
KBR — Rio Tinto Hope Downs 4 iron ore project/ new open-cut iron ore mine	Iron ore processing plant	Site detailed earthworks and concrete construction of foundations and slabs associated with iron ore processing system
SKM — Rio Tinto Cape Lambert port expansion project	Iron ore processing plant	Supply and fabrication of wharf modules and tripper section including structural assembly and concrete access way and an option for the fit out of mechanical items
Metso — Rio Tinto Dampier project	Iron ore processing plant	Supply and manufacture of two single cell railcar dumpers
Onyx Projects — Cliffs Koolyanobbing project	Iron ore processing plant	Supply and fabrication of approximately 1,200 tonnes of structural steel and platework

Recently completed projects related to the oil and gas industry

Name of project	Project description	Brief description of products and services provided
Gorgon LNG project	LNG processing plant	Offsite manufacture of 11 large pre-cast concrete caissons approximately 420 tonnes each for the Pioneer MOF wharf abutment Barrow Island
Gorgon LNG project	LNG processing plant	Offsite manufacture of 128 pre-cast concrete sinker clump weights each weighing approximately 15 tonnes
Gorgon LNG project	LNG processing plant	Offsite manufacture of pre-cast concrete foundations, slabs and retaining wall sections
Gorgon LNG project	LNG processing plant	Offsite manufacture of pre-cast concrete caissons and covers sections
GE Vetco Gray — drill pipe project	LNG processing plant	Fabrication, installation and testing of end connectors and brackets to approximately 1,000 tonnes of heavy wall large diameter X56 Drill pipes
Leighton Saipem JV Gorgon LNG project — jetty project	LNG processing plant	Supply and fabrication of 400 tonnes of curved steel formwork for pre-cast concrete caissons for the LNG jetty construction
Apache Energy Ltd — John Brookes field area in the Carnarvon Basin	Oil and gas extraction plant	Design, supply and fabrication of clump weights

Recently completed projects related to the mining and other industries

Name of project	Project description	Brief description of products and services provided
Aker Solutions — Newmont — Boddington gold plant	Gold ore processing plant	Detailed earthworks and site concrete construction of various civil works including slabs foundations bund walls and suspended slabs across the plant
AGC — BHP Billiton Rapid growth project 5 — Yandi iron ore mine	Iron ore processing plant	Site concrete construction of suspended slab in the coarse ore stockpile facility
Southern Seawater Alliance (SSWA) Desalination plant	Desalination plant	Offsite manufacture of two approximately 400 tonnes each pre-cast concrete seawater intake structures and several pre-cast concrete support clamps
Southern Seawater Alliance (SSWA) Binningup desalination plant	Desalination plant	Site detailed earthworks and concrete construction of slabs foundations, walls and suspended slabs for various process buildings and switch rooms for the desalination plant at Binningup WA

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by us or our Directors, our Key Executives or our employees acting on our behalf that are not statements of historical fact constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “may”, “will”, “would”, “could”, “expects”, “anticipates”, “intends”, “estimates”, “believes”, “plans”, or similar words and phrases. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategy, plans and prospects are forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements.

All forward-looking statements by or attributable to us, or persons acting on our behalf, contained in this Prospectus are expressly qualified in their entirety by such factors. Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this Prospectus, we advise you not to place undue reliance on those statements.

Neither we, the Vendors, the Issue Manager, the Underwriter, the Placement Agent, nor any other person is representing or warranting to you that our future results, performance or achievements will be as discussed in those statements. Further, we disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances. We are, however, subject to the provisions of the Securities and Futures Act and the Listing Manual regarding corporate disclosure.

INDUSTRY AND MARKET DATA

This Prospectus includes references to market share, market position and industry data and forecasts as well as other macroeconomic information that we obtained from the report dated 27 March 2012 prepared by Deloitte Access Economics and other sources of publicly available information such as Cordell Connect Support. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While we have taken reasonable actions to ensure that the information is extracted accurately and in its proper context, we have not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein, and none of us, the Vendors, the Issue Manager, the Underwriter or the Placement Agent make any representation as to the accuracy or completeness of that information.

SELLING RESTRICTIONS

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for and/or purchase our Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the filing and/or registration of this Prospectus in Singapore in order to permit a public offering of our Shares and the public distribution of this Prospectus in Singapore. The distribution of this Prospectus and the offering of our Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required by our Company, the Vendors, the Issue Manager, the Underwriter and the Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to our Company, the Vendors, the Issue Manager, the Underwriter and the Placement Agent.

Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

Australia

The contents of this Prospectus have not been reviewed by any regulatory authority in Australia. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent legal advice.

This Prospectus does not constitute a disclosure document under Part 6D.2 of the Corporations Act and it is not proposed that it will be lodged with the Australian Securities and Investments Commission. If any Shares are offered to persons who receive the offers in Australia, they will only be offered to the extent that:

- (a) such offer of Shares is exempt from compliance with the requirements to give disclosure to investors under Part 6D.2 of the Corporations Act; or
- (b) such requirements are complied with in full.

As at the Latest Practicable Date, it is proposed that offers of Shares will only be made in Australia in reliance upon the various exemptions from the requirement to give investors disclosure provided for in Section 708 of the Corporations Act.

DETAILS OF THE INVITATION

LISTING ON THE SGX-ST

An application has been made to the SGX-ST for permission to deal in and for quotation of all our Shares already issued (including the Vendor Shares) and the New Shares on the Official List of the SGX-ST. Such permission will be granted when we have been admitted to the Official List of the SGX-ST.

Acceptance of applications of the Invitation Shares (as defined herein) will be conditional upon the completion of the Invitation, which is subject to certain conditions, including the SGX-ST granting permission to deal in and for quotation of all our existing issued Shares (including the Vendor Shares) and the New Shares. In the event that completion of the Invitation does not occur or such permission from the SGX-ST is not granted or for any other reason, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom and you will not have any claim against our Company, the Vendors, our Directors, the Issue Manager, the Underwriter or the Placement Agent.

Under the Securities and Futures Act, the Authority may, in certain circumstances issue a stop order (“**Stop Order**”) to our Company, directing that no Invitation Share or no further Share to which this Prospectus relates, be allotted and/or allocated or issued and/or sold. Such circumstances will include a situation where this Prospectus (i) contains a statement or matter, which in the opinion of the Authority is false or misleading; (ii) omits any information that should be included in accordance with the Securities and Futures Act; (iii) does not, in the opinion of the Authority, comply with the requirements of the Securities and Futures Act; or (iv) where the Authority is of the opinion that it is in the public interest to issue a Stop Order.

In the event that the Authority issues a Stop Order and where applications to subscribe for and/or purchase the Invitation Shares to which this Prospectus relates have been made prior to the Stop Order, and:

- (a) where the Invitation Shares have not been issued and/or sold to you, your application shall be deemed to have been withdrawn and cancelled and our Company (on behalf of itself and the Vendors) shall, within 14 days from the date of the Stop Order, return to you at your own risk all monies you have paid on account of your application for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom; or
- (b) where the Invitation Shares have been issued and/or sold to you, the issue and/or sale of the Invitation Shares shall be deemed to be void and our Company shall (on behalf of itself and the Vendors), within 14 days from the date of the Stop Order, return to you at your own risk all monies you have paid on account of your applications for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom; or
- (c) where the Invitation Shares have been transferred to you, the sale of the Invitation Shares shall be deemed to be void and our Company (on behalf of itself and the Vendors) shall (i) if no documents purporting to evidence title to those Invitation Shares have been issued to you, within seven days from the date of the Stop Order, pay to you at your own risk all monies paid by you for those Invitation Shares, or (ii) if documents purporting to evidence title to those Invitation Shares have been issued to you, within seven days from the date of the Stop Order, inform you to return such documents to our Company within 14 days from that date and within seven days from date of receipt of such documents or the date of the Stop Order, whichever is earlier, pay to you at your own risk all monies paid by you for those Invitation Shares.

In each of the above instances where monies are refunded to you pursuant to a Stop Order, you will not have any claim against our Company, the Vendors, our Directors, the Issue Manager, the Underwriter or the Placement Agent.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our existing issued Shares (including the Vendor Shares) and the New Shares.

A copy of this Prospectus together with copies of the Application Forms have been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the merits of our existing issued Shares (including the Vendor Shares) or the New Shares, as the case may be, being offered or in respect of which the Invitation is made, for investment. We have not lodged or registered this Prospectus in any other jurisdiction.

Neither our Company, the Vendors, our Directors, the Issue Manager, the Underwriter and the Placement Agent, nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Prospectus should be considered as being business, legal or tax advice. You should consult your own professional or other advisers for business, legal or tax advice regarding an investment in our Shares. No person has been or is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by our Company, the Vendors, our Directors, the Issue Manager, the Underwriter or the Placement Agent. Neither the delivery of this Prospectus and the Application Forms nor any documents relating to the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in our affairs or in the statements of fact or information contained in this Prospectus since the date of this Prospectus. Where such changes occur, we will promptly make an announcement of the same to the SGX-ST and to the public and, if required, lodge a supplementary or replacement prospectus with the Authority and make an announcement of the same to the SGX-ST and to the public and will comply with the requirements of the Securities and Futures Act. You should take note of any such announcement and, upon release of such an announcement, shall be deemed to be given notice of such changes. Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Group.

In the event that a supplementary or replacement prospectus is lodged with the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement prospectus.

We are subject to the provisions of the Securities and Futures Act and the Listing Manual regarding corporate disclosure. In particular, if after this Prospectus is registered but before the close of the Invitation, we become aware of:

- (a) a false or misleading statement in this Prospectus;
- (b) an omission from this Prospectus of any information that should have been included in it under Section 243 of the Securities and Futures Act; or
- (c) a new circumstance that has arisen since this Prospectus was lodged with the Authority which would have been required by Section 243 of the Securities and Futures Act to be included in this Prospectus if it had arisen before this Prospectus was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement prospectus with the Authority pursuant to Section 241 of the Securities and Futures Act.

Where prior to the lodgement of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for and/or purchase our Invitation Shares and:

- (a) where the Invitation Shares have not been issued and/or sold to you, our Company shall (on behalf of itself and the Vendors) either:
 - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary prospectus or replacement prospectus, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus to you where you have indicated your wish to obtain, or have arranged to receive, a copy of the supplementary or replacement prospectus;
 - (ii) within seven days from the date of lodgement of the supplementary or replacement prospectus, give you the supplementary or replacement prospectus, as the case may be, and provide you with an option to withdraw your applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case your applications shall be deemed to have been withdrawn and cancelled, and our Company shall (on behalf of itself and the Vendors), within seven days from the date of lodgement of the supplementary or replacement prospectus, return all monies paid in respect of any application to you at your own risk, without interest or any share of revenue or other benefit arising therefrom; or
- (b) where the Invitation Shares have been issued and/or sold to you, our Company shall (on behalf of itself and the Vendors) either:
 - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary prospectus or replacement prospectus, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to our Company the Invitation Shares which you do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus to you where you have indicated your wish to obtain, or have arranged to receive, a copy of the supplementary or replacement prospectus;
 - (ii) within seven days from the date of lodgement of the supplementary or replacement prospectus, give you the supplementary or replacement prospectus, as the case may be, and provide you with an option to return to our Company the Invitation Shares which you do not wish to retain title in; or
 - (iii) (A) in the case of the New Shares, deem the issue as void and refund your payments for the New Shares (without interest or any share of revenue or other benefits arising therefrom and at your own risk) within seven days from the date of lodgement of the supplementary or replacement prospectus and (B) in the case of the Vendor Shares, deem the sale of the Vendor Shares as void, and in the case where documents to evidence title to the Vendor Shares ("**title documents**") have been issued to you, within seven days from the date of lodgement of the supplementary or replacement prospectus, inform you to return the title documents within 14 Market Days from the date of lodgement of the supplementary or replacement prospectus, and within seven days from receipt of the title documents or the date of lodgement of the supplementary or replacement prospectus, whichever is the later, refund your payments for the Vendor Shares (without interest or any share of revenue or other benefits arising therefrom and at your own risk) within seven Market Days from the date of lodgement of the supplementary or replacement prospectus, and you will not have any claim against our Company, the Vendors, the Issue Manager, the Underwriter or the Placement Agent.

If you wish to exercise your option under paragraph (a)(i) and (ii) above to withdraw your application in respect of the Invitation Shares, you shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this, whereupon our Company shall (on behalf of itself and the Vendors), within seven days from the receipt of such notification, return to you all monies you have paid on account of your application for and/or purchase of such Invitation Shares, without interest or any share of revenue or other benefit arising therefrom, at your own risk.

If you wish to exercise your option under paragraph (b)(i) and (ii) above to return the Invitation Shares issued and/or sold to you, you shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Shares, to our Company, whereupon our Company shall (on behalf of itself and the Vendors), within seven days from the receipt of such notification and documents, if any, return to you all monies you have paid for those Shares without interest or any share of revenue or other benefit arising therefrom and the issue and/or sale of those Shares shall be deemed to be void.

This Prospectus has been prepared solely for the purpose of the Invitation and may only be relied upon by you in connection with your application for the Invitation Shares and may not be relied upon by any other person or for any other purpose.

This Prospectus does not constitute an offer of, or invitation or solicitation to subscribe for and/or purchase the Invitation Shares in any jurisdiction in which such offer or invitation or solicitation is unauthorised or unlawful nor does it constitute an offer or invitation or solicitation to any person to whom it is unlawful to make such offer or invitation or solicitation.

Copies of this Prospectus and the Application Forms and envelopes may be obtained on request, subject to availability, from:

Maybank Kim Eng Corporate Finance Pte. Ltd.
63 Market Street
#13-01 Bank of Singapore Centre
Singapore 048942

and from members of the Association of Banks in Singapore and members of the SGX-ST and merchant banks in Singapore.

A copy of this Prospectus is also available on:

- (a) the SGX-ST website at <http://www.sgx.com>; and
- (b) the Authority's website at <http://masnet.mas.gov.sg/opera/sdrprosp.nsf>.

The Application List will open immediately upon the registration of this Prospectus with the Authority and will remain open until 12.00 noon on 11 April 2012 or for such further period or periods as our Directors may, in consultation with the Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide, subject to any limitations under all applicable laws, PROVIDED ALWAYS THAT where a supplementary prospectus or replacement prospectus has been lodged with the Authority pursuant to Section 241 of the Securities and Futures Act, the Application List shall be kept open for at least 14 days after the lodgement of the supplementary prospectus or replacement prospectus.

Details of the procedures for application for the Invitation Shares are set out in Appendix E entitled "Terms, Conditions and Procedures for Application and Acceptance".

INDICATIVE TIMETABLE FOR LISTING

The indicative timetable is set out below for the reference of applicants:

Indicative date/time	Event
11 April 2012 at 12.00 noon	Close of Application List and closing date and time for the Invitation
12 April 2012	Balloting of applications, or otherwise as may be approved by the SGX-ST (in the event of an over-subscription for the Invitation Shares)
13 April 2012 at 9.00 a.m.	Commence trading on a “ready” basis
18 April 2012	Settlement date for all trades done on a “ready” basis”

The above timetable is only indicative as it assumes that the date of closing of the Application List will be on 11 April 2012, the date of admission of our Shares to the Official List of the SGX-ST will be 13 April 2012, the SGX-ST’s shareholding spread requirement will be complied with and the New Shares will be issued and fully paid-up prior to 13 April 2012.

The above timetable and procedure may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit commencement of trading on a “ready” basis and the commencement of such trading.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same:

- (i) through an SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com>; and
- (ii) in a local English newspaper.

Results of the Invitation including the allotment and/or allocation of the Invitation Shares and balloting (in the event of an over-subscription for the Invitation Shares) will be provided through the channels in (i) and (ii) above.

You should consult the SGX-ST announcement on the “ready” trading date on the Internet (at the SGX-ST website <http://www.sgx.com>) or the newspapers, or check with your brokers on the date on which trading on a “ready” basis will commence.

THE INVITATION

- Invitation Size** : 101,000,000 Invitation Shares comprising 51,000,000 New Shares and 50,000,000 Vendor Shares. The New Shares, which form part of the Invitation, will, upon issue and allotment, rank *pari passu* in all respects with our existing issued Shares.
- Invitation Price** : S\$0.40 for each Invitation Share.
- Purpose of Invitation** : Our Directors consider that the listing of and quotation for our Shares on the Official List of the SGX-ST will enhance our public image and enable us to tap the capital markets for the expansion of our business operations.
- The Invitation will also provide the members of the public, our Group's management, staff and business associates with an opportunity to participate in the equity of our Company. In addition, the proceeds from the issue of the New Shares will also allow us to finance our business expansion and operations.
- The Offer** : The Offer comprises an invitation by our Company and the Vendors to the public in Singapore to subscribe for and/or purchase the Offer Shares at the Invitation Price, subject to and on the terms and conditions of this Prospectus.
- The Placement** : The Placement comprises an offering by the Placement Agent on behalf of our Company and the Vendors of the Placement Shares at the Invitation Price by way of placement, subject to and on the terms and conditions of this Prospectus.
- Listing Status** : Prior to the Invitation, there has been no public market for our Shares. Our Shares will be quoted on the SGX-ST, subject to our admission to the Official List of the SGX-ST, permission for dealing in and for quotation for our Shares being granted by the SGX-ST and that no Stop Order is issued by the Authority.

PLAN OF DISTRIBUTION

Prior to the Invitation, there has been no public market for the Invitation Shares. The Invitation Price was determined by the Vendors and us in consultation with the Issue Manager, the Underwriter and the Placement Agent based on market conditions and estimated market demand for our Shares determined through a book-building process. The Invitation Price is the same for all Invitation Shares and is payable in full on application.

The Invitation comprises the following:

(1) Offer Shares

The Offer Shares are made available to the members of the public in Singapore for subscription and/or purchase at the Invitation Price. Applications for the Offer Shares may be made by way of Application Forms or by way of Electronic Applications. The terms and conditions and procedures for application and acceptance are described in Appendix E entitled “Terms, Conditions and Procedures for Application and Acceptance”. Pursuant to the terms and conditions contained in the Management & Underwriting Agreement, the Underwriter has agreed to underwrite the Offer Shares. The Underwriter may, at its absolute discretion, appoint one or more sub-underwriters.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors in consultation with the Issue Manager, and approved by the SGX-ST.

(2) Placement Shares

The Placement Shares are reserved for placement to members of the public in Singapore and institutional investors at the Invitation Price. Applications for the Placement Shares may only be made by way of Application Forms. The terms, conditions and procedures for application and acceptance of the Placement Shares are set out in Appendix E entitled “Terms, Conditions and Procedures for Application and Acceptance”.

Pursuant to the terms and conditions in the Placement Agreement, the Placement Agent has agreed to subscribe and/or purchase and/or procure subscriptions and/or purchasers for the Placement Shares at the Invitation Price. The Placement Agent may, at its absolute discretion, appoint one or more sub-placement agents.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscribers of Placement Shares may be required to pay brokerage (and if so required, such brokerage will be up to 1.0% of the Invitation Price), as well as stamp duties and other similar charges.

None of our Substantial Shareholders or Directors intends to subscribe for and/or purchase Shares in the Invitation. None of our management or employees intends to subscribe for and/or purchase more than 5% each of the Invitation Shares in the Invitation. To the best of our knowledge, we are unaware of any person who intends to subscribe for and/or purchase more than 5% of the Invitation Shares.

Further, no Share shall be allotted on the basis of this Prospectus later than six months after the date of registration of this Prospectus.

Please also refer to the section entitled “Management, Underwriting and Placement Arrangements” for further details.

CLEARANCE AND SETTLEMENT

Upon listing of and quotation for our Shares on the SGX-ST Main Board, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the Depository Register maintained by the CDP, rather than CDP itself, will be treated, under our Articles of Association and the Companies Act, as our members in respect of the number of Shares credited to their respective securities accounts.

Persons holding our Shares in securities accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the SGX-ST Main Board, although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles of Association. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST Main Board must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$20.00 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for our Shares that are settled on a book-entry basis. A Singapore clearing fee for trades in our Shares on the SGX-ST Main Board is payable at the rate of 0.04% of the transaction value subject to a maximum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to Singapore goods and services tax at the prevailing rate of 7.0%.

Dealings of our Shares will be carried out in S\$ and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST Main Board generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP depository agent. The CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

USE OF PROCEEDS AND LISTING EXPENSES

The total net proceeds from the Invitation (after deducting the estimated expenses in relation to the Invitation of approximately S\$2.8 million) is estimated to amount to approximately S\$37.6 million.

Listing expenses include professional fees, underwriting and placement commissions and brokerage fees, and miscellaneous expenses. The professional fees and miscellaneous expenses will be borne by our Company. The underwriting and placement commissions and brokerage fees will be borne by our Company and each of the Vendors in the proportion in which the Invitation Shares are offered by our Company and each of the Vendors.

Net proceeds from the sale of the New Shares

The estimated net proceeds attributable to our Company from the issue of the New Shares (after deducting the estimated expenses to be borne by our Company in relation to the Invitation of approximately S\$2.3 million) is approximately S\$18.1 million. The allocation of the gross proceeds raised from the New Shares for each principal intended use of proceeds and each principal item of expenses is set out below:

Use of Proceeds	S\$'000	Amount allocated for each dollar of the proceeds raised from the Invitation (as a % of the gross proceeds)
Building of office — relocation to larger premises	6,000	29.4
Investment into additional fixed assets for expansion into SMP	3,000	14.7
Working capital/provision of performance and warranty guarantees	9,090	44.6
Sub-total	18,090	88.7
Listing Expenses borne by our Company		
Professional fees	1,300	6.4
Underwriting and placement commissions and brokerage fees	510	2.5
Miscellaneous expenses (including listing fees)	500	2.4
Sub-total	2,310	11.3
Total	20,400	100.0

Please refer to the section entitled “Prospects, Business Strategies and Future Plans” for more details on our future plans and use of proceeds.

In the event that the amount set aside to meet our Company’s portion of the estimated expenses listed above is in excess of the actual expenses incurred in connection with the Invitation, such excess amount will be applied towards our working capital purposes.

Pending the deployment of the net proceeds as aforesaid, the net proceeds may be added to our Group’s working capital, placed as deposits with banks or financial institutions, or used for investments in short-term deposits, money market or debt instruments, as our Directors may deem appropriate in their absolute discretion.

The foregoing discussion represents our Company's best estimate of our allocation of the net proceeds to be raised by us from the Invitation Shares based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. Any change in the use of the net proceeds will be subject to Shareholders' approval and the provisions of the Listing Manual and appropriate announcements will be made by our Company on the SGXNET.

We shall announce on the SGXNET as and when the proceeds of the Invitation have been materially disbursed, and provide a status report on the use of proceeds of the Invitation in our annual report(s).

In the opinion of our Directors, no minimum amount must be raised from the Invitation.

None of the proceeds of the Invitation will be used to discharge, reduce or retire any indebtedness of our Group.

In accordance with applicable accounting standards, the underwriting and placement commissions and brokerage fees to be borne by our Company, as well as the professional fees and miscellaneous expenses in the proportion that the 51,000,000 New Shares bear to the post-Invitation share capital of 501,000,000 Shares, will be offset against the gross proceeds raised from the New Shares in our share capital account. The remaining professional fees and miscellaneous expenses will be treated as expenses in our financial statements, which is expected to amount to approximately S\$1.6 million in FY2012.

Net proceeds from the sale of the Vendor Shares

The net proceeds attributable to the Vendors from the sale of the Vendor Shares (after deducting the Vendors' share of the estimated expenses in relation to the sale of the Vendor Shares of approximately S\$0.5 million) will be approximately S\$19.5 million.

MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

Pursuant to the Management & Underwriting Agreement, our Company and the Vendors have appointed the Issue Manager to manage the Invitation.

The Issue Manager will receive a management fee from our Company and the Vendors for their services rendered in connection with the Invitation, payable by our Company and each of the Vendors in the proportion in which the Invitation Shares are offered by our Company and each of the Vendors.

Pursuant to the Management & Underwriting Agreement, the Underwriter agreed to underwrite the Invitation Shares for a commission of 2.5% of the Invitation Price for each Invitation Share, payable by our Company and each of the Vendors in the proportion in which the Invitation Shares are offered by our Company and each of the Vendors. The Underwriter may, at its absolute discretion, appoint one or more sub-underwriters for the Invitation Shares.

Pursuant to the Placement Agreement, the Placement Agent agreed to subscribe and/or purchase or procure subscriptions and/or purchases, for the Placement Shares for a placement commission of 2.5% of the Invitation Price for each Placement Share, payable by our Company and each of the Vendors in the proportion in which the Placement Shares are offered by our Company and each of the Vendors. The Placement Agent may, at its absolute discretion, appoint one or more sub-placement agents for the Placement Shares.

For the Invitation Shares, the brokerage will be paid by our Company and the Vendors to members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in respect of successful applications made on Application Forms bearing their respective stamps, or to the Participating Banks in respect of successful applications made through Electronic Applications at their respective ATMs at the rate of 0.25% of the Invitation Price for each Invitation Share, or in the case of DBS Bank, 0.50% of the Invitation Price for each Invitation Share. In addition, DBS levies a minimum brokerage fee of S\$10,000 that will be payable by our Company.

Subscribers of the Placement Shares may be required to pay brokerage of up to 1.0% of the Invitation Price to the Placement Agent (or any sub-placement agent appointed by the Placement Agent), as well as stamp duties and any other similar charges (subject to any GST, where applicable).

The Management & Underwriting Agreement may be terminated by the Issue Manager on behalf of the Underwriter at any time on or before the time and date of the trading of the Shares on the Official List of the SGX-ST on the occurrence of certain events including, *inter alia*:

- (a) any breach of warranties or undertakings in the Management & Underwriting Agreement;
- (b) any occurrence of a specified event which comes to the knowledge of the Issue Manager or Underwriter;
- (c) any adverse change, or any development involving a prospective adverse change, in the condition (financial or otherwise) of the Company or of the Group as a whole;
- (d) any change, or any development involving a prospective change or any crisis in local, national, regional or international political, industrial, legal, financial, monetary or economic conditions, taxation or exchange controls (including but not limited to the conditions in the stock market, foreign exchange market, inter-bank market or interest rates or money market, in Singapore or any other jurisdiction), political, industrial, economic, legal or monetary conditions, taxation or exchange controls or a combination of any such changes or development or crisis or deterioration thereof;

- (e) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, notice, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive, notice or request issued by the Authority, the Securities Industry Council of Singapore, the SGX-ST or relevant authorities in Australia or elsewhere) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore, Australia or elsewhere;
- (f) any imminent threat or occurrence of any local, national or international outbreak or escalation of hostilities whether war has been declared or not, terrorist attacks, or insurrection or armed conflict (whether or not involving financial markets);
- (g) any regional or local outbreak of disease that may have an adverse effect on the financial markets;
- (h) foreign exchange controls in Singapore and overseas or any occurrence of a combination of any such changes or developments or crises, or any deterioration of any such conditions;
- (i) the issue of a stop order by the Authority in accordance with Section 242 of the Securities and Futures Act; or
- (j) any other occurrence of any nature whatsoever,

which event or events shall in the opinion of the Issue Manager or the Underwriter: (i) result or be likely to result in a material adverse fluctuation or adverse conditions in the stock market in Singapore or elsewhere; or (ii) be likely to prejudice the success of the offer, subscription or sale of the Invitation Shares (whether in the primary market or in respect of dealings in the secondary market); or (iii) make it impossible, impracticable or uncommercial to proceed with any of the transactions contemplated in the Management & Underwriting Agreement; or (iv) be likely to have a material adverse effect on the business, trading position, operations or prospects of the Company or of the Group as a whole; or (v) be such that no reasonable underwriter would have entered into the Management & Underwriting Agreement (as the case may be); or (vi) result or be likely to result in the issue of a stop order by the Authority pursuant to the Securities and Futures Act; or (vii) make it uncommercial or otherwise contrary to or outside the usual commercial practices of underwriting in Singapore for the Underwriter to observe or perform or be obliged to observe or perform the terms of the Management & Underwriting Agreement.

In the event the Management & Underwriting Agreement is terminated, our Company reserves the right, at the absolute discretion of the Directors, to cancel the Invitation.

The Placement Agreement is conditional upon the Management & Underwriting Agreement not being terminated or rescinded pursuant to the provisions of the Management & Underwriting Agreement.

Under the Management & Underwriting Agreement and the Placement Agreement, the Company and the Vendors shall hold the Issue Manager, the Underwriter, the Placement Agent, the Underwriter's sub-underwriters and the Placement Agent's sub-placement agents, their affiliates, associated and related companies and corporations, as well as their respective directors, employees and agents (including the directors and employees of such agents) (collectively "**Indemnified Persons**") fully and effectively indemnified against all liabilities, costs and expenses arising out of any claim which may be brought or threatened to be brought against any of them in relation to the Invitation and the Placement (whether or not such claim is successful, compromised or settled) arising out of:

- (a) any delay or failure by the Company and/or the Vendors to comply with any terms of the Management & Underwriting Agreement, the Placement Agreement or requirements of any statute or statutory regulation, the Listing Manual, governmental or ministerial order or decree, or decision, notice, regulation, guidance note or circular of any governmental or quasi-sovereign

authority, the SGX-ST or the Securities Industry Council or any other authority (including without limitation to the foregoing, any directive or order by the Authority pursuant to the Securities and Futures Act);

- (b) this Prospectus not containing all information material in the context of the Invitation and the Placement, or any statement contained herein or in any information which is otherwise supplied by the Company and/or the Vendors to the Issue Manager, the Underwriter and the Placement Agent in connection with the Invitation and the Placement being untrue, incorrect or misleading;
- (c) any material misrepresentation or omission contained in this Prospectus;
- (d) any material breach of the Company and/or the Vendors of any of the representations, warranties and undertakings in the Management & Underwriting Agreement and the Placement Agreement; and
- (e) any exercise by the Indemnified Persons of any of the rights and authorities granted to it under the Management & Underwriting Agreement and the Placement Agreement,

including in any such case (but without prejudice to the generality of the foregoing) all costs, charges and expenses which the Indemnified Persons may incur or bear in disputing any such claim made against them or in establishing any claim on their part under the foregoing provisions, in each case except in relation to any claim arising out of the gross negligence, fraud or wilful default of the Indemnified Persons.

All undertakings, warranties, covenants and indemnities under the Management & Underwriting Agreement and the Placement Agreement made by the Company and the management Vendors (comprising Kariong Investment Trust, JF & OT Fitzgerald Family Trust, Deery Family Trust, Hemsworth Family Trust, Macri Superannuation Fund, Colin Swan Trust, Glenn Stephenson Family Trust, Silvera Family Trust, R&C Vitelli Family Trust, J.A.K.A.L. Trust, Bowcon Family Trust, Bowcon Superannuation Fund, Martin Sweeney, Charles John Sweeney and our General Manager (Operations)) are deemed made by them jointly and severally.

All undertakings, warranties, covenants and indemnities expressed in the Management & Underwriting Agreement and the Placement Agreement made by the other Vendors are deemed to be made by and binding on them severally (and not jointly).

Save as disclosed above, in the reasonable opinion of our Directors, we do not have any material relationship with the Issue Manager, the Underwriter and the Placement Agent or any sub-placement agent in relation to the Invitation.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus. You should carefully consider all the information presented in this Prospectus, particularly the matters set out in the section entitled “Risk Factors” before making an investment decision.

OUR COMPANY

On 3 June 2010, our Company was incorporated in Singapore as a private company limited by shares under the name of “Civmec Pte. Ltd.” On 29 March 2012, our Company was converted into a public company limited by shares and changed its name to “Civmec Limited”.

Our telephone number is +61 8 9437 6288 and our facsimile number is +61 8 9437 6388. Information on our website, www.civmec.com.au, or any website directly or indirectly linked to such website shall not be incorporated by reference into this document and should not be relied upon.

OUR BUSINESS

We are an Australian-based integrated multi-disciplinary construction and heavy engineering services provider to the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries. We provide heavy engineering and other services including fabrication, site civil works, pre-cast concrete and maintenance services.

A detailed overview of our business and the services we provide is set out in the section entitled “History and Business”.

OUR COMPETITIVE STRENGTHS

Our Directors believe that our competitive strengths are as follows:

- (a) We have established relationships with leading notable companies in the mining and oil and gas industries.
- (b) We believe we have the largest under-cover sea-front fabrication and modular assembly facilities in Australia equipped with high capacity automated equipment.
- (c) We are proximate to the growing oil and gas and mining-related industries of Western Australia.
- (d) We have an experienced management team with proven track records of sustainable growth and profitability.
- (e) Our flexible fabrication capabilities enable us to provide integrated multi-disciplinary specialist services.

A detailed discussion of our competitive strengths is set out in the section entitled “Competitive Strengths”.

OUR FINANCIAL PERFORMANCE

Our financial performance for the periods under review is summarised below:

	Audited		Unaudited	
	FP2010 S\$'000	FY2011 S\$'000	1Q2011 S\$'000	1Q2012 S\$'000
Revenue	22,294	61,007	10,419	43,699
Gross profit	8,258	19,947	3,142	11,610
Profit before tax	4,825	11,118	1,382	7,430

Please refer to the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” and the Audited Combined Financial Statements and Unaudited Interim Condensed Combined Financial Statements for further details.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans are as follows:

- (a) We intend to continue expanding our office premises for the operations of our Group.
- (b) We intend to acquire additional plant and equipment and upgrade our Facilities.
- (c) We intend to expand our sales and marketing capabilities.
- (d) We plan to explore opportunities in strategic investments or alliances and acquisitions.

In view of our Group’s business strategies and future plans, our Directors consider that the listing of and quotation for our Shares on the SGX-ST will provide our Group with a new channel to gain access to the capital markets, promote our corporate profile and further enhance our image, all of which are in the interests of our future growth and development.

A detailed overview of our future plans is set out in the section entitled “Prospects, Business Strategies and Future Plans”.

ISSUE STATISTICS

INVITATION PRICE	40.0 cents

Adjusted NAV (as at end of 1Q2012)

(a) before adjusting for the estimated net proceeds of the New Shares and based on the pre-Invitation share capital of 450,000,000 Shares	10.1 cents
(b) after adjusting for the estimated net proceeds of the New Shares and based on the post-Invitation share capital of 501,000,000 Shares	12.7 cents

Premium of Invitation Price per Share over the Adjusted NAV per Share:

(a) before adjusting for the estimated net proceeds of the New Shares and based on the pre-Invitation share capital of 450,000,000 Shares	294.4%
(b) after adjusting for the estimated net proceeds of the New Shares and based on the post-Invitation share capital of 501,000,000 Shares	214.4%

EARNINGS

Historical net EPS of our Group for FY2011 based on the pre-Invitation share capital of 450,000,000 Shares	1.7 cents

Historical net EPS of our Group for FY2011 had the Service Agreements been in place from the beginning of FY2011 ⁽¹⁾ and based on the pre-Invitation share capital of 450,000,000 Shares	1.6 cents

PRICE EARNINGS RATIO

Historical price earnings ratio based on the Invitation Price and the historical net EPS of our Group for FY2011	23.9 times

Historical price earnings ratio based on the Invitation Price and the historical net EPS of our Group for FY2011 ⁽¹⁾ had the Service Agreements been in place from the beginning of FY2011	25.2 times

NET OPERATING CASH FLOW^{(2), (3)}

Historical net operating cash flow per Share of our Group for FY2011 based on the pre-Invitation share capital of 450,000,000 Shares	0.4 cents

Historical net operating cash flow per Share of our Group for FY2011 had the Service Agreements been in place from the beginning of FY2011 ⁽¹⁾ and based on the pre-Invitation share capital of 450,000,000 Shares	0.3 cents

PRICE TO NET OPERATING CASH FLOW

Historical price to net operating cash flow ratio based on the Invitation Price and the historical net operating cash flow per Share for FY2011 104.9 times

Historical price to net operating cash flow ratio based on the Invitation Price and the historical net operating cash flow per Share for FY2011 had the Service Agreements been in place from the beginning of FY2011⁽¹⁾ 136.0 times

MARKET CAPITALISATION

Market capitalisation based on the Invitation Price and post-Invitation share capital of 501,000,000 Shares S\$200.4 million

Notes:

- (1) Had the Service Agreements been in existence for FY2011, the aggregate remuneration (including contributions, bonus, and benefits-in-kind) paid to the Executive Directors would have been approximately A\$1.0 million (approximately S\$1.4 million) instead of approximately A\$0.7 (approximately S\$1.0 million) and the profit after tax of our Group would have been approximately A\$5.6 million (approximately S\$7.1 million) instead of approximately A\$5.9 million (approximately S\$7.5 million).
- (2) Calculated based on the Relevant Exchange Rate.
- (3) Net operating cash flow is defined as net cash generated from operating activities which is calculated from profit before tax after adjustments based on the Audited Combined Financial Statements.

RISK FACTORS

You should evaluate carefully each of the following considerations and all of the other information set forth in this Prospectus before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future dilution in value of our Shares.

If any of the following considerations and uncertainties manifest into actual events, our business, financial condition or results of operations may be materially and adversely affected. In such case, the trading price of our Shares may decline due to any of these considerations and uncertainties, and you may lose all or part of your investment.

Apart from the specific factors listed below and general business and economic conditions to which all commercial businesses are exposed to, we are of the view that we are not vulnerable in any material way to any other factors which can be reasonably anticipated.

RISKS RELATING TO OUR BUSINESS AND OUR INDUSTRY

We have a limited operating history

The operating history of our Group began on 22 June 2009, when CCE was first incorporated (as Patnik Pty Ltd) by, *inter alia*, our Executive Chairman and CEO for the purpose of establishing a construction and engineering group. Given our limited operating history, our historical operating results, including profit margins, may not provide a meaningful basis for evaluating our business, financial performance and prospects. Moreover, and again given our limited operating history, our order books have scaled up significantly in a relatively short period of time, and we may not have the capability and/or resources to execute all such orders efficiently and fully in accordance with the customers' requirements. We may also not be able to achieve a similar growth rate in future periods. Accordingly, you should not rely on our results of operations for any prior periods as an indication of our future performance. Please refer to the section entitled "History and Business" for further details of our past operating history.

We are dependent on the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries

We derive most of our revenue from companies in the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries. The operations of our customers involve potential operating hazards such as leaks, explosions and environmental contaminations. The operations of some of our customers may be located in areas where natural disasters such as earthquakes, floods and cyclones occur frequently. Such operating hazards or natural disasters may cause substantial disruptions to our customers' operations. As our contracts may involve on-site implementation and supervision, any operating hazards and natural disasters experienced by our customers may also cause disruptions to our operations.

In particular, our customers comprise mainly companies which export their products and commodities globally, our business and financial performance will be adversely affected if there are any operating hazards, natural disasters or any other factors which adversely affect the global demand for the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries.

The oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries are subject to regulatory risks. The laws and regulations in places and industries which our customers operate in may require our customers to meet certain standards and impose liabilities if these are not met. Though we may not be directly regulated by these laws and regulations, there is no assurance that our customers will not seek recourse from us in the event of non-compliance with such

laws and regulations, even if our products and services meet the specifications required of us in the contractual documents with our customers. In addition, the liabilities and risks imposed on our customers by such laws and regulations may adversely impact the demand for some of our products or services or impose greater liabilities and risks on us, which may also have a material and adverse effect on our competitive and financial position.

We are dependent on our key management personnel

The continued success of our Group is dependent to a large extent on our ability to retain our key management personnel, in particular, our Executive Directors and Key Executives. There is no assurance that we will be able to retain our Executive Directors and Key Executives. In addition, there is no assurance that we will be able to recruit and retain suitable replacements for our Executive Directors and Key Executives if they leave. The loss of our Executive Directors and Key Executives without suitable replacements may have a material and adverse impact on our operations and our ability to achieve our objectives.

We are dependent on the availability of adequately skilled labour and specialised equipment

Due to the specialised nature of our work, there is a limited supply of adequately skilled business unit managers, engineers, tradesmen and experienced project staff. We also require certain specialised equipment to carry out our operations. If we fail to retain our skilled business unit managers, engineers, tradesmen and project staff, or if we fail to acquire the necessary equipment to carry out our operations, our revenue and profitability will be materially and adversely affected. To ensure that we remain competitive, we recruit a number of foreign workers. In the event of a shortage of foreign workers or restrictions on the employment of foreign workers, or if we are unable to acquire the necessary equipment to carry out our operations, our operations and project schedules will be affected and our financial performance will be materially and adversely affected. Furthermore, to the extent that we are unable to recruit the required number of skilled business unit managers, engineers, tradesmen and experienced project staff, whether locally or from overseas, to meet our increased business activities, our revenue and profitability will be materially and adversely affected.

Our Facilities are affected by power and water supply shortages, interruptions and/or disruptions

We utilise substantial amounts of power and water as part of our fabrication processes. Supply shortages, interruptions and/or disruptions in this regard, whether arising from controlled or uncontrolled elements, such as natural forces or governmental rations, will substantially affect our operations, including timely completion of our projects. Although we maintain industrial special risks insurance for such incidents, the insured amount may not be sufficient to cover losses, damages and liabilities arising therefrom, and any such incidents may thereby materially and adversely affect our business operations and financial performance. Also, notwithstanding that we have not experienced any such power and water supply shortages, interruptions and/or disruptions since we began operations in 2009, there is no assurance they will not arise in future, and thereby materially and adversely affect our business operations and financial performance.

Although the Directors believe that the liabilities arising from such incidents are adequately covered by insurance, however, our business, financial condition, results of operations and prospects may nonetheless be materially and adversely affected if we incur any loss not covered by our insurance policies, or if the compensation amount is significantly less than our actual loss. Please refer to the section entitled "Insurance" for more information on our insurance coverage.

We are exposed to project cost overruns and increases in labour and direct material costs

In our preparation for a tender submission for projects, internal costing and estimates of labour and direct materials costs are compiled by our project estimators. The contract value quoted in the tender submission is determined after the evaluation of our scope of work and all related costs including indicative prices of our suppliers and sub-contractors. However, unforeseen circumstances such as unanticipated price fluctuations of steel, fuel, utilities and other direct materials used in our projects, damages, and errors in estimation may arise during the course of our operations. As these circumstances may require additional costs and work which were not factored into the contract value, they may lead to cost overruns which may erode our profit margin for the project and have a material and adverse impact on our overall profitability. Unexpected discounts requested by customers may result in us being unable to collect our full tender price. In the event that we are unable to recoup our full costs, our financial performance may be materially and adversely affected.

In addition, labour and direct material costs contribute significantly to our total costs. In FP2010, FY2011 and 1Q2012 labour costs accounted for approximately 32.8%, 43.8% and 44.0% of our total cost of sales, respectively. Steel and concrete comprise the bulk of the direct materials used in our operations. Direct material costs accounted for approximately 31.5%, 33.1% and 35.3% of our total cost of sales for FP2010, FY2011 and 1Q2012, respectively. Unforeseen increases in labour or direct material costs which have not been factored into the tender price may have an adverse impact on our profitability. In the event that our labour costs or direct material costs increase materially, our financial performance may be materially and adversely affected. Notwithstanding that we have not experienced any material project cost overruns since we began operations in 2009, there is no assurance such cost overruns will not arise in future, and thereby materially and adversely affect our financial performance. Please refer to the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” for more information on our cost of sales.

We face competitive pressures and we cannot assure you that we will be able to compete successfully against our competitors

Our business is competitive and we face competition from other Australian engineering and construction companies in the market such as AusGroup Limited, Fremantle Steel Fabrication Pty Ltd, Pacific Industrial Company Pty Ltd, Downer EDI Ltd, Tenix SDR Pty Ltd, Ertech Pty Ltd, DTMT Pty Ltd, Giorgio Group Pty Ltd, Monadelphous Pty Ltd and Forge Group Limited who are able to provide services that are similar to ours and compete with us on key attributes including scale and capacity of production, pricing, brand name, timely delivery and customer service. Please refer to the sections entitled “Competition” and “Competitive Strengths” for details on our competitors and our competitive strengths.

Competition could increase as a result of new market entrants, or our competitors may be able to price their products and services more attractively, or may utilise equipment that is more advanced than our equipment. In addition to local competitors, we also face competition from foreign companies, which may have access to better financial, equipment and other resources than we do.

There is no assurance that we will be able to compete successfully in the future. Any failure by us to remain competitive would materially and adversely affect our financial performance.

We are affected by the performance and quality of our sub-contracted works

We sub-contract certain types of work, such as detailed drawings, transportation, surface treatment, non-destructive testing, electrical work, machining and fabrication to third parties or sub-contractors. We are exposed to the timely delivery and the quality required of the sub-contracted works. On a regular basis, we review our sub-contractors’ performance and conduct due diligence assessments on the sub-contractors’ previous projects and available manpower. We also place management supervision on-site to manage the sub-contractor and to ensure the sub-contractor performs at the level

we require. Although we hold retention monies for certain sub-contractors, should our sub-contractors fail to adhere to our specifications or default on their contractual obligations, our ability to deliver the project on time will be compromised, and we may be exposed to liabilities under the main contracts with our customers. In addition, we may not be able to find alternative sub-contractors to complete the work in a timely fashion and we may be subject to higher costs from alternative sub-contractors, which may materially and adversely affect our financial performance. Although the performance and quality of our sub-contracted works have not materially affected the business operations and financial performance of our Group since we began operations in 2009, there is no assurance such deficiencies and/or delays in sub-contracted works will not arise in future, and thereby materially and adversely affect our financial performance.

Activities in our business can be dangerous and can cause injury to people or property in certain circumstances

We have procedures in place including our OHSM system to manage the risks of injury to people or property in our operations. However, our business activities may require individuals to work under potentially dangerous circumstances. Any accident or injury could result in disruptions to our business or legal and regulatory consequences. Although our Directors believe that the liabilities arising from such incidents are adequately covered by insurance, however, our reputation and business may nonetheless be materially and adversely affected by such incidents. Please refer to the risk factor entitled “We may not maintain sufficient insurance coverage for the risks associated with our business operations” in this section and the section entitled “Insurance” for more details.

We are subject to delays in completion of projects and the risk of unanticipated or premature termination of projects or contracts

Our customers may delay the completion of projects due to unforeseen circumstances. Delays may also result from incomplete specifications or unanticipated difficulties in developing customised solutions for them. Customers may also terminate their projects or contracts with us due to changes in their business plans, insufficient funding or dissatisfaction with the progress.

Although the contracts with some of our customers may be long-term contracts that may last for up to five years, under the terms of such contracts, our customers may terminate those contracts before the end of the full term. The unanticipated termination of any projects or contracts in progress or any decisions by our customers not to proceed with a contracted project may have a material adverse effect on our business, financial condition and results of operations. Although we have not experienced any delays in completion or premature termination of projects or contracts which materially affect the business operations and financial performance of our Group since we began operations in 2009, however, there is no assurance such delays and/or termination will not arise in future, and thereby materially and adversely affect our business, financial condition and results of operations.

We may not maintain sufficient insurance coverage for the risks associated with our business operations

A variety of risks are associated with our operational activities, including damage to our Facilities, environmental pollution, damage to products in transit, transportation delays and risks posed by natural disasters, among others. Any or all of these risks may have a material and adverse effect on our business, financial condition, results of operations and prospects. Although our Directors believe that the liabilities arising from such incidents are adequately covered by insurance, however, our business, financial condition, results of operations and prospects may nonetheless be materially and adversely affected if we incur any loss not covered by our insurance policies, or if the compensation amount is significantly less than our actual loss. Please refer to the section entitled “Insurance” for more information on our insurance coverage.

We face the risk of significant increase in the price or shortage of our direct materials

We generally do not keep inventories of our direct materials, but rely on our suppliers to deliver such supplies based on our prevailing requirements. Although we have established good working relationships with our suppliers, there is no assurance that we will continue to be able to obtain direct materials from our suppliers at acceptable prices or that our suppliers would be able to meet our requirements in a timely manner. In the event that our suppliers are unable to meet our requirements for direct materials on terms which are favourable to us, our profit margins and financial performance may be materially and adversely affected.

We may be affected by the level of business activities and financial performance of our customers, in particular our major customers

The demand for our goods and services is affected by the level of business activities and the financial performance of our customers, which in turn are affected by economic fluctuations and the level of business activities especially in the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries and the demands for their products and services. This is particularly so for our major customers as they contribute to a large portion of our revenue. The revenue contribution from our five major customers in FY2011 was 88.3% of our revenue in aggregate. Please refer to the section entitled “Our Major Customers” for details on our major customers.

Therefore, a decline in the level of business activities or deterioration of the financial performance of our customers may result in our customers undertaking less production capacity expansion/capital expenditure projects, thereby requiring less of our products and services. Such customers may also delay and/or cancel the projects they have awarded to us. These factors may have a material and adverse effect on our business, revenues and financial performance.

We depend on a small number of customers for a significant portion of our revenue

We are dependent on a small number of our major customers for a significant portion of our revenue. The revenue contribution from our five major customers in FY2011 was 88.3% of our revenue in aggregate. Our two current largest customers, Leighton Contractors Pty Limited and BHP Billiton Iron Ore Pty Ltd, in aggregate, account for 76.0% of our total revenue in 1Q2012. While we have good working relationships with our customers, there is no assurance that they will continue to place orders with us in the future. In the event that our major customers significantly reduce their orders with us or we are unable to secure continued orders from them and we are unable to procure alternative orders of comparable size, our business and results of operations will be adversely affected. Please refer to the section entitled “Our Major Customers” for details on our major customers.

We are dependent on obtaining financing to fund our larger scale projects

For most of our projects, we are paid according to work done on a progressive basis. As such, we require financing to fund the initial costs of the project, such as costs relating to labour, material and the performance securities, bonds and/or guarantees required under the project contracts. For larger scale projects which we intend to tender for in the future, we may require financing from banks or other financial institutions to fund the initial costs of such projects. We are therefore subject to fluctuations of interest rates for our financing. If we are unable to secure financing at favourable rates for this purpose, our ability to secure larger scale projects will be impeded and our growth and expansion plans will be materially and adversely affected. This will materially and adversely affect our future financial performance.

Labour disputes and industrial actions may cause disruptions to our operations

We may experience incidences of work stoppages and labour disputes in our operations. As at the Latest Practicable Date, we have not experienced any material work stoppages and/or labour disputes in our operations, but there is no assurance these will not arise in future, and thereby materially and adversely affect our financial performance. Please refer to the section entitled “Employees” for further details on our employees. In the event that we encounter any material work stoppages and/or labour disputes or industrial actions in the future which causes significant disruptions to our operations, our financial performance may be materially and adversely affected.

We may not be able to secure new contracts and/or customers

A substantial part of our business is project-based and non-recurring. We therefore have to continuously and consistently secure new customers and projects. There is no assurance that we will be able to secure new customers and projects. As such, our profitability and financial performance will depend on our ability to secure new projects that are profitable on a regular basis. If we are unable to do so for any reason, our profitability and financial performance will be materially and adversely affected.

We are subject to the credit risks of customers

We usually do not receive down payments or deposits prior to project commencement. A substantial portion of our projects involve progressive billing according to the stages of project completion pursuant to the terms of the contract. Very often, we have to use our working capital to finance the initial stages of a project. As we extend open account credit terms of between 30 and 60 days to our customers for projects which involve progressive billing, we are subjected to the risk of bad debts should any of our customers face financial difficulties. Please refer to the section entitled “Credit Policy” for further details. Although we have not incurred any bad debts for the periods under review and up to the Latest Practicable Date, however, there is no assurance such bad debts will not arise in future, and thereby have a material and adverse impact on our financial position and performance.

We may incur additional costs or liquidated damages in the event of disputes, claims, defects or delays

We may encounter disputes with our customers in relation to non-compliance with contract specifications, defects in workmanship and materials used. There is no assurance that any future disputes and claims will not result in protracted litigation, which may have a material and adverse impact on our financial performance.

We usually provide warranty periods for 12 months from the contractual delivery date. During this period, we are required to rectify defects for which we are responsible free of charge. If we are required to rectify defects during the warranty period which result in substantial additional costs being borne by us, the profitability of the particular project will be reduced. In the event that our customers suffer loss and damage due to the defects, they may also claim against us, thereby materially and adversely affecting our financial performance.

Contracts for our projects usually contain provisions for payment of liquidated damages by us in the event that the hand-over of our projects is delayed. In the event that our projects are delayed, whether due to our fault or the fault of our suppliers or sub-contractors, we may be liable to pay liquidated damages, which may be substantial as they are calculated based on the period of delay. If such liquidated damages are significant, our financial performance may be materially and adversely affected. Although we have not incurred additional costs or liquidated damages which materially affect the business operations and financial performance of our Group since we began operations in 2009, however, there is no assurance these will not arise in future, and thereby materially and adversely affect our business operations and financial performance.

The land on which our Facilities are situated was formerly part of an artillery range and may contain unexploded ordnance

Under the Town Planning and Development Act 1928 of Western Australia, information will be recorded on certificates of title where the Western Australian Planning Commission considers it desirable that the owners or prospective owners of land be made aware of hazards or other factors seriously affecting the use and enjoyment of the land.

The land (“**Land**”) on which our Facilities are situated is part of a larger plot of land which was previously utilised as an artillery range and may contain unexploded ordnance. Accordingly, the Western Australian Planning Commission has on 30 April 2004 lodged a notification (“**Notification**”) on the certificate of title of the Land to warn owners and prospective owners of the Land that while the Land has been searched to a depth of one metre, no guarantee can be given that all unexploded ordnance have been located, and any ordnance found should be treated as dangerous and its location reported to the police or defence establishments.

The Notification does not impose any obligation on our Group, as occupier of the Land, to conduct searches for unexploded ordnance below one metre nor remedy any hazard. The notification does not expressly restrict the use of the Land for any particular purpose or require us to seek approval from the Commission for use of the Land, but will need to be taken into account in respect of proposed works involving excavation or similar works below one metre.

As at the Latest Practicable Date, we have not encountered any unexploded ordnance on the Land, though there is no assurance that such encounters may not arise in future. The records of the Australian Department of Defence suggest that no unexploded ordnance, fragments or components of unexploded ordnance have been recovered from the Land, nor from any of the surrounding sites. In the unlikely (though not impossible) event any unexploded ordnance is encountered, the Department of Defence would be contacted to remove it. Our Group also maintains, and intends to maintain, broadform liability insurance which covers legal liabilities in connection with our business and arising from occurrences resulting in personal injury or property damage as well as industrial special risks insurance which covers legal liabilities arising from unexploded ordnance, though there is no assurance such insurance will suffice to cover all liabilities arising therefrom. Although not legally liable to provide any indemnity, it is the policy of the Commonwealth Government to indemnify land owners/occupiers for claims made against them in respect of personal injury and/or damage to property arising from detonation of unexploded ordnance present on the land as a result of Commonwealth or allied military activities, however, there is no assurance such policy (which does not amount to any legal obligation on the part of the Commonwealth Government) will not change in future. If any injury, death or damage occurs as the result of detonation of unexploded ordnance, we intend to seek, and reasonably expect to receive, indemnity from the Commonwealth Government, but there is no assurance that the policy of the Commonwealth Government in relation to such indemnity would not have changed by then. As such, notwithstanding the foregoing, if any unexploded ordnance is present and detonates on the Land, causing injuries, death and/or damage to our properties, our operations and financial performance may be materially and adversely affected.

We may be subject to third party infringement claims

While our Group is not aware of any claims by any third parties asserting their intellectual property rights against us, there is no assurance that such claims will not be brought against us in the future. Such claims may be made in respect of trade marks, copyright, patents, trade secrets or any other intellectual properties used by our Group in the course of our business and operations. Regardless of the outcome of such claims, any such claims may be time consuming, costly and damaging to our reputation. Should any such claims be successfully made against us, resulting in significant liability from the payment of damages or compliance with injunctions, our operations and financial performance may be materially and adversely affected.

We may require additional financing in the future

We may need to tap the capital markets for debt or equity financing to fund future capital expenditure after the listing of and quotation for our Shares on the SGX-ST. Additional equity financing may result in a dilution to the shareholdings of the holders of our Shares. Additional debt financing may include conditions that restrict our freedom to operate our business, limit our ability to pay dividends or require us to seek consent for the payment of dividends, require us to maintain certain financial ratios or require us to dedicate a portion of our cash flow from operations to payments of our debt. These conditions may limit our flexibility in planning for, or reacting to, changes in our business and our industry. There is no assurance that we will be able to obtain any additional financing on terms that are acceptable to us or at all. If we are unable to obtain such financing, our financial performance may be materially and adversely affected.

Our operations may be materially and adversely affected if we fail to comply with laws and regulations and the conditions stipulated in any licenses, permits or approvals

We are governed by the laws, regulations and government policies of Australia in which we currently operate or in countries in which we may subsequently expand our business and operations. We may not be able to meet the requirements prescribed by the applicable authorities at all times. For example, as our operations may potentially cause pollution, we are required to comply with all environmental regulations in Australia. Any claims or failure to comply with any present or future environmental regulations may require us to spend additional funds and may materially and adversely affect our operations and financial performance.

We may also incur higher compliance costs if stricter or more onerous laws, rules or regulations are imposed, in which case our operations and financial performance may be materially and adversely affected. If we fail to comply with the laws and regulations and the conditions stipulated in any licences, permits or approvals which we may be required to maintain, this may materially and adversely affect our business, reputation, financial performance and prospects.

Our Group has complied in all material respects with applicable laws and regulations, including obtaining such licences, permits and/or approvals necessary for our business and operations, however, there is no assurance that we will be able to continue to comply with the same in future. In the event, for whatever reason, we fail such compliance in future, this may materially and adversely affect our business, reputation, financial performance and prospects.

Any environmental claims or failure to comply with any present or future environmental regulations may require us to spend additional funds and may materially and adversely affect our financial condition and results of operation

We are required to comply with all applicable environmental-related laws and regulations in Australia in the conduct of our operations. We expect to be subject to additional requirements in the future, as the government continues to pass laws aimed at strengthening environmental protection measures and adopts more stringent environmental standards. We cannot assure you that more stringent requirements for environmental protection will not be imposed by the relevant governmental authorities in the future which may require substantial changes to our production processes resulting in additional capital expenditures and higher operating costs, which may negatively affect our business, financial condition, results of operations and prospects. We also cannot assure you that social pressure with respect to our operations will not occur which may result in our having to take remedial or other action that may be time consuming or costly to us. Any failure to comply with relevant laws and regulations in this regard would cause damage to our reputation or require us to pay penalties or fines or take remedial actions, which could disrupt, limit or even result in the suspension of our operations, and could have a material adverse effect on our business, financial condition, results of operations and prospects. Our Group has not received notice or claims of any breach of environmental laws or regulations from

any governmental authority and/or agency, and we are not aware of any ongoing proceedings and/or investigations of the same. Notwithstanding, there is no assurance that we will be able to continue to comply with all relevant environmental laws and regulations in future. In the event, for whatever reason, we fail such compliance in future, this may materially and adversely affect our business, financial condition, results of operations and prospects

We may be exposed to losses from natural disasters or other unforeseen events which may not be sufficiently covered by our insurance

The occurrence of natural or other catastrophes or other acts of God such as severe weather conditions or epidemic diseases in our areas of operation may materially and adversely disrupt our operations. Our operations or the operations of our suppliers or utilities providers may be disrupted by explosions, acts of terrorism, power outages, system failures or other unforeseen events. These factors, which are not within our control, may potentially have significant effects on our operations and production facilities, and the operations of our customers and suppliers. Although we maintain insurance coverage for industrial special risks including floods and tsunamis, we do not maintain full third-party insurance to cover all natural or other possible catastrophes. Moreover, our insurance coverage may not suffice to cover all liabilities arising therefrom. As a result, the occurrence of natural or other catastrophes, severe weather conditions or other acts of God may adversely affect our business operations, financial performance and prospects. Please refer to the section entitled “Insurance” for more information on our insurance coverage.

The uncontrolled outbreak of any serious contagious diseases may affect our operations

In recent years, there have been reports regarding the occurrences of various forms of influenza in different parts of the world, including cases resulting in deaths. The outbreak of an infectious disease such as avian influenza, severe acute respiratory syndrome (“**SARS**”) or H1N1 influenza could have a negative impact on the global and regional economy. In particular, an outbreak of a communicable disease such as SARS or H1N1 influenza, may affect our business in several ways, including, but not limited to, a decline in demand for our products and services, a complete or partial shutdown of our Facilities, delay or interruption in the transportation of supplies and our products and services and increased costs of cleaning and maintaining our offices and Facilities. We have not adopted any written preventive measures or contingency plans to combat any future natural calamities or outbreak of epidemics. Any natural calamities or prolonged recurrence of adverse public health developments in Australia may have a material and adverse effect on our business operations, financial performance and prospects.

Our products are subjected to stringent quality codes and standards and certification for quality control and we are exposed to potential liability arising from damages, injury or death due to accidents

Our products are commonly used for the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries. As such products function in harsh conditions, our products must meet the necessary standards with respect to corrosion prevention, chemical tolerance, stress tolerance and safety. To ensure that our products meet the necessary standards, we are required to ensure that our products comply with stringent quality control codes and standards prescribed by the relevant international professional bodies and institutions. Please refer to the section entitled “Quality Assurance and Safety Standards” for further details. Our customers may re-evaluate our capabilities or we may be prohibited by our customers from carrying out certain services if we fail to comply with such codes and standards or lose or are unable to renew our certifications and accreditations. This may have a material and adverse effect on our business and financial performance.

Furthermore, due to the nature of our operations, there is a risk of accidents occurring either to our employees or to third parties while on our premises or our customers' premises. These accidents may occur as a result of fire, explosions or other incidents. In the event that we encounter a significant number of accidents during our operations, our customers may re-evaluate our capabilities, or they may prohibit us from carrying out certain services. This may have a material and adverse effect on our operations and financial performance. We have not encountered any such incidents which materially affected the business operations and financial performance of our Group since we began operations in 2009, however, there is no assurance that such incidents may not arise in future, and thereby materially and adversely affect our operations and financial performance.

Any adverse changes in the political, economic, regulatory or social conditions in the countries that we operate in or in which we intend to expand our business may have a material and adverse effect on our operations, financial performance and future growth

Our business and future growth are dependent on the political, economic, regulatory and social conditions in each of the countries that we operate in or in which we intend to expand our business and operations. Any economic downturn or changes in policies implemented by the governments in these countries, currency and interest rate fluctuations, capital controls or capital restrictions, labour laws, changes in duties and taxation and limitations on imports and exports may materially and adversely affect our operations, financial performance and future growth.

The global financial markets have recently experienced significant deterioration and volatility, which have had negative repercussions on the global economy and, as a result, may materially and adversely affect our business operations.

Certain recent adverse financial developments have impacted the global financial markets. Events such as the natural disaster and nuclear crisis in Japan, the political turmoil in the Middle East and the economic situation in the European Economic Area have negatively impacted investor confidence around the world, resulting in generally poor or lacklustre capital market conditions and climate. The current market volatility also means that investors may demand a higher expected return on their investments to compensate for market risks.

While there have been signs of economic recovery, there is significant uncertainty as to whether and when economic conditions will improve. Any prolonged downturn in general economic conditions would present risks for our business, such as a potential slowdown in our sales to customers. If the economic downturn continues or worsens, our business operations and financial performance may be materially and adversely affected.

If we cannot manage or maintain adequate internal management control over our growth, or successfully implement our business strategies, our operating results, margins and net profit may be materially and adversely affected

We have experienced substantial growth in sales and net profit in recent years. In FP2010, FY2011 and 1Q2012, our revenue was approximately S\$22.3 million, S\$61.0 million, and S\$43.7 million, respectively, and our net profit was approximately S\$3.2 million, S\$7.5 million, and S\$5.2 million, respectively. Our Board, after making all reasonable enquires, with the concurrence of our Audit Committee, is of the opinion that the internal controls of our Group are adequate to address the financial, operational and compliance risks. Our Audit Committee will be appointing a third party professional firm to review the internal control processes and procedures of our Group after our Company is listed on the Official List of the SGX-ST. Notwithstanding that our Board is of the opinion that the current internal controls of our Group are adequate to address the financial, operational and compliance risks, our plans to grow our business include further expanding the capacity and capabilities of our operations, improving our cost structure and investment in advanced equipment and technology. Our plans for growth and expansion will challenge our managerial, operational, financial and other resources and will also place significant demands on us to maintain the quality of our products. To accomplish these plans, we will need to implement a variety of new and upgraded

operational and financial systems, procedures and controls, including improvements to our internal management control systems. We will also need to implement effective training programs to ensure consistently high-quality performance by our employees. All of these measures will require substantial management efforts. If we are unable to effectively manage or maintain adequate internal management control over our growth or to implement our growth strategies, our business operations, financial performance and prospects may be materially and adversely affected.

We may not achieve the benefits we expect from future acquisitions and business partnerships, which may have an adverse effect on our profitability and ability to manage our business prospects

We may fail to identify or secure suitable acquisition or investment opportunities or our competitors may capitalise on such opportunities before we do. Moreover, identifying such opportunities could demand substantial management time and resources, and negotiating and financing acquisitions and establishing business partnerships might involve significant costs and uncertainties. If we fail to successfully source, execute and integrate acquisitions and investments in the future, our overall growth may be impaired, and our business operations, financial performance and prospects may be materially and adversely affected.

We may enter markets where we have limited or no experience, where our brand may be less recognised and where we may be exposed to risks separate and distinct from those we face in our domestic operations. We may be unable to achieve and maintain a competitive cost structure similar to our domestic operations. Our sales and marketing network may not be successful in promoting our brand and generating sufficient demand for our products and services in international markets. Furthermore, in new markets we may fail to anticipate conditions that are different from those in our existing markets. These conditions may make it difficult or impossible for us to effectively operate in these markets. If our expansion efforts in existing and new markets are unsuccessful, our profitability and prospects may be materially and adversely affected.

Any future expansion or investment may expose us to additional risks, including, among other things, business or legal issues not discovered in our due diligence process, such as hidden liabilities and legal contingencies; diversion of our resources from existing business operations during the acquisition and integration process; legal and regulatory requirements that may render an investment more costly or subject to greater operating, legal, political or other risks or that prevent, limit or delay potential investments; failure to effectively integrate acquired assets and talent into our corporate structure and culture; and failure to realise the synergies expected from the acquisitions or business partnerships.

There is no assurance that our expansion plans will be successful

As described in the section entitled “Prospects and Future Plans”, our growth strategies involve the increase of the scale of our operations. These expansion plans will result in additional costs of investment in fixed assets and new equipment as well as additional working capital requirements. In the event that we fail to achieve a sufficient level of revenue or manage our costs efficiently, our future financial performance may be materially and adversely affected.

Dividends payable by us or by the entities in which we have an interest may be subject to withholding tax

Under Australian income tax law, an Australian resident company is required to pay Australian company tax at a rate of 30.0% of its taxable income and it obtains “franking credits” equivalent to the amount of company tax paid. When an Australian resident company pays a dividend to any shareholder, whether resident or non-resident, the dividend must be accompanied by “franking credits” to the extent that franking credits are available. There will be no further Australian income tax obligation for an Australian non-resident shareholder if the dividend is “fully franked”.

If the dividend is “unfranked” or “partially franked”, a withholding tax at the rate of 15.0% will be levied where the dividend is paid to a Singapore resident shareholder. The withholding tax rate is prescribed by the Agreement between the Government of the Commonwealth of Australia and the Government of the Republic of Singapore for the avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income dated 11 February 1969 as amended by the First Protocol signed 16 October 1989 and the Second Protocol dated 8 September 2010.

Such position will change if the withholding tax rate is altered or if the current tax treaty between Australia and Singapore is revised. This may adversely affect the amount of dividends payable or paid to our Shareholders. Please refer to the section entitled “Taxation” in Appendix G for more information on Australian taxation.

RISKS RELATING TO INVESTMENT IN OUR SHARES

The Invitation Shares may not be a suitable investment for all investors

Each potential investor in the Invitation Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Invitation Shares, our Company, the merits and risks of investing in the Invitation Shares and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Invitation Shares and the impact the Invitation Shares will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Invitation Shares, including where the currency of the Invitation Shares is different from the potential investor’s currency;
- (iv) understand thoroughly the terms of the Invitation Shares; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

We may experience fluctuations in our operating results

We may experience fluctuations in our operating results, caused by factors such as the securing of new contracts, revenue recognition policies and the project completion periods. Hence, our Group’s operating results in a particular quarter, half year or year may fluctuate in comparison to an earlier comparable period, and may not be anticipated or be within the expectations of stock market analysts or investors. This in turn could have an impact on the trading price of our Shares. The year-on-year comparison of our past operating results may not be indicative of our future financial performances.

External factors could affect the trading price of our Shares

The Invitation Price was determined by negotiations between us, the Vendors and the Issue Manager, Underwriter and Placement Agent and may not be indicative of prices which will prevail in the trading market. Investors may not be able to resell the Shares at a price that is attractive to them. The trading prices of our Shares may be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results.

These factors include:

- (i) variations in our results of operations;
- (ii) changes in general economic and stock market conditions;
- (iii) changes in financial estimates by securities analysts;
- (iv) operating and stock price performance of other companies;
- (v) additions or departures of key personnel; and/or
- (vi) involvement in litigation.

New investors will incur immediate dilution and may experience further dilution.

The Invitation Price is substantially higher than the NTA per Share based on the post-Invitation share capital. Investors who subscribe for and/or purchase the Invitation Shares will therefore experience immediate dilution in the value of their Shares. (Please also see the risk factor entitled “We may require additional financing in the future” in the section entitled “Risk Factors”.)

Investors may not be able to participate in future issues of our Shares

We will comply with the Listing Manual in any future issuances of our Shares. In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we will have discretion or may be subject to regulations as to the procedure to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, we may not offer such rights to our existing Shareholders having an address in jurisdictions outside Singapore.

Accordingly, holders of our Shares may be unable to participate in future offerings of our Shares and may experience dilution of their holdings as a result.

Future sale of shares by our Substantial Shareholders may adversely affect the market price of our Shares

Other than as described in the section entitled “Moratorium”, there are no other restrictions on the ability of our Substantial Shareholders to sell their Shares. The sale of a significant amount of our Shares in the public market, or the perception that such sale may occur, could create a downward pressure on the market price of our Shares. It may also affect our ability to sell additional Shares and impair our ability to raise additional capital in the equities market.

Control by existing Shareholders may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

Upon completion of the Invitation, our Substantial Shareholders will together hold an aggregate of approximately 46.8% of our post-Invitation issued share capital. As a result, these persons, if they act together, may be able to exercise significant influence over all matters requiring the approval of our Shareholders, including the election and removal of Directors and the approval of any business transaction, and may have veto power with respect to any shareholders’ action or approval requiring a majority vote. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company or otherwise discouraging a potential acquirer from attempting to obtain control of us.

There may be restrictions on dividend payments by our subsidiaries

Under our operating structure, all of our revenue and profit is derived from our Australian subsidiaries. Accordingly, our Company's level of income and ability to pay dividends depends, to a certain extent, on the amount of dividends received from these subsidiaries.

The payment of dividends by these subsidiaries is, in turn dependent on, among other things, their earnings, cash flow and any applicable government restrictions on the repatriation of monies from Australia to Singapore. Please refer to Appendix G for more information on the exchange controls applicable under the laws of Australia.

Our Group has entered into a surety bond facility agreement with AssetInsure Pty Ltd, acting as agent for Swiss Re International SE (being the surety), in relation to the provision of performance bonds up to a limit of A\$17,000,000. The surety's obligation to provide performance bonds under the agreement is subject to its annual review, provided that bonds already issued continue to be valid for the periods stipulated thereunder (which may be for up to five years from the date of issuance). Under the facility agreement, CCE, Civmec Holdings and Ballymount are required to seek the prior written consent of the surety (whose consent shall not be unreasonably withheld) before making any dividend payment or distribution if, following such payment or distribution, the aggregate of all such payments or distributions during the current financial year is equal to or greater than 25.0% of the aggregate audited net profits after tax of these companies as reported in the most recent financial year's audited financial statements. In the event that CCE, Civmec Holdings or Ballymount are unable to obtain such consent, their ability to make dividend payments and distributions may be limited to 25.0% of the aggregate audited net profits after tax of these companies.

There has been no prior public market for our Shares

Prior to the Invitation, there has been no public market for our Shares and an active public market for our Shares may not develop or be sustained after the Invitation. Although we have applied for our Shares to be listed on the SGX-ST Main Board, we cannot assure you that an active public market for our Shares will develop. In addition, there is no guarantee of the continued listing of and quotation for our Shares. The Invitation Price of the Shares may not be indicative of prices that will prevail in the trading market. You may not be able to resell the Shares at the Invitation Price or at a price that is attractive to you.

In addition to the fact that there is no existing public market for our Shares, only 101.0 million Shares (representing approximately 20.2% of the Shares immediately following the close of the Invitation) are being sold to the public market by our Company and the Vendors, and a substantial number of these Shares may be purchased by institutional investors. There may be a limited number of Shares available for trading at any given time, resulting in reduced trading liquidity of the Shares.

Exchange rate fluctuations may adversely affect the foreign currency value of the Shares and any dividend distribution

The Shares will be quoted in S\$ on the SGX-ST. Dividends, if any, in respect of the Shares will most likely be paid in S\$. Fluctuations in the exchange rate between S\$ and other currencies will affect, among other things, the foreign currency value of the proceeds which a shareholder would receive upon sale in Singapore of the Shares and the foreign currency value of dividend distributions.

It may not be possible for investors to effect service of process, including certain judgments, on us outside of Singapore

Although our Company is incorporated in Singapore, a substantial portion of our assets is located in Australia and some of our Directors and all of our Key Executives reside in Australia. Many of the

Vendors are incorporated or resident in foreign jurisdictions or their directors reside in foreign jurisdictions. As a result, it may not be possible for investors to effect service of process, including judgments, on some of our assets, Directors and Key Executives and/or the Vendors within Singapore, or to enforce in Singapore judgments obtained in Singapore courts against such persons or assets located outside Singapore.

Negative publicity may adversely affect our Share price

Any negative publicity or announcement involving our Group, any of our Directors, Controlling Shareholders or key personnel may adversely affect the market perception of our Company or our Share price, whether or not justifiable. Such negative publicity or announcement may include, *inter alia*, involvement in insolvency proceedings and failed attempts in takeovers and joint ventures.

Singapore take-over laws contain provisions which may possibly delay, deter or prevent a future take-over or change in control of us

We are subject to the Singapore Code on Take-Overs and Mergers (“**Singapore Take-Over Code**”). The Singapore Take-Over Code contains provisions that may possibly delay, deter or prevent a future take-over or change in control of our Company. For example, under the Singapore Take-Over Code, any person acquiring an interest, either individually or together with parties acting in concert, in 30.0% or more of our voting Shares may be required to extend a take-over offer for our remaining voting Shares in accordance with the Singapore Take-Over Code. A take-over offer may also be required to be made if a person holding not less than 30.0% but not more than 50.0% inclusive of the voting rights in us, either individually or in concert, acquires more than 1.0% of our voting Shares in any six-month period. While the Singapore Take-Over Code seeks to ensure an equality of treatment among shareholders, its provisions could substantially impede the ability of the Shareholders to benefit from a change of control as any third party seeking control of our Company would need to comply with the provisions of the Singapore Take-Over Code, including the extension of a take-over offer at not less than the price prescribed under the Singapore Take-Over Code (where applicable) for our remaining Shares. As a result, the market price of our Shares may be adversely affected due to the inability of our Shareholders to realise any benefits from a potential change of control arising from such constraints placed on the potential acquiror seeking control.

EXCHANGE RATES

Our consolidated financial statements are expressed in S\$. As at the Latest Practicable Date, there are no restrictions on the conversion of S\$ into A\$ and *vice versa*.

The table below sets forth the highest and lowest exchange rates between A\$ to S\$ for each month in the past six months. The table indicates how many S\$ can be bought with one A\$.

	High	Low
September 2011	1.3000	1.2631
October 2011	1.3302	1.2415
November 2011	1.3192	1.2725
December 2011	1.3236	1.2964
January 2012	1.3396	1.3238
February 2012	1.3548	1.3347

The following table sets forth, for each of the financial periods indicated, the average and closing exchange rates between A\$ and S\$. The table indicates how many S\$ can be bought with one A\$.

	Average⁽¹⁾	Closing
FP2010	1.2386	1.1899
FY2011	1.2785	1.3161
1Q2011	1.2259	1.2736
1Q2012	1.2863	1.2631

The above exchange rates have been calculated with reference to exchange rates quoted from Bloomberg L.P.⁽¹⁾ and should not be construed as representations that the A\$ or S\$ amounts (as the case may be) actually represent such S\$ or A\$ amounts, could have been, or could be, converted into S\$ or A\$ (as the case may be) at any particular rate, the rate indicated above or at all.

For the convenience of potential investors, certain parts of this Prospectus contain translations of A\$ amounts into S\$ and *vice versa*. Unless otherwise noted, the Relevant Exchange Rate has been used for these translations.

Note:

- (1) Please note that Bloomberg L.P. has not consented to the inclusion of the information and thereby is not liable for such information under Sections 253 and 254 of the Securities and Futures Act. Our Directors are aware that Bloomberg L.P. does not guarantee or assume any responsibility that the information is accurate, current or reliable, or may be used for any purpose other than for general reference. We are unable to verify the accuracy of the contents of the relevant information and have included such information in its proper form and context in this Prospectus.

DIVIDEND POLICY

As at the Latest Practicable Date, we do not have a fixed dividend policy. Our Company has not distributed any dividends since its incorporation on 3 June 2010.

Our Group has entered into a surety bond facility agreement with AssetInsure Pty Ltd, acting as agent for Swiss Re International SE (being the surety), in relation to the provision of performance bonds up to a limit of A\$17,000,000. The surety's obligation to provide performance bonds under the agreement is subject to its annual review, provided that bonds already issued continue to be valid for the periods stipulated thereunder (which may be for up to five years from the date of issuance). Under the facility agreement, CCE, Civmec Holdings and Ballymount are required to seek the prior written consent of the surety (whose consent shall not be unreasonably withheld) before making any dividend payment or distribution if, following such payment or distribution, the aggregate of all such payments or distributions during the current financial year is equal to or greater than 25.0% of the aggregate audited net profits after tax of these companies as reported in the most recent financial year's audited financial statements. In the event that CCE, Civmec Holdings or Ballymount are unable to obtain such consent, their ability to make dividend payments and distributions may be limited to less than 25.0% of the aggregate audited net profits after tax of these companies.

Subject to the above, we may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. The declaration and payment of dividends will be determined at the sole discretion of our Directors subject to the approval of our Shareholders.

Our Directors may also declare an interim dividend without the approval of our Shareholders. In making their recommendations, our Directors will consider, *inter alia*, our retained earnings and expected future earnings, operations, cash flow, capital requirements and general financing condition, as well as general business conditions and other factors which our Directors may determine appropriate. Future dividends will be paid by us as and when approved by our Shareholders and Directors.

For information relating to taxes payable on dividends, please refer to the section entitled "Taxation".

CAPITALISATION AND INDEBTEDNESS

The following table shows our cash and cash equivalents, capitalisation and indebtedness of our Group:—

- (a) on an actual basis as at 30 September 2011 based on our Unaudited Interim Condensed Combined Financial Statements;
- (b) on an actual basis as at 31 January 2012 (being a date no earlier than 60 days prior to the lodgement of the Prospectus) based on our Group's management accounts; and
- (c) as adjusted for the Conversion and net proceeds from the issue of New Shares pursuant to the Invitation and application of the net proceeds from the Invitation.

You should read this table in conjunction with the Audited Combined Financial Statements and Unaudited Interim Condensed Combined Financial Statements as set out in Appendix A and Appendix B, respectively, and the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position".

	As at 30 September 2011 S\$'000	As at 31 January 2012 S\$'000	As at 31 January 2012 adjusted for the Conversion only S\$'000	As adjusted for the Conversion and net proceeds from the issue of the New Shares S\$'000
Cash and cash equivalents	10,608	26,740	26,740	44,830
Indebtedness				
Convertible loan ⁽¹⁾	18,895	20,025	—	—
Bank loans (interest-bearing, secured and non-guaranteed)	8,521	4,960	4,960	4,960
Other loans (interest-bearing, secured and non-guaranteed) ⁽²⁾	12,081	15,243	15,243	15,243
Total indebtedness	39,497	40,228	20,203	20,203
Shareholders' equity	25,752	37,086	57,111	75,201
Total capitalisation and indebtedness	65,249	77,314	77,314	95,404
Net gearing ratio ⁽³⁾	1.12	0.36	Net cash	Net cash

Notes:

- (1) Based on the terms of the Convertible Loan Agreements, the convertible loans were automatically converted to 113,562,000 Shares prior to the Invitation. Pursuant to the Conversion, the First Pre-IPO Investors and Second Pre-IPO Investors received an aggregate of 113,562,000 Shares. Please see section entitled "Restructuring Exercise" for further details.
- (2) The bank loans pertain to bank bills and the Group's multi-option facility which is secured by a registered fixed and floating charge over the assets and undertaking of the Group. In addition, the Group's multi-option facility is secured by a first registered real property mortgage over the leasehold interest in the commercial property located at Lot 804 (16) Nautical Drive, Henderson Western Australia and a guarantee and indemnity given by our Directors.
- (3) Other loans as at 30 September 2011 pertained to financial leases for our Group's motor vehicles and workshop equipment. The financial lease liabilities are secured by the underlying leased assets.
- (4) Net gearing ratio is computed based on (indebtedness — cash and cash equivalents) divided by shareholders' equity.

Save as disclosed above and in the sections entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" and "Material Commitments and Contingencies", as at the Latest Practicable Date, our Group has no other borrowings or indebtedness and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, obligations under finance leases, guarantees or other material contingent liabilities.

DILUTION

Dilution is the amount by which the Invitation Price paid by the applicants for our Invitation Shares in this Invitation exceeds our NAV per Share of our Group immediately after this Invitation. Based on the Unaudited Interim Condensed Combined Financial Statements, our NAV per Share as at 30 September 2011, as adjusted for the Conversion of the convertible loans, but before adjusting for the net proceeds from the Invitation (“**Adjusted NAV**”) and based on the pre-Invitation share capital of 450,000,000, was 10.1 cents per Share.

Based on the issue of 51,000,000 New Shares at the Invitation Price pursuant to the Invitation and after deducting estimated listing expenses incurred in connection with the Invitation, the Adjusted NAV of our Group as at 30 September 2011 after the Invitation would have been 12.7 cents per Share as based on the Unaudited Interim Condensed Combined Financial Statements. This represents an immediate increase in Adjusted NAV of 2.6 cents per Share to our existing Shareholders and an immediate dilution of 27.3 cents per Share to our new public investors. The following table illustrates this per Share dilution:

	As at 30 September 2011 (cents)
Invitation Price per New Share	40.0
Adjusted NAV per Share before Invitation based on pre-Invitation share capital of 450,000,000 Shares	10.1
Increase in adjusted NAV per Share pursuant to the Invitation	2.6
Adjusted NAV per Share after the Invitation	12.7
Dilution in NAV per Share to new public investors	27.3

The following table summarises the total number of Shares acquired by our Directors, Substantial Shareholders and their Associates at any time during the past three years before the Latest Practicable Date, the total consideration paid to us and the average price per Share paid by our Directors, Substantial Shareholders, other Shareholders (after adjusting for the Restructuring Exercise and Share Split) and by our new public investors pursuant to the Invitation:

	Number of Shares acquired	Total Consideration (A\$)	Average price per Share (cents)⁽¹⁾
Directors (and their spouses)			
James Finbarr Fitzgerald (and Olive Teresa Fitzgerald) ⁽²⁾	—	—	—
Patrick John Tallon ⁽³⁾	—	—	—
Kevin James Deery (and Chaychanok Deery) ⁽⁴⁾	—	—	—
Key Executives (and their spouses)			
Terence Hemsworth (and Sandra Ann Hemsworth) ⁽⁵⁾	—	—	—
Giuseppe Macri (and Carolyn Christina Macri) ⁽⁶⁾	—	—	—
Colin Brown Swan ⁽⁷⁾	—	—	—
Rodney John Bowes (and Margaret Mary Bowes) ^{(8),(9)}	—	—	—
Trevor White	565,600	50,000	11.8

	Number of Shares acquired	Total Consideration (A\$)	Average price per Share (cents) ⁽¹⁾
Other Shareholders			
JF & OT Fitzgerald Family Trust ⁽²⁾	112,244,600	2,339,340	2.8
Kariong Investment Trust ⁽³⁾	112,244,600	2,339,340	2.8
Deery Family Trust ⁽⁴⁾	15,177,000	500,000	4.4
Hemsworth Family Trust ⁽⁵⁾	4,524,800	400,000	11.8
Macri Superannuation Fund ⁽⁶⁾	15,177,000	500,000	4.4
Colin Swan Trust ⁽⁷⁾	2,082,600	100,000	6.4
Bowcon Family Trust ⁽⁸⁾	2,262,400	200,000	11.8
Bowcon Superannuation Fund ⁽⁹⁾	2,262,400	200,000	11.8
Glenn Stephenson Family Trust ⁽¹⁰⁾	24,283,000	800,000	4.4
Silvera Family Trust ⁽¹¹⁾	15,177,000	500,000	4.4
R&C Vitelli Family Trust ⁽¹²⁾	15,177,000	500,000	4.4
J.A.K.A.L Trust ⁽¹³⁾	1,517,000	50,000	4.4
Michael Lorrain Vaz ⁽¹⁴⁾	38,989,000	1,593,844	5.4
Martin Sweeney	1,517,000	50,000	4.4
Charles John Sweeney	1,517,000	50,000	4.4
Other Pre-IPO Investors			
Other First Pre-IPO Investors (Ang Kong Hua and Foo Siang Guan) ⁽¹⁵⁾	28,280,000	2,500,000	11.8
Second Pre-IPO Investors ⁽¹⁶⁾	57,002,000	10,000,000	23.4
New Public Investors	51,000,000	S\$20,400,000 ⁽¹⁷⁾	40.0

Notes:

- (1) The average price per Share shown in the table above (save for the average price per Share paid by new public investors) is calculated based on the Relevant Exchange Rate.
- (2) Our Executive Chairman and his spouse are the trustees of the JF & OT Fitzgerald Family Trust.
- (3) Goldfirm is the trustee of the Kariong Investment Trust. Our CEO has a deemed interest in the Shares which are held by Goldfirm as trustee.
- (4) Our COO and his spouse are the trustees of the Deery Family Trust.
- (5) Our Support Services Manager and his spouse are the trustees of the Hemsworth Family Trust.
- (6) Our Business Development Manager and his spouse are the trustees of the Macri Superannuation Fund, which is a self-managed pension fund.
- (7) Our Finance Manager is the trustee of the Colin Swan Trust.
- (8) Our Proposals Manager and his spouse are the trustees of the Bowcon Family Trust.
- (9) Our Proposals Manager and his spouse are the trustees of the Bowcon Superannuation Fund, which is a self-managed pension fund. The Shares are registered in the names of the trustees.
- (10) Glenn Allan Stephenson is the trustee of the Glenn Stephenson Family Trust.
- (11) Carlo Silvera and his spouse are the trustees of the Silvera Family Trust.
- (12) R.C.S.S. Vitelli Nominees Pty Ltd is the trustee of the R&C Vitelli Family Trust.
- (13) Andro Franic is the trustee of the J.A.K.A.L. Trust.
- (14) Michael Lorrain Vaz has a direct interest in 15,177,000 Shares and a deemed interest in 23,812,000 Shares which are held by Clarendon Pacific Ventures Pte. Ltd.

- (15) Pursuant to the First Convertible Loan Agreement, convertible loans amounting to A\$5.0 million were granted to our Company and convertible into Shares. Under the First Convertible Loan Agreement, it is provided, *inter alia*, that: (a) the loans would be applied for the provision of additional working capital, provision of additional performance guarantees, reduction of trade creditors to an acceptable level, purchase of fixed assets and payment of fees and expenses of/by CCE; (b) in the event the convertible loans are converted into Shares before 15 July 2012 or such other agreed date, no interest would be payable; (c) the Company shall convert the convertible loans into Shares upon receiving an eligibility-to-list approval from the SGX-ST; and (d) CCE shall guarantee the obligations of our Company under the agreement. Prior to the Invitation and pursuant to the First Convertible Loan Agreement, the First Pre-IPO Investors converted all their convertible loans into 56,560,000 Shares.
- (16) Pursuant to the Second Convertible Loan Agreement, convertible loans amounting to A\$10.0 million were granted to our Company and were convertible into Shares. Under the Second Convertible Loan Agreement, it is provided, *inter alia*, that: (a) the loans would be applied for the provision of additional working capital, provision of additional performance guarantees, reduction of trade creditors to an acceptable level, purchase of fixed assets and payment of fees and expenses of/by CCE; (b) in the event the convertible loans are converted into Shares before 15 July 2012 or such other agreed date, no interest would be payable; (c) the Company shall convert the convertible loans into Shares upon receiving an eligibility-to-list approval from the SGX-ST; and (d) CCE shall guarantee the obligations of our Company under the agreement. Prior to the Invitation and pursuant to the Second Convertible Loan Agreement, the Second Pre-IPO Investors converted all their convertible loans into 57,002,000 Shares.
- (17) The total consideration paid by new public investors is calculated based on the total number of Invitation Shares multiplied by the Issue Price, and is in S\$.

SHARE CAPITAL

Our Company (Registration No. 201011837H) was incorporated in Singapore on 3 June 2010 under the Companies Act as a private company limited by shares under the name of “Civmec Pte. Ltd.”.

As at the Latest Practicable Date, the issued share capital of our Company was S\$125,000 comprising 125,000 Shares, all of which were fully paid and solely owned by Clarendon Pacific Ventures Pte. Ltd.

Pursuant to Shareholder’s circulating resolutions passed on 27 March 2012, our Shareholder approved *inter alia*, the following:

- (a) the sub-division of each Share in the existing issued share capital of our Company into 100 Shares;
- (b) conversion of our Company into a public limited company and the change of our name to “Civmec Limited”;
- (c) the adoption of a new set of Articles of Association;
- (d) the issue of New Shares pursuant to the Invitation which when fully paid, allotted and issued, will rank *pari passu* in all respects with the existing issued Shares; and
- (e) that our Directors be authorised to: (i) allot and issue Shares in our Company (other than the New Shares); and (ii) issue convertible securities and any Shares in our Company pursuant to the conversion of such convertible securities (whether by way of rights, bonus or otherwise) at any time and from time to time thereafter upon such terms and conditions, whether for cash or otherwise, and for such purposes and to such persons as our Directors may think fit for the benefit of our Company, provided that the aggregate number of Shares and convertible securities to be issued pursuant to such authority shall not exceed 50.0% of the post-Invitation issued Shares (excluding treasury Shares) and provided that the aggregate number of Shares to be issued other than on a pro-rata basis to the then existing Shareholders shall not exceed 20.0% of the post-Invitation issued Shares, and, unless revoked or varied by our Company in general meeting, such authority shall take effect from the date of listing of and quotation for our Shares on the SGX-ST and shall continue to be in force until the conclusion of our next annual general meeting or the date by which our next annual general meeting is required by law or by our Articles of Association to be held, whichever is earlier.

For the purposes of the resolutions above, and pursuant to Rules 806(3) and 806(4) of the Listing Manual, “post-Invitation issued Shares” shall mean the total number of issued Shares after the completion of the Invitation, after adjusting for: (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from the exercise of share options or the vesting of share awards outstanding or subsisting at the time such authority is given, provided the options or awards were granted in compliance with the Listing Manual; and (iii) any subsequent bonus issue, consolidation or sub-division of Shares.

As at the Latest Practicable Date, our Company has only one class of shares, being the Shares. The voting rights and privileges of our Shares are stated in our Articles of Association, a summary of which is set out in Appendix F entitled “Selected Extracts of our Articles of Association”.

There are no founders, management, deferred or unissued Shares reserved for any purpose. The New Shares shall have the same interests and voting rights as our existing issued Shares that were issued prior to this Invitation and there are no restrictions to the free transferability of our Shares.

The details of changes in our issued and paid-up share capital since the date of incorporation of our Company and immediately after the Invitation are as set out below. Save as disclosed below, there were no changes in the issued and paid-up share capital of our Company within the three years preceding the date of lodgement of this Prospectus:

	Resultant number of Shares	Resultant paid-up share capital (\$\$)
Issue of fully paid-up Share on 3 June 2010 as at incorporation	1	1
Issue of 124,999 Shares on 8 November 2011 pursuant to increase in capital contribution	125,000	125,000
Sub-division of Shares	12,500,000	125,000
Issue of 323,938,000 Shares pursuant to the Share Swap Agreement	336,438,000	125,000
Issue of 113,562,000 Shares pursuant to the Conversion on 27 March 2012	450,000,000	19,044,180
Issue of 51,000,000 New Shares pursuant to the Invitation	501,000,000	38,750,946

The shareholders' equity of our Company after the Restructuring Exercise, and the Invitation are set forth below. These statements should be read in conjunction with the Unaudited Pro forma Combined Financial Statements (1Q2012).

	As at Incorporation (\$\$)	After adjusting for the Restructuring Exercise (\$\$)	After the Invitation (\$\$)
Shareholders' funds			
Share capital	1	19,044,180	35,750,946
Total Shareholders' Equity	1	45,769,037	63,859,037

Save as disclosed in this section, there were no changes in the issued and paid-up share capital of our subsidiaries within the three years preceding the Latest Practicable Date:

CCE

Date of issue	Purpose of issue	Price per share (A\$)	Number of shares issued (ordinary unless otherwise stated)	Resultant number of shares/ resultant share capital (A\$)
22 June 2009	Issue of fully paid-up shares as at incorporation	1.00	3	3 CCE Shares/A\$3
26 February 2010	Increase in capital contribution	1.00	4,577,931	4,577,934 CCE Shares/A\$4,577,934
16 March 2010	Conversion of 2 CCE Shares into 'A' class shares ⁽¹⁾	Nil	2 'A' class shares	4,577,932 CCE Shares and 2 'A' class shares/ A\$4,577,934
2 June 2010	Increase in capital contribution	1.83 1.709 1.71	1,257,105 292,572 116,960	6,244,569 CCE Shares and 2 'A' class shares/ A\$7,578,432
20 February 2012	Cancellation of 2 'A' class shares	Nil	2	6,244,571 CCE Shares/A\$7,578,432

Note:

- (1) Under its constitution, CCE may divide its share capital into different classes of shares, with each class conferring different rights, privileges and conditions on the shareholder. On 16 March 2010, CCE passed resolutions to convert the two ordinary shares each held by our Executive Chairman and CEO into two 'A' class shares. Under the constitution of CCE, holders of 'A' class shares have the following rights:

- (a) nominate and vote on the appointment or removal of executive directors on the board of CCE;
- (b) receive notice of, attend and vote at all general meetings of CCE; and
- (c) the right to a return of paid-up capital on the 'A' class share in the event of a reduction of capital or the winding up of CCE.

However, holders of 'A' class shares have no entitlement to payment of any dividend or distribution of capitalised profits nor do they have rights of pre-emption in the event of a share transfer by other shareholders in CCE. Holders of CCE Shares enjoy these rights.

The two 'A' class shares have since been cancelled as part of the Restructuring Exercise in consideration for the issue and allotment of two CCE Shares.

As at the Latest Practicable Date, the share capital of CCE comprises only ordinary shares.

Civmec Holdings

Date of issue	Purpose of issue	Price per share (A\$)	Number of shares issued (ordinary unless otherwise stated)	Resultant number of shares/ resultant share capital (A\$)
30 June 2009	Issue of fully paid-up shares as at incorporation	1.00	120	120 ordinary shares/A\$120

Note:

(1) As at the Latest Practicable Date, the share capital of Civmec Holdings comprises only ordinary shares.

Civmec Pipe

Date of issue	Purpose of issue	Price per share (A\$)	Number of shares issued (ordinary unless otherwise stated)	Resultant number of shares/ resultant share capital (A\$)
28 June 2010	Issue of fully paid-up shares as at incorporation	1.00	1,000	1,000 ordinary shares/A\$1,000

Note:

(1) As at the Latest Practicable Date, the share capital of Civmec Pipe comprises only ordinary shares.

Save as disclosed above and in the section entitled “Dilution”, no share in or debenture of our Company or any of our subsidiaries has been issued, or is proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, within the three years preceding the Latest Practicable Date. No person has been, or is entitled to be, given an option to subscribe for any shares in or debentures of our Company or any of our subsidiaries.

There are no Shares in our Company that are held by or on behalf of our Company or by our subsidiaries. Save as disclosed in this section, no option to subscribe for or purchase shares in or debentures of our Company or our subsidiaries has been granted to, or was exercised by any person.

RESTRUCTURING EXERCISE

Our Company was incorporated in Singapore on 3 June 2010 as a private company limited by shares to become the holding company of our Group. Our Group was formed through the steps set out below (“**Restructuring Exercise**”) in preparation for the listing of and quotation for our Shares on the SGX-ST. Pursuant to the Restructuring Exercise, our Company became the holding company of our Group.

As part of the Restructuring Exercise, various transactions as more particularly described and identified below were not conducted on an arm’s length basis or on normal commercial terms. Subsequent to the admission of our Company to the Official List of the SGX-ST, we do not intend to enter into any such similar transactions.

Acquisition of businesses by CCE

CCE was incorporated on 22 June 2009 as Patnik Pty Ltd, and subsequently changed its name to CCE. The first shareholders were our Executive Chairman, our CEO and Nicholas Paul Tallon (being the sibling of our CEO), who held one fully paid ordinary share each. On 7 July 2009, CCE acquired the civil and mechanical, construction and engineering business known as “Civmec” from VDM Group Limited for a consideration of A\$2,289,000. The acquisition of businesses by CCE was based on a “willing buyer and willing seller” and took into account, *inter alia*, the value of the assets acquired from VDM Group Limited which included certain contracts and tenders such as the Hamersley Iron Brockman 2 contract, the Worsley HV washdown tender and Hamersley Iron Brockman 2 slab tender, certain plant and equipment.

Acquisition of Ballymount by CCE

On 26 February 2010, CCE acquired the entire issued and paid-up capital of Ballymount from the Kariong Investment Trust (50.0%) and the Tallon Investment Trust (50.0%) for an aggregate consideration of A\$2,288,930. The consideration was satisfied by the allotment and issue of 1,144,465 CCE Shares by CCE to each of the Kariong Investment Trust and the Tallon Investment Trust. After the acquisition of Ballymount by CCE, Ballymount became a wholly-owned subsidiary of CCE.

The acquisition of Ballymount by CCE was based on a “willing buyer and willing seller”, and took into account, *inter alia*, the net book value of Ballymount as at 31 December 2009 of A\$2.3 million. The acquisition of Ballymount by CCE was not conducted on an arm’s length basis or on normal commercial terms as Ballymount had not sought or considered any other buyer other than CCE.

Acquisition of Civmec Holdings by CCE

On 26 February 2010, the entire issued and paid-up capital of Civmec Holdings was acquired by CCE from the JF & OT Fitzgerald Family Trust (50.0%) and Kariong Investment Trust (50.0%) for an aggregate consideration of A\$120. After the acquisition of Civmec Holdings by CCE, Civmec Holdings became a wholly-owned subsidiary of CCE.

The acquisition of Civmec Holdings was based the paid-up capital of Civmec Holdings of A\$120. The acquisition of Civmec Holdings by CCE was not conducted on an arm’s length basis or on normal commercial terms as Civmec Holdings had not sought or considered any other buyer other than CCE.

Subscription of shares in Civmec Pipe by CCE

Civmec Pipe was incorporated on 28 June 2010 to hold the rights, title and interest in the invention and the patent application relating to a 1:10 scaled down model of a mobile pipe manufacturing machine.

Please refer to the sections entitled “Research and Development” and “Intellectual Property” for more information on the aforesaid invention and patent application.

Upon its incorporation, CCE subscribed for 83.5% of the share capital in Civmec Pipe. The remaining 16.5% of the shares in Civmec Pipe were issued to unrelated third parties, namely the Wedge Trust (Bruce Sinclair) (of which trustee is Conquistador Pty Ltd), the Nanson Investment Trust (of which trustee is Jerome Geoffrey Gillman) and Robert Forlani, in consideration for the respective contributions towards the development of the aforesaid invention. Upon its incorporation, Civmec Pipe was a subsidiary of CCE.

Additional Restructuring of CCE

On 26 February 2010, (i) 1,525,977 CCE Shares were issued to the JF & OT Fitzgerald Family Trust for a cash consideration of A\$1,525,977; (ii) 381,512 CCE Shares were issued to the Kariong Investment Trust for a cash consideration of A\$381,512; and (iii) 381,512 CCE Shares were issued to the Tallon Investment Trust for a cash consideration of A\$381,512.

On 26 February 2010, arising from the divergent views on growth strategies between our Executive Chairman, our CEO and Nicholas Paul Tallon (being the sibling of our CEO), the JF & OT Fitzgerald Family Trust and the Kariong Investment Trust acquired the 33.3% interest in CCE held by the Tallon Investment Trust for an aggregate consideration of A\$2,750,000, based on a “willing buyer and willing seller”, and took into account of, *inter alia*, the net book value of CCE as at 31 December 2009 of A\$10,500,000. As a result, the following share transfers took place:

- (a) one CCE Share was transferred from Nicholas Paul Tallon (being the sibling of our CEO) to the Kariong Investment Trust;
- (b) 762,988 CCE Shares (comprising approximately 16.7% of the then 4,577,934 issued CCE Shares) were transferred from the Tallon Investment Trust to the Kariong Investment Trust; and
- (c) 762,989 CCE Shares (comprising approximately 16.7% of the then 4,577,934 issued CCE Shares) were transferred from the Tallon Investment Trust to the JF & OT Fitzgerald Family Trust.

Nicholas Paul Tallon ceased to be part of the management team subsequent to the disposal of interest in CCE by Tallon Investment Trust to JF & OT Fitzgerald Family Trust and the Kariong Investment Trust.

Subsequent to the acquisition by JF & OT Fitzgerald Family Trust and the Kariong Investment Trust from the Tallon Investment Trust, each of JF & OT Fitzgerald Family Trust and the Kariong Investment Trust held 50.0% of the entire issued share capital of CCE, respectively.

On 16 March 2010, one ordinary share in the share capital of CCE held by each of our Executive Chairman and CEO was converted to one ‘A’ class share in the share capital of CCE.

On 2 June 2010, the following transactions took place:

- (a) A loan of A\$800,000 made by the Glenn Stephenson Family Trust to CCE was converted into 468,115 CCE Shares. The trustee, Glenn Allan Stephenson, was an employee of our Group at the time of this transaction. This loan was interest-free, unsecured and repayable on demand, and was accordingly not conducted on an arm’s length basis;
- (b) A loan of A\$500,000 made by the Deery Family Trust to CCE was converted into 292,572 CCE Shares. One of the trustees, our COO, was an employee of our Group at the time of this transaction. This loan was interest-free, unsecured and repayable on demand, and was accordingly not conducted on an arm’s length basis;

- (c) An additional 292,572 CCE Shares were allotted and issued to Michael Lorrain Vaz for a cash consideration of A\$500,000; and
- (d) An additional 994,676 CCE Shares were allotted and issued to employees of CCE for a cash consideration of A\$1,700,000.

On 20 February 2012, the two 'A' class shares held by each of our Executive Chairman and CEO were cancelled in consideration for the issue and allotment of two CCE Shares.

Loans relating to the Restructuring

On 16 October 2009, (i) the JF & OT Fitzgerald Family Trust, (ii) the Kariong Investment Trust and (iii) the Tallon Investment Trust granted working capital loans of A\$500,000 each to CCE. At the time of such loans, each of such lenders was a shareholder of CCE. These loans were interest-free, unsecured and repayable on demand, and were accordingly not conducted on an arm's length basis.

On 16 October 2009 and 19 October 2009, (i) the JF & OT Fitzgerald Family Trust, (ii) the Kariong Investment Trust and (iii) the Tallon Investment Trust granted working capital loans of A\$250,250 each to Civmec Holdings. These loans were interest-free, unsecured and repayable on demand, and were accordingly not conducted on an arm's length basis. On 26 February 2010, the loans to Civmec Holdings were assigned by Civmec Holdings to CCE.

On 26 February 2010, the JF & OT Fitzgerald Family Trust and the Kariong Investment Trust each obtained a loan from CCE in the sum of A\$1,000,000 (of which the net loan amount was A\$249,750, as A\$750,250 received was a repayment of the outstanding amount owing by CCE to each of JF & OT Fitzgerald Family Trust and the Kariong Investment Trust). These loans were interest-free, unsecured and repayable on demand, and were accordingly not conducted on an arm's length basis. These loans were utilised to acquire the CCE Shares held by the Tallon Investment Trust as set out in the paragraphs entitled "Additional Restructuring of CCE" above.⁽¹⁾

On 26 February 2010, a sum of A\$750,000 was paid by CCE to the Tallon Investment Trust in cash as settlement of the sum outstanding and due to them of A\$750,250. The balance of A\$250 was written back to the income statement of CCE. On 2 June 2010, the net amount of A\$249,750 under the loans due by each of the JF & OT Fitzgerald Family Trust and the Kariong Investment Trust to CCE was settled in cash.

Note:

- (1) Moore Stephens Perth, being the auditors of CCE, after reviewing the financial accounts of CCE for the financial period/year ended 30 June 2010 and 30 June 2011, have opined that the provision of such financial assistance by CCE did not in any way materially prejudice our Company or its shareholders, nor did it materially prejudice our Company's ability to pay its creditors. Pursuant thereto, Downings Legal Pty Ltd, as legal adviser to our Company on Australian law, has confirmed that these loans are compliant with all relevant laws and regulations in Australia and, in particular, did not infringe any financial assistance prohibitions under the Corporations Act.

Loans provided to CCE for working capital purposes

On 25 February 2010, the JF & OT Fitzgerald Family Trust and the Kariong Investment Trust each provided a loan to CCE in the sum of A\$725,000. These loans were interest-free, unsecured and repayable on demand, and were accordingly not conducted on an arm's length basis. These loans were provided to CCE for working capital purposes, and for purposes of the First Convertible Loan Agreement, were taken as part of the amounts to be furnished by the JF & OT Fitzgerald Family Trust and the Kariong Investment Trust thereunder.

On 10 June 2010 and 9 September 2010, the JF & OT Fitzgerald Family Trust and the Kariong Investment Trust each provided a loan to CCE in the sum of A\$25,000. These loans were interest-free, unsecured and repayable on demand, and were accordingly not conducted on an arm's length basis.

These loans were provided to CCE for working capital purposes, and for purposes of the First Convertible Loan Agreement, were taken as part of the amounts to be furnished by the JF & OT Fitzgerald Family Trust and the Kariong Investment Trust thereunder.

Pursuant to the loans described above, the largest amounts due and outstanding from CCE during FP2010, FY2011, 1Q2012, and the period from 1 October 2011 to the Latest Practicable Date are as follows:

Lenders	FP2010 (A\$)	FY2011 (A\$)	1Q2012 (A\$)	Period from 1 October 2011 to the Latest Practicable Date (A\$)
Glenn Stephenson Family Trust	800,000	—	—	—
Deery Family Trust	500,000	—	—	—
JF & OT Fitzgerald Family Trust	475,750	750,000	—	—
Kariong Investment Trust	475,750	750,000	—	—
Tallon Investment Trust	750,250	—	—	—

There are no outstanding amounts under the loans described above as at the Latest Practicable Date.

Acquisition of CCE by our Company

On 27 March 2012, our Company entered into an agreement (“**Share Swap Agreement**”) with the Shareholders of CCE who are set out below (“**Founders**”), to acquire 100% of the issued and paid-up share capital of CCE from the Founders. The consideration was satisfied by the issuance and allotment of Shares, in the same proportions in which they held CCE Shares, to the Founders as set out below on 27 March 2012. The Company issued and allotted approximately 51.9 Shares in consideration for each CCE Share held by the Founders. Our Executive Chairman and CEO directed our Company to allot and issue their consideration Shares arising from the share swap directly and beneficially to JF & OT Fitzgerald Family Trust and Kariong Investment Trust, respectively.

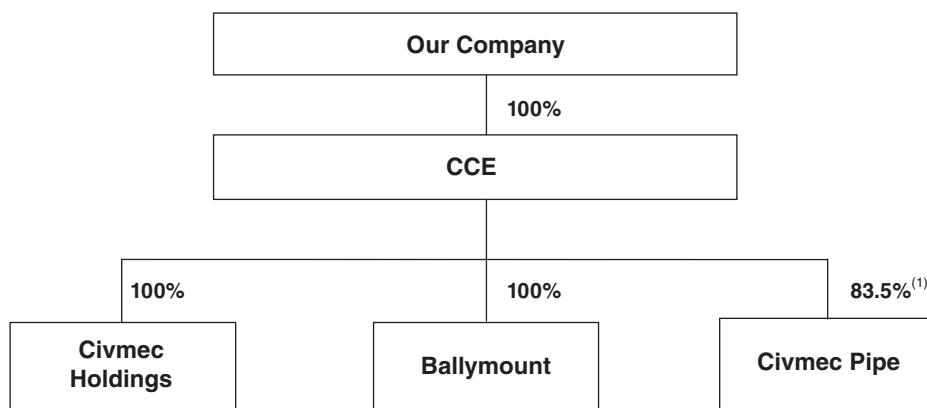
No. and class of shares in CCE	Founders	Number of Shares issued as consideration
1 ordinary share	Patrick John Tallon ⁽¹⁾	—
1 ordinary share	James Finbarr Fitzgerald ⁽¹⁾	—
2,098,317 ordinary shares	JF & OT Fitzgerald Family Trust	108,851,000
2,098,317 ordinary shares	Kariong Investment Trust	108,851,000
292,572 ordinary shares	Deery Family Trust	15,177,000
292,572 ordinary shares	Macri Superannuation Fund	15,177,000
29,240 ordinary shares	Colin Swan Trust	1,517,000
468,115 ordinary shares	Glenn Stephenson Family Trust	24,283,000
292,572 ordinary shares	Silvera Family Trust	15,177,000
292,572 ordinary shares	R&C Vitelli Family Trust	15,177,000
29,240 ordinary shares	J.A.K.A.L. Trust	1,517,000
292,572 ordinary shares	Michael Lorrain Vaz	15,177,000
29,240 ordinary shares	Martin Sweeney	1,517,000
29,240 ordinary shares	Charles John Sweeney	1,517,000

Note:

- (1) As part of the share swap, each of Patrick John Tallon and James Finbarr Fitzgerald directed our Company to allot and issue the consideration Shares they would otherwise receive directly and beneficially to Kariong Investment Trust and JF & OT Fitzgerald Family Trust, respectively.

GROUP STRUCTURE

As at the Latest Practicable Date, our Group structure is as follows:



Note:

(1) The remaining 16.5% of the shares in Civmec Pipe are held by unrelated third parties, namely the Wedge Trust (Bruce Sinclair), the Nanson Investment Trust and Robert Forlani.

OUR SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the Latest Practicable Date, the details of our subsidiaries and associated companies are as follows:

Name	Date and place of incorporation	Principal business	Principal place of business	Number of issued shares/Share capital (A\$)	Percentage owned by our Group
CCE	22 June 2009 Western Australia	Intermediate holding company and principal operating subsidiary	16 Nautical Drive, Henderson WA 6166, Australia	6,244,571/ 7,578,682	100%
Civmec Holdings	30 June 2009 Western Australia	Asset holding company	16 Nautical Drive, Henderson WA 6166, Australia	120/120	100% (held by CCE)
Ballymount	17 January 2005 Western Australia	Asset holding company	16 Nautical Drive, Henderson WA 6166, Australia	12/12	100% (held by CCE)
Civmec Pipe	28 June 2010 Western Australia	Asset holding company	16 Nautical Drive, Henderson WA 6166, Australia	1,000/1,000	83.5% (held by CCE)
CCIG ⁽¹⁾	16 September 2011 Western Australia	Insulation services	16 Nautical Drive, Henderson WA 6166, Australia	2/2	50.0% (held by CCE)

Note:

(1) Please refer to the section entitled “History” for further information relating to CCIG.

AUSTRALIA ECONOMIC OVERVIEW

AUSTRALIA ECONOMIC OVERVIEW — AN INVESTMENT PROJECTS PERSPECTIVE

This is an executive summary extracted from the December 2011 issue of Investment Monitor, a quarterly publication by Deloitte Access Economics (“DAE”) that provides detailed data on major business and government investment projects in Australia (“Investment Monitor Report”) and from the December 2011 issue of Business Outlook, a quarterly publication by DAE that provides detailed data and forecasts about the business environment in Australia as well as world growth prospects (“Business Outlook Report”). DAE has been commissioned by our Group to provide this executive summary for the purpose of inclusion in this Prospectus.

The Investment Monitor Report and the Business Outlook Report contain certain statements that are “forward-looking” and are based on underlying assumptions containing variables that may have changed since the date of issue. By their nature, forward-looking statements are subject to risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. No forward-looking statements contained herein should be relied upon as predictions of future events. No assurance can be given that the expectations expressed in these forward-looking statements will prove to be correct. The information in the Investment Monitor Report and the Business Outlook Report have not been independently verified by us, the Issue Manager, Underwriter and Placement Agent, or any of our and their respective affiliates or advisors. The information may not be consistent with other information compiled within or outside Australia. Please see the section entitled “Cautionary Note on Forward-looking Statements”.

The Investment Monitor Report covers discrete private and public engineering construction, non-residential building and equipment investment projects in all Australian industries. It is primarily a source of information for businesses and is also a barometer of structural change in the Australian economy, and of the investment climate.

The Investment Monitor Report uses four definitions of project status:

- *Projects “**under construction**” are those where work has commenced on the project;*
- *Projects where a decision to proceed has been announced but construction has not yet started are classified as “**committed**”;*
- *Projects “**under consideration**” are those where a decision whether to proceed with the project is expected in the reasonably near future; and*
- *Projects with “**possible**” status are those projects which have been announced but where no early decision on whether to proceed with the project is likely.*

*Projects classified as “**definite**” comprise those “**under construction**” and “**committed**”. Projects classified as “**planned**” comprise those “**under consideration**” or “**possible**”.*

*Projects are removed from the Investment Monitor database when they are either completed or renounced by the company that had been planning the project. These projects are classified as either “**completed**” or “**deleted**”.*

The database for the December 2011 issue of the Investment Monitor Report contains details of 901 Australian investment projects valued at A\$20 million or more, including projects by non-Australian entities. The total recorded value of investment projects in the database is A\$912.8 billion. Investment projects which have been completed or where a decision to postpone or delete the project has been made are not included.

Deloitte Access Economics is a division of Deloitte Australia's national Economics & Infrastructure Advisory (EIA) team and is one of Australia's leading providers of economic consulting, modelling, and forecasting services to the public and private sectors. Deloitte Australia is the Australian partnership of Deloitte Touche Tohmatsu Limited.

OVERALL INVESTMENT CLIMATE IN AUSTRALIA

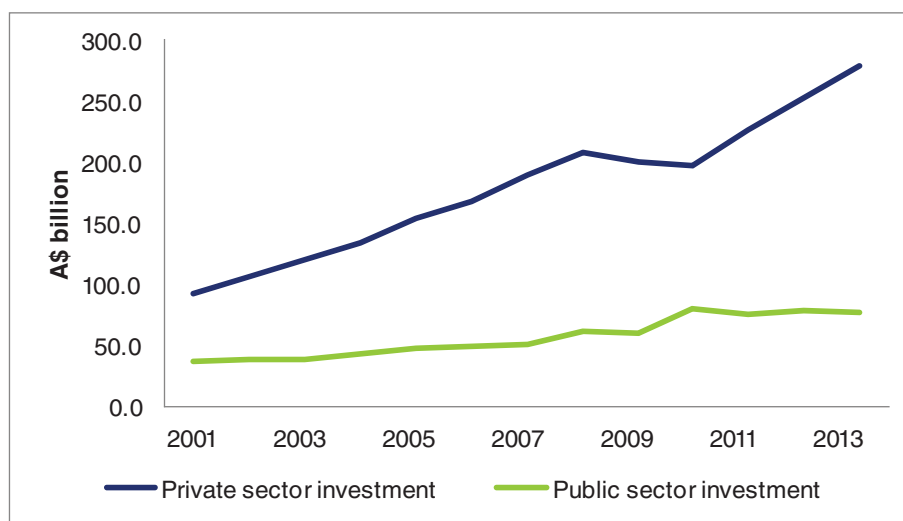
Continued increase in large and long term investment projects reflects strong confidence level in the prospects of the Australian economy

The prospects for investment projects in a particular economy or industry correlate strongly with the level of investors' confidence in the prospects of the economy or industry.

As at December 2011, the total value of investment projects underway or in planning in Australia is at a record high which exceeds A\$912.8 billion, reflecting investors' confidence in the prospects of the Australian economy.

Australia is expected to continue to record solid economic growth in 2012 and 2013 despite the recent gloom in global markets. Much of this growth is expected to come from a strong pipeline of investment projects, particularly in the mining and oil and gas industries. The chart below shows the level of historic and forecast private and public sector investment in Australia:

**Annual private and public sector investment between 2001 and 2013
(constant prices at 2009-10)**



Source: Deloitte Access Economics Business Outlook, December 2011

**Quarterly private and public sector investment between 2010 and 2011 and forecast
for 2012 and 2013 (constant prices at 2009-10)**

A\$ billions	2010				2011				2012	2013
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Dec	Dec
Private sector investment	48.2	48.5	49.2	50.8	53.4	53.2	60.0	59.7	65.9	71.2
Public sector investment	20.2	19.4	19.7	19.6	19.2	19.1	17.7	18.8	19.5	19.3

Source: Deloitte Access Economics Business Outlook, December 2011

- (i) **Economic growth driven by private sector investment.** Economic growth in Australia in 2012 and 2013 will not be driven by consumer or government expenditure. Rather, economic growth in Australia is expected to be almost purely a private sector investment story, with private sector investment expected to reach a record high of A\$278.4 billion in 2013 (in real 2009-10 dollars), as shown in the chart above.
- (ii) **Strong capital expenditure outlook from private sector investment.** The latest survey of business investment intentions from the Australian Bureau of Statistics (“ABS”) suggests an increase in businesses’ capital expenditure of more than 30.0% in fiscal year 2011/2012 as compared to fiscal year 2010/2011. If businesses can achieve their fiscal year 2011/2012 plans, it would represent the strongest growth in capital expenditure since the survey commenced in 1988, and business investment growth would be the dominant component of Australia’s GDP growth for at least the next fiscal year.
- (iii) **Resilient to external economic shocks.** Australia’s private and public sector investment enjoys a strong pipeline of projects, and given that many large scale projects are already underway, will provide the Australian economy with a substantial buffer if prospects for the global economy were to worsen further. Australian economic growth at the moment is being driven by capacity expansion plans, particularly in the mining and oil and gas industries, to sell into the commodity needs of Asia’s growing economies.

As at December 2011, Australia has A\$912.8 billion of major investment projects which are either underway now or in active planning. As a comparison and only for illustrative purposes¹, the level of private and public sector investment in Australia (excluding residential investment) was A\$284.4 billion during fiscal year 2010/2011. Assuming that these major investment projects come to fruition, such high levels of investment will continue in the near to medium term.

Accordingly, while there are notable challenges as a result of the global economic outlook, capital expenditure in Australia is not one of them. There is a scramble underway amid Australia’s mining and oil and gas industries to catch up to the opportunities on offer from the boom in China and other emerging economies. As a consequence, such capital expenditure is sharply concentrated in engineering construction work, and particularly in Western Australia and Queensland.

Note:

1. The Investment Monitor Report contains details of investment projects in Australia valued at A\$20 million or more, while the ABS National Accounts includes all investment projects in Australia, including those valued at less than A\$20 million. Furthermore, there are uncertainties in the conversion from planned investment projects to definite investment projects. Accordingly, such comparison between the total value investment projects in Australia and historic private and public sector investment is for illustrative purposes only.

Increase in total value of investment projects powered by the average value of investment projects

The total value of investment projects (both definite and planned) in Australia continued to increase during the fourth quarter of 2011 despite the current economic uncertainties.

As seen in the table below, in comparison to the total value of investment projects as at September 2011, the total value of investment projects registered a 2.1% quarter-on-quarter (“Q-O-Q”) growth for the quarter ended December 2011, from A\$894.1 billion to A\$912.8 billion.

Historical and derived value of total investment projects between 2009 and 2011

	2009				2010				2011			
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Total value of definite investment projects (A\$ billions)	221.4	229.2	273.3	278.2	267.2	267.1	268.9	290.6	287.4	357.4	406.8	415.4
Total value of planned investment projects (A\$ billions)	406.4	461.8	411.9	406.2	449.1	458.3	500.9	486.0	480.1	474.3	487.3	497.3
Total value of investment projects (A\$ billions)	627.8	691.0	685.1	684.4	716.2	725.4	769.8	776.6	767.5	831.7	894.1	912.8
Q-O-Q growth in the total value of investment projects (%)	4.3%	10.1%	-0.8%	-0.1%	4.7%	1.3%	6.1%	0.9%	-1.2%	8.4%	7.5%	2.1%
Average value of a definite investment project (A\$ millions)	354.3	389.1	490.6	492.4	555.5	548.5	548.8	580.0	653.2	710.6	785.2	839.3
Average value of a planned investment project (A\$ millions)	440.3	520.7	727.7	837.6	1,148.5	1,169.1	1,070.3	1,353.9	1,472.8	1,386.7	1,429.1	1,475.8
Average value of an investment project (A\$ millions)	405.6	468.2	610.1	651.8	821.4	825.2	803.6	903.1	1,002.0	984.3	1,040.8	1,097.1

Source: Deloitte Access Economics Investment Monitor

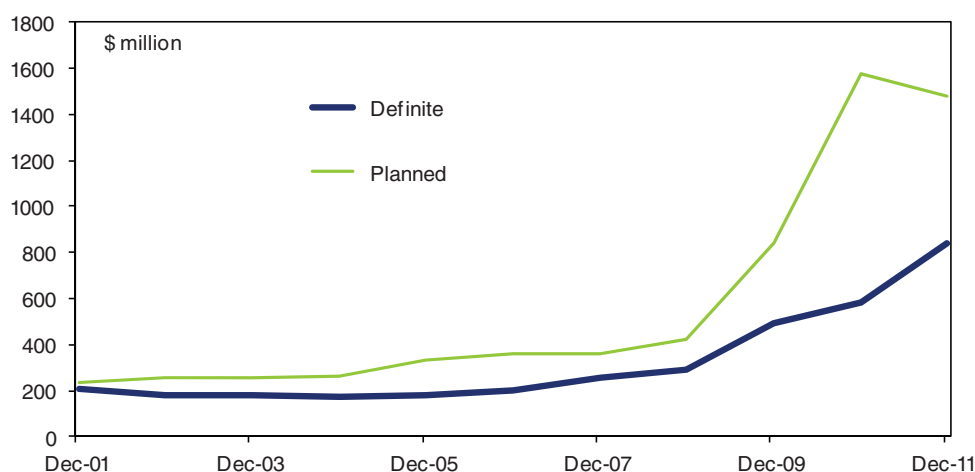
The average value of investment projects had increased significantly since 2009. The increase in the average value of investment projects was due mainly to the increase in the number of mega mining and oil and gas projects in Australia, such as:

- (1) the A\$29.0 billion Chevron Wheatstone LNG project;
- (2) the A\$43.0 billion Chevron Gorgon LNG project;
- (3) the A\$6.7 billion BHP Billiton Rapid Growth iron ore project 5;
- (4) the A\$15.0 billion Rio Tinto Capacity expansion projects;
- (5) the A\$7.2 billion Hancock Mining Roy Hill iron ore project;
- (6) the A\$8.5 billion Fortescue Mining iron ore project;
- (7) the A\$16.0 billion Gladstone LNG project;
- (8) the A\$15.0 billion Queensland Curtis Island LNG project; and
- (9) the A\$14.0 billion Queensland Australia Pacific LNG project.

As of December 2011, there were 14 projects that are each worth more than A\$10.0 billion, of which, six of them are each worth more than A\$30.0 billion.

The average value of a definite investment project had more than doubled, from A\$354.3 million in March 2009 to A\$839.3 million in December 2011. In particular, the average value of a planned investment project had increased from A\$440.3 million in March 2009 to A\$1,475.8 million in December 2011, reflecting the nature of the current investment pipeline, and the long term view of investors. The graph below sets out the average value of definite and planned investment projects between December 2001 and December 2011:

Average value of definite and planned investment projects between December 2001 and December 2011



Source: Deloitte Access Economics Investment Monitor

Mining and oil and gas industries continue to dominate investment landscape in Australia

Value of Definite and Planned investment projects in various industries

Industry	As at Dec 2010				As at Dec 2011			
	Definite		Planned		Definite		Planned	
	Under Construction (A\$ millions)	Committed (A\$ millions)	Under Consideration (A\$ millions)	Possible (A\$ millions)	Under Construction (A\$ millions)	Committed (A\$ millions)	Under Consideration (A\$ millions)	Possible (A\$ millions)
Mining (comprise coal, metal ores and other minerals)	18,197	13,031	81,631	16,697	29,995	16,456	86,497	30,154
Oil and gas	64,250	20,590	136,770	10,993	102,800	40,100	68,900	30,893
Others (comprise infrastructure, utilities, chemical, power and other industries)	148,542	25,987	107,396	132,559	214,159	11,855	66,091	214,806
Total	230,989	59,608	325,797	160,249	346,954	68,411	221,488	275,853

Source: Deloitte Access Economics Investment Monitor

As at December 2011, mining and oil and gas industries accounted for A\$405.9 billion or 44.5% of the total value of investment projects and A\$132.9 billion or 38.3% of the investment projects under construction, in the Investment Monitor Report. The mining and oil and gas industries are expected to continue to dominate the investment landscape in Australia in the near to medium term, as evidenced by the mining and oil and gas industries' accounting for A\$ 56.6 billion or 82.7% of committed investment projects and A\$155.4 billion or 70.2% of investment projects under consideration.

Western Australia is the home of a large share of the engineering construction work and the major beneficiary of investment in the mining and oil and gas industries

Western Australia is the home of a large share of the engineering construction activity in Australia, with a staggering volume of work either underway or being considered. Approximately 29.0% of total investment projects underway or in planning as at December 2011 were located in Western Australia.

Change in value of investment projects by State between Dec 2010, Sep 2011 and Dec 2011

State	As at Dec 2010	As at Dec 2011	Change from previous quarter Sep 2011		Change from previous year Dec 2010		% share of total investment projects in Dec 2011
	A\$ millions	A\$ millions	A\$ millions	%	A\$ millions	%	%
Western Australia	225,603	267,182	(1,230)	(0.5)	41,579	18.4	29.3
Queensland	181,531	187,932	4,057	2.2	6,401	3.5	20.6
South Australia	50,393	48,121	(2,977)	(5.8)	(2,272)	(4.5)	5.3
Unallocated	127,118	195,858	5,000	2.6	68,740	54.1	21.5
Others	191,998	213,693	13,866	6.9	21,695	11.3	23.4
Total	776,643	912,786	18,716	2.1	136,143	17.5	100.0

Source: Deloitte Access Economics Investment Monitor

Projects which are expected to involve significant investment in more than one State are classified as “**Unallocated**” investment projects. Unallocated projects include the Federal Government’s National Broadband Network which is under construction and the proposed high-speed rail network linking Brisbane, Sydney and Melbourne, which is at an early stage of planning.

Furthermore, Western Australia accounts for 53.3% of the total investment projects in the mining and oil and gas industries, or approximately A\$216.2 billion out of the total A\$ 405.9 billion worth of mining and oil and gas investment projects.

Value of investment projects by State, industry types and project status

State (As at Dec 2011)	Mining		Oil and gas		Sub-total for Mining and Oil and gas		Others	
	Definite (A\$ millions)	Planned (A\$ millions)	Definite (A\$ millions)	Planned (A\$ millions)	Definite & Planned (A\$ millions)	%	Definite (A\$ millions)	Planned (A\$ millions)
Western Australia	30,975	45,369	85,900	53,970	216,214	53.3	23,227	27,741
Queensland	11,097	29,379	52,980	1,053	94,509	23.3	45,708	47,715
South Australia	329	26,990	—	—	27,319	6.7	11,750	9,052
Unallocated	—	7,500	—	5,000	12,500	3.1	70,000	113,358
Others	4,050	7,143	4,100	39,770	55,333	13.6	75,329	83,031
Total	46,451	116,381	142,980	99,793	405,875	100.0	226,014	280,897

Source: Deloitte Access Economics Investment Monitor

This investment agenda is underpinned by expansion projects in the mining industries such as BHP Billiton’s Rapid Growth iron ore expansion projects, where the fifth and sixth stages are expected to cost A\$6.7 billion and A\$3.2 billion respectively, the Hamersley Iron’s Hope Downs 4 iron ore project along with other Rio Tinto iron ore Capacity expansion projects, the A\$7.2 billion Hancock Mining Roy Hill iron ore project and the A\$4.0 billion Fortescue Mining iron ore project.

Oil and gas (particularly LNG) projects are also leading the way, such as the A\$43.0 billion Gorgon project on Barrow Island, Western Australia and the A\$5.0 billion North Rankin redevelopment at the North West Shelf, Western Australia, with both projects currently under construction. In addition, the A\$29.0 billion Wheatstone development and A\$9.0 billion Prelude project have recently received approval to commence work.

The A\$30.0 billion Kimberly Gas Hub in Western Australia project is currently undergoing assessment, while the A\$14.9 billion Pluto 2 LNG project and the A\$5.0 billion Scarborough LNG project are both awaiting a final investment decision.

Outside of Western Australia, BHP Billiton is planning for a A\$20.0 billion expansion of Olympic Dam in nearby South Australia. Olympic Dam is one of the largest copper mines in the world and is expected to deliver up to three percent of the world’s copper demand in 2020. It is still awaiting final government and financial approval.

Other major projects in Queensland, include the Xstrata’s A\$6.0 billion Wandoan coal project, the A\$16.0 billion Gladstone LNG project, the A\$15.0 billion Queensland Curtis Island LNG project, and the A\$20.0 billion Queensland Australia Pacific LNG project.

Concluding Remarks

Australia is expected to continue to record solid economic growth in 2012 and 2013 despite the recent gloom in the state of global economy. Much of this growth is expected to come from a strong pipeline of investment projects. The continued increase in large and long term investment projects reflects strong investor confidence in the prospects of the Australian economy. As at December 2011, the total value of investment projects underway or in planning in Australia is at a record high which has exceeded A\$912.8 billion.

As at December 2011, mining and oil and gas industries accounted for A\$405.9 billion or 44.5% of the total value of investment projects and A\$132.9 billion or 38.3% of the investment projects under construction, in the Investment Monitor Report. The mining and oil and gas industries are expected to continue to dominate the investment landscape in Australia in the near to medium term, as evidenced by the mining and oil and gas industries' accounting for A\$ 56.6 billion or 82.7% of committed investment projects and A\$155.4 billion or 70.2% of investment projects under consideration.

Western Australia is home to a large share of the engineering construction activities in Australia, with a staggering volume of work either underway or being considered. Approximately 29.3% of total investment projects underway or in planning as at December 2011 were located in Western Australia. Furthermore, Western Australia accounts for 53.3% of the total value of investment projects in the mining and oil and gas industries in Australia, or approximately A\$216.2 billion out of the total A\$405.9 billion worth of mining and oil and gas investment projects in Australia.

While there are notable challenges in the global economic outlook, the Australian mining and oil and gas industries are expected to continue to increase their capital expenditure to capitalise on the opportunities from the boom in China and other emerging economies. As a consequence, such capital expenditure is sharply concentrated in engineering construction activities, particularly in Western Australia and Queensland.

HISTORY AND BUSINESS

HISTORY

Our Company was incorporated in Singapore on 3 June 2010 under the Companies Act as a private company limited by shares, with the name “Civmec Pte. Ltd.” Subsequently, on 29 March 2012, our Company was converted into a public limited company and its name changed to “Civmec Limited”.

The history of our Group began in 2009.

CCE

On 22 June 2009, CCE was first incorporated (as Patnik Pty Ltd) by, *inter alia*, our Executive Chairman and CEO for the purpose of establishing a construction and engineering group. On 7 July 2009, CCE acquired the name, certain assets and a number of contracts of a company known as Civmec Construction & Engineering Pty Ltd (ACN No. 106 121 635), which had been operating in Australia as a subsidiary of the VDM Group Limited, an unrelated company listed on the Australian Securities Exchange.

On 17 July 2009, CCE changed its name to “Civmec Construction & Engineering Pty Ltd”. Shortly after, CCE commenced operations from its offices at 57A Cleaver Street, Belmont, Western Australia, and its workshop at 10 Ocean Street, Kwinana, Western Australia.

Ballymount

On 26 February 2010, CCE acquired the entire issued and paid-up capital of Ballymount from the Kariang Investment Trust and the Tallon Investment Trust. Ballymount is a holding company for certain plant and equipment used by our Group.

Civmec Holdings

On 26 February 2010, the entire issued capital of Civmec Holdings was transferred by the JF & OT Fitzgerald Family Trust and the Kariang Investment Trust to CCE and Civmec Holdings became a wholly-owned subsidiary of CCE.

On 30 June 2009, Civmec Holdings was established for the purpose of obtaining the lease on the land for our Facilities and office premises at 16 Nautical Drive, Henderson, Western Australia. On 14 July 2009, Civmec Holdings changed its name to “Civmec Holdings Pty Ltd”.

On 1 August 2010, Civmec Holdings entered into a lease over the land in relation to its current premises at 16 Nautical Drive, Henderson, Western Australia with the Western Australian Land Authority which will expire in 2044, with an option to renew the lease to 2079.

Civmec Pipe

Civmec Pipe, a 83.5% subsidiary of CCE, was incorporated on 28 June 2010. Civmec Pipe holds a patent which was developed utilising funds from a government grant through the Department of Regional Development and Lands. Please refer to the section entitled “Research and Development” for more details.

Our Facilities

An inaugural “Sod Turning” ceremony officiated by the Western Australian Government Treasurer was held on 9 December 2009 on the then vacant land where our new Facilities and office premises at 16 Nautical Drive, Henderson, Western Australia are now situated. The construction of our Facilities at 16 Nautical Drive, Henderson, Western Australia began in April 2010. Our Facilities were partly operational from October 2010. On 19 April 2011, our Facilities were officially opened by the Premier of Western Australia, the Honourable Colin Barnett. We believe that our Facilities are the largest under-cover sea-front fabrication and modular assembly facilities in Australia⁽¹⁾.



Aerial view of our Facilities



Interior of our Facilities

Note:

- (1) Based on the write-up set out in each of (a) page 11 of Western Australian Prospect magazine (June – August 2011 edition), which is published quarterly by the Western Government’s Department of Mines and Petroleum and Department of State Development; and (b) page 4 of AMC News (Edition 14 (July 2011)) which is published by the Australian Marine Complex. The Minister for Finance; Commerce; Small Business, supported by the Department of Commerce, has lead responsibility for the Australian Marine Complex.

The Western Government’s Department of Mines and Petroleum and Department of State Development, the Australian Marine Complex, the Minister for Finance; Commerce; Small Business and the Department of Commerce have not consented to the inclusion of this statement and are thereby not liable for this statement under Sections 253 and 254 of the SFA. While we have taken reasonable actions to ensure that the information attributed to the aforementioned sources in this Prospectus is reproduced in its proper form and context and that the information is extracted accurately, we have not conducted an independent review of the information extracted or verified the accuracy of such information.

Other milestones

From the date of its incorporation up to the Latest Practicable Date, our Group had secured 225 contracts for pre-cast concrete works, civil construction and steel fabrication with several international customers including BHP Billiton, Rio Tinto Limited, Chevron Corporation and GE Vetco Gray for an aggregate contract value of approximately A\$419.4 million (equivalent to approximately S\$558.7 million).

CCIG

CCIG was incorporated pursuant to a shareholders' agreement dated 2 September 2011 entered into between Cape Australia Investments Pty Ltd, CCIG and CCE ("**CCIG Agreement**") to undertake the provision of insulation services in Australia. Cape Australia Investments Pty Ltd is a wholly-owned subsidiary of Cape plc, which is listed on the main market of the London Stock Exchange and is a provider of essential non-mechanical industrial services, principally to plant operators in the oil and gas, power generation, chemical, minerals and mining sectors and major engineering and construction contractors.

Under the terms of the CCIG Agreement, both CCE and Cape Australia Investments Pty Ltd each hold 50% in the share capital of CCIG, and are each entitled to appoint two directors to the board of CCIG. Neither party has control over CCIG under the terms of the CCIG Agreement. The CCIG Agreement will remain in effect until it is terminated or replaced by agreement of the parties, or if all the shares in CCIG and all rights to subscribe for or convert any security into shares in CCIG are held by a single party, whichever is the earlier. For the duration of the CCIG Agreement, Cape Australia Investments Pty Ltd and CCIG and their respective related parties are restricted from engaging in or permitting or allowing any person to engage in any business or activity in Australia that involves insulation tendered after the date of the CCIG Agreement, provided that (i) where CCIG is unable to prequalify for a tender, Cape Australia Investments Pty Ltd will prequalify with the intention that works will be sub-contracted to CCIG; and (ii) this restriction does not apply to bundled services maintenance contracts.

Share Swap

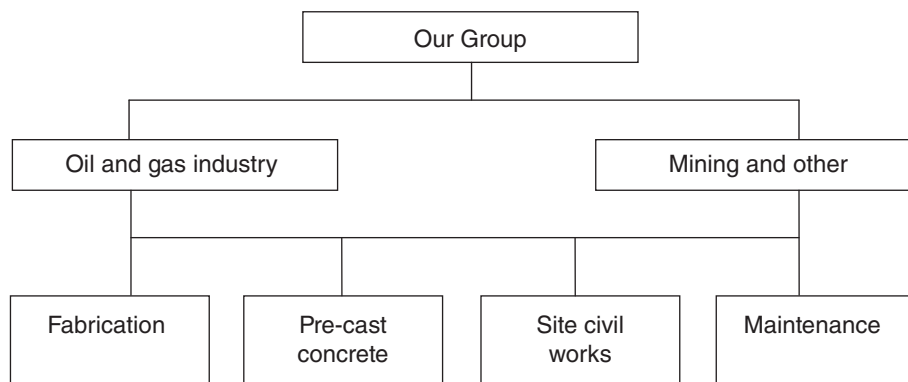
On 27 March 2012, pursuant to the Share Swap Agreement, our Company became the holding company of CCE. Please refer to the section entitled "Restructuring Exercise" for more details.

BUSINESS

Overview

We are an Australian-based integrated multi-disciplinary construction and heavy engineering services provider to the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries. We provide heavy engineering and other services including fabrication, site civil works, pre-cast concrete and maintenance services.

The following is a diagrammatic representation of our Group's operational structure:



Fabrication

We supply steel and piping fabrication services for major project works to the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries.

We have the capability and capacity to fabricate and assemble heavy structural steel and mechanical structures (including material handling equipment), process piping and pressure vessels, tanks, offshore jackets, topsides and sub-sea structures.

We are able to fabricate products to Australian and international standards such AS/NZS 1554, AWS D01.1, ISO 8501, ISO 15630 and ISO 19902 from all grades of carbon steels (including pipes and plates designed to withstand low temperatures and high pressures in boilers) and all grades of stainless steels and products containing exotic metals (such as special high chrome or nickel alloys, super duplex, alloy 31 and 59 and a large range of titanium and copper alloys). Our large fabrication bays enable us to assemble, fit-out and commission modularised structures, heavy material handling equipment such as stackers, reclaimers, shiploaders and rotary railcar dumpers for the mining resources sector and specialist modular process skids.

Our Facilities have been designed to accommodate a whole range of automated specialist fabrication, welding and pre-processing equipment including:

- (1) automatic and robotic welding equipment;
- (2) pre-fabrication blasting lines for beams up to 1,500mm wide and 500mm high;
- (3) pre-fabrication blasting lines for plates up to 3,200mm wide;
- (4) fully automatic CNC integrated systems for marking, cutting, drilling, coping, profiling and beveling of pipes up to 900mm in diameter;
- (5) fully automatic CNC integrated systems for marking, cutting, drilling, profiling, machining and beveling of plates up to 200mm in thickness; and
- (6) final fabrication blasting chamber and painting rooms.

The Facilities are serviced by 22 overhead gantry cranes that have lifting capacities ranging from 20 to 50 tonnes each, and up to 200 tonnes when synchronised.



Fabricated modular assembly



Fabrication of drill pipes, collars and connectors



Ducting



Process piping

Pre-Cast Concrete

Our pre-cast concrete business unit provides pre-cast concrete solutions to the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries.

We can also fabricate formwork from steel for small and large pre-cast concrete structures using our extensive range of specialist formwork and innovative assembly techniques.



Formwork



Pre-cast concrete caissons

Our strategic sea-front location allows us to manufacture complex concrete caissons, gravity bases, foundations, retaining walls, sumps, tunnel sections and clump weights for onshore and offshore applications which can be loaded directly onto ships at the AMC wharf located adjacent to our Facilities.



Pre-cast concrete seawater intake circular caissons



Pre-cast concrete collars/clamps



Pre-cast concrete foundations



Clump weight/sub sea frames

Site Civil Works

Our site civil works unit carries out detailed earthworks and site concrete construction services for the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries. We provide a full range of civil services from earthworks, rebar installation, formwork, concrete installation, backfill and compaction to final handover.

With our comprehensive pool of construction equipment and specialist modular formwork, we are able to undertake concrete construction projects locally and at remote sites. In addition, we are able to access specialist heavy lift cranes and other concrete handling equipment when required to support our site civil operations.



Site detailed earthworks and site concrete construction of steel work and equipment foundations, bund walls and slabs at the SSWA Binningup Desalination Plant



Detailed earthworks and concrete construction at the switch rooms of the SSWA Binningup Desalination Plant



Detailed earthworks and concrete construction at the centrifuge transformer area of the SSWA Binningup Desalination Plant

Maintenance

We are able to provide maintenance services to the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries.

Our diverse capabilities enable us to provide maintenance services ranging from planned and emergency shutdowns, mechanical upgrades, general fabrication, supply of specialist labour, scaffolding, corrosion protection, replacing pre-cast concrete structures, site civil works, specialised coating services and commissioning support. We are able to deliver tailored solutions with a flexible approach to suit our customers' requirements.

Our maintenance projects are supported by our Facilities which allow us to access labour quickly from our workforce and equipment pool, which provide us with round-the-clock fabrication services and access to direct materials, procurement services, stores and pre-cast concrete support services for projects that require a fast turnaround.

MAJOR PROJECTS

As at the Latest Practicable Date, some of the illustrative projects which we have completed or are undertaking are as follows:

Projects related to the oil and gas industry

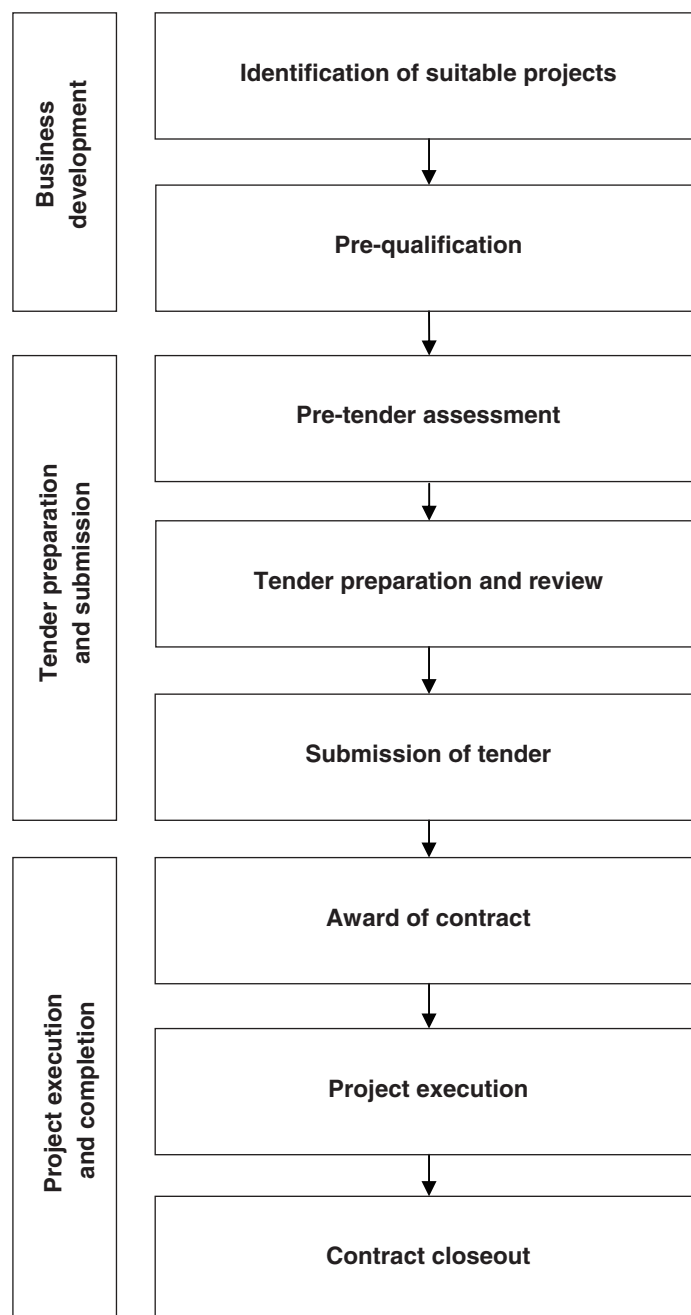
Completed				
Customer	Name of Project	Summary of products and services provided	Aggregate contract value (A\$ millions)	Financial Year of completion
Apache Energy Ltd	Clump weight frames	Design and fabrication of subsea clump weights	0.4	2011
Australian Maritime Systems	Gorgon LNG project — offshore navigation aids sinker blocks	Construction of 128 subsea concrete anchors blocks weighing 15-tonnes each	1.3	2011
GE Vetco Gray	Well head pipes	Fabrication of heavy wall drilling pipes	3.6	2011
Murray & Roberts JV	Gorgon LNG project — MOF wharf construction caissons	Construction of eleven pre-cast reinforced concrete caissons	7.2	2011
Ongoing				
Customer	Name of Project	Summary of products and services provided	Aggregate contract value (A\$ millions)	Expected Financial Year of completion
Leighton	Gorgon LNG project — caissons	Construction of two 3,000 tonne pre-cast concrete caissons	2.8	3Q 2012
Leighton	Gorgon LNG project — pre-cast foundations	Construction of 45,000 cubic metres of pre-cast reinforced concrete foundations	27.0	4Q 2012
Apache Energy Ltd	Apache Energy Coniston/Novara Development	Supply of subsea fabrication works and services	4.4	3Q 2013
KJVG	Gorgon LNG project — stick fabricated steel	Supply and fabrication of structural steel	45.0	3Q 2013

Projects related to the mining and other industry

Completed				
Customer	Name of Project	Summary of products and services provided	Aggregate contract value (A\$ millions)	Financial Year of Completion
Joint venture between Aker Kvaerner, Clough Murray and Roberts (AKCMR)	Boddington gold mine expansion project	Manufacture of concrete slabs and foundations for various facilities within the plant	6.0	2010
Southern Seawater Joint Venture	Southern Seawater Desalination Plant — Pre-cast Concrete intake structures/ collars and other site works	Construction of two pre-cast intake structures for desalination plant	1.8	2011
Southern Seawater Joint Venture	Southern Seawater Desalination Plant — Binningup desalination plant	Manufacture of concrete slabs and foundations for various facilities within the plant	11.0	2011
Ongoing				
Customer	Name of Project	Summary of products and services provided	Aggregate contract value (A\$ millions)	Expected Financial Year of Completion
Cliffs Asia Pacific	Koolyanobbing Ore handling plant structural steel	Fabrication and modularisation of structural steel, plate work and conveyor systems	8.8	3Q 2012
Rio Tinto Limited	Cape Lambert port expansion project car dumper	Fabrication of single cell tandem car dumper	7.2	4Q 2012
Rio Tinto Limited	Cape Lambert port expansion project wharf modules	Manufacture of pre-cast concrete wharf modules and tripper conveyor systems	7.3	4Q 2012
KBR – Rio Tinto	Hope Downs 4 iron ore project/new open-cut iron ore mine	Detailed earthworks and concrete construction works	35.0	2Q 2013
BHP Billiton	Asset Development Projects — SMP fabrication	Fabrication and modularisation of structural steel, plate work and conveyor systems	114.0	2Q 2013
Lycopodium – Rio Tinto	Marrandoo – Site Civil — concrete works	Detailed earthworks and concrete construction works	35.0	3Q 2013

PROJECT IMPLEMENTATION PROCESS

Generally, the main stages of our projects are as follows:



BUSINESS DEVELOPMENT

Our Business Development Department is headed by our Business Development Manager and is responsible for customer relationship management, the identification of key strategic targets and the monitoring of industry trends with a view to creating a positive impact on our Group.

Substantial portions of our sales are generated from existing or previous customers as we maintain good relationships with them. In addition to actively participating in project tenders by invitation, our Group also receives non-solicited enquiries for the submission of quotations from prospective customers who are referred by existing customers.

Our general managers and senior staff are conversant with the overall capabilities of our Group's different business units and are therefore able to promote and cross-sell the services of other business units to customers. General managers and staff communicate regularly with our existing and previous customers to understand and keep abreast of their current needs and future requirements. With such understanding and up-to-date knowledge of our customers' needs, we are able to offer solutions and services to each customer based on the capabilities of all of our Group's business units.

CCE is a corporate member of the Australian Steel Institute ("**ASI**"), which is an association for the Australian steel industry promoting Australian steel in manufacturing and construction and representing the whole of the steel value chain. Prospective customers may search and access the online database of ASI for a summary of our Group's capabilities and contact details. In addition, our Group is able to tap on its membership in ASI to gain market exposure by attending seminars, conferences and conventions organised by ASI.

Identification of suitable projects

Our Business Development Department actively tracks the developments in the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries for new projects and the opportunity to quote and secure new orders. When suitable projects of interest have been identified, a major projects target list is prepared and expressions of interest for the appropriate opportunities are submitted to the project developer, customer or the engineering, procurement, construction management ("**EPCM**") contractor.

Pre-qualification

Upon acceptance of our expression of interest, the project developer, customer or the EPCM contractor will send us a pre-qualification questionnaire which assesses our capability and capacity to undertake the project.

We are assessed based on the project developer's, customer's or the EPCM contractor's safety, quality, financial, capacity and capability requirements in order to pre-qualify for tenders for the projects. Following the approval of the pre-qualification submission, a formal tender is issued by the project developer, customer or EPCM contractor with a closing deadline. The majority of our projects are secured through participation in either open or closed tender exercises.

TENDER PREPARATION AND SUBMISSION

Pre-tender assessment

Prior to submitting a bid for a project, our Business Development Manager conducts a pre-tender assessment which takes into consideration the following:

- our Group's ability and capacity to meet the requirements of the customer;
- the past records of successful tenders with the customer;
- the reputation of the customer and our Group's history with the customer;
- the strategic position of our Group and its competitiveness in the industry climate;
- the commercial risks, technical risks and availability of tendering resources;
- the assessment of the approximate project value; and
- an estimate of tendering costs.

Tender preparation and review

Our Estimating Department generally prepares the tender submission documents by:

- considering commercial and technical specifications;
- developing a contract schedule;
- preparing the bill of quantities which sets out the estimated quantities of materials required;
- determining resources, equipment requirements and associated costs;
- obtaining quotations from suppliers and sub-contractors; and
- calculating the man-hours required to perform the project with reference to current chargeable man-hour rates.

On completion of the above, a tender review meeting is held with our management to confirm our Group's readiness to submit the tender by considering our Group's:

- ability and capacity to meet the customer requirements;
- prior history with the customer with regard to other contracts;
- commercial terms and conditions;
- evaluation of the risks in the tender;
- use of new technologies, materials, equipment or processes;
- previous projects and utilisation of historical data;
- strategic planning and methodology in relation to the performance of the contract;
- project financing requirements;
- profit/margins;
- ability to meet deadlines; and
- resource and equipment requirements.

Submission of tender

Submission of any tender is made in accordance with the following prescribed levels of authority, which are applicable as at the Latest Practicable Date:

- for tender amounts up to A\$100,000, approval is by our Proposals Manager;
- for tender amounts exceeding A\$100,000 but less than A\$5,000,000, approval is by either our COO or CEO; and
- for tender amounts equal to or exceeding A\$5,000,000, approval is by our Board.

The tender package is formally submitted to the customer only when our management is satisfied that all issues have been addressed and approval obtained from our Board (where necessary).

PROJECT EXECUTION AND COMPLETION

Award of contract

Upon notification from the customer that we have been awarded the contract, our Estimating and Commercial Departments normally receives a purchase order, a letter of engagement or a letter of intent from the customer. Our Estimating Department reviews the contract award documentation against the original tender documents to identify any variations.

Following notification from the customer that our tender is successful, we will review the contract documentation award package against the original tender documentation to identify any changes, variations or discrepancies. In the event of such changes, variations or discrepancies, the customer is notified in writing, clearly documenting any applicable variation to cost or scheduled delivery dates.

Following the satisfactory review of the award documentation, our Operations Manager appoints a project manager who is responsible for collating all relevant information and documentation in preparation for the initial project meeting which include:

- commercial and tender reviews;
- drawings and documentation register;
- scope of work;
- organisation chart;
- baseline duration and manning schedule;
- budget summary; and
- award documentation.

For the awarded contracts where we need to provide performance guarantee, we will typically arrange to provide for such performance guarantees between 14 and 21 days of being awarded the contracts. Generally, the quantum of performance guarantee required varies between 5% to 10% of the contract value and is subject to negotiation between our customers and our Group. Depending on the quantum of the performance guarantees and specific requirements as agreed between our customers and our Group, a portion of the performance guarantee will be released upon the completion of the contracts, with the remaining, if any remains, to be released upon the end of the warranty period, which is typically 12 months from the completion date.

Project execution

Our Group aims to deliver projects which comply with contract specifications, while achieving a high standard of safety and quality.

Our work on projects is performed in accordance with established procedures and our safety and quality management system. This philosophy extends to our sub-contractors and suppliers, requiring all parties to manage their work synergistically.

Our policy is to integrate health, safety and environmental considerations into every aspect of our projects, so as to prevent harm to personnel, facilities and the environment.

The procurement and sub-contract items are addressed individually. The commencement of the procurement process involves the issue of bid packages to approved bidders, analysis and negotiations of bids received, completion of purchase orders and receipt of vendor documentation.

Suppliers and sub-contractors are selected from our approved contractors list. Awards made to approved sub-contractors will be, so far as possible, largely based on the terms and conditions contained in the main tender contract.

Up to date job costs including labour, materials, sub-contracts and overheads are recorded, summarised and compared to budgets. Reports are submitted by the project manager to management for review on a monthly basis.

Please refer to the section entitled “Quality Management System” for information on our quality management system process.

Contract closeout

The completion of projects will be in accordance with the contract terms and generally include:

- issue of certificates of practical completion, financial closeout including final costs, variations payment and release of performance bonds/guarantees;
- issue of all vendor documentation and associated information;
- issue of project closeout report; and
- closeout of all sub-contracts and purchase orders.

PROJECT COST CONTROL AND MANAGEMENT INFORMATION SYSTEM

Web-based Enterprise Resource Planning (ERP) system

We utilise a web-based ERP system which provides an integrated, secure and consistent environment for all our financial information, including:

- Accounts payable
- Accounts receivable
- Fixed assets
- General ledger
- Goods received
- Payroll
- Human resources
- Contract status
- Labour hours tracking
- Purchase orders
- Reporting and business intelligence
- Equipment management

Management Information System

Our Group has implemented a production management information system that enables our Group to process, track, plan and report on the status of its contracts on a real-time basis anytime from anywhere around the world. The production management information system also allows materials to be traced through production from its point of receipt to the completed product to fulfill quality requirements under our contracts.

MARKETING

Our sales are generated through sales prospecting, referrals from our customers, suppliers and business associates, repeat customers, responses to request for proposals and leads obtained from trade publications, industry capability network, business briefings and conferences. Our Business Development Department is in charge of the marketing activities of our Group. Please refer to the section entitled “Our Business” for more details on the marketing activities of our Group.

OUR MAJOR CUSTOMERS

Major customers accounting for 5.0% or more of our Group revenue for FP2010, FY2011 and 1Q2012 are as follows:

Customer	Products and services provided ⁽¹⁾	Percentage of our Group revenue (%)		
		FP2010	FY2011	1Q2012
Leighton Contractors Pty Limited ⁽²⁾	B	—	37.1%	40.9%
Southern Seawater Joint Venture ⁽³⁾	B, C	28.0%	23.3%	0.8%
Murray & Roberts Australia Pty Ltd ⁽⁴⁾	A, B, C	33.0%	14.4%	1.5%
BHP Billiton Iron Ore Pty Ltd ⁽⁵⁾	A, B, C	—	—	35.1%
Aker Kvaerner Clough Murray & Roberts Joint Venture ⁽⁶⁾	C	16.7%	—	—
Vetco Gray Australia Pty Ltd ⁽⁷⁾	A	—	7.7%	—
Rio Tinto Limited ⁽⁸⁾	A, C	1.7%	5.8%	6.3%
Cliffs Asia Pacific Iron Ore Pty Ltd	A	—	—	9.2%

Notes:

- (1) “A” refers to fabrication works, “B” refers to pre-cast concrete works, and “C” refers to site civil works.
- (2) We were contracted by Leighton Contractors Pty Limited to construct pre-cast concrete for the Gorgon Project at Barrow Island, Western Australia. The project is still in progress, and is expected to be completed in 2012.
- (3) To the best of our Directors’ knowledge, Southern Seawater Joint Venture is one of the alliance partners of the Southern Seawater Alliance, which was commissioned by the Water Corporation to design, construct and operate a desalination plant in Binningup, Western Australia. Water Corporation is the principal supplier of water, wastewater and drainage services in Western Australia. The revenue decreased over the periods under review as a result of the progressive completion of our site civil works for Southern Seawater Joint Venture.
- (4) We were contracted by Murray & Roberts Australia Pty Ltd to construct pre-cast concrete caissons for the Gorgon Project at Barrow Island, Western Australia. The decrease in the percentage of our Group’s revenue from Murray & Roberts Australia Pty Ltd between FP2010 and FY2011 was due to the increase in our Group’s overall revenue, and the decrease from 14.4% in FY2011 to 1.5% in 1Q2012 was due to the completion of the majority of the project in FY2011.
- (5) The increase in revenue from BHP Billiton Iron Ore Pty Ltd in 1Q2012 was due mainly to our Group being contracted to supply approximately 11,000 tonnes of structural steel for the Port Hedland Inner Harbour Project in July 2011.
- (6) We were contracted by Aker Kvaerner Clough Murray & Roberts Joint Venture to perform site civil works for the Newmont Boddington Gold Project in Boddington, Western Australia. The project was completed during FP2010.

- (7) We were contracted by Vetco Gray Australia Pty Ltd (a business of General Electric Oil & Gas) to fabricate heavy wall offshore drilling pipes. Our Group completed approximately 1,000 tons of drill pipes with 0% non-destructive testing failure rate in record time during FY2011.
- (8) We provided services to Rio Tinto Limited through its two subsidiaries, Hamersley Iron Pty Ltd and Pilbara Iron Company (Services) Pty Ltd. The increase in revenue for the period under review was due to the increase in the scope of work provided to Rio Tinto Limited.

To the best of our Directors' knowledge, we are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major customers.

None of our Directors or Substantial Shareholders or their respective associates has any interest, directly or indirectly, in any of the above major customers, nor do the equivalent persons in such major customers have any interest, directly or indirectly, in any of our Group Companies.

OUR MAJOR SUPPLIERS

Direct materials used by our Group comprise mainly different types of steel such as carbon and stainless steel as well as pipe, pipe fittings, paint, concrete and reinforcing bars. Steel accounted for approximately 23.8%, 20.0% and 28.6% of the overall cost of sales for our Group in FP2010, FY2011 and 1Q2012, respectively. Concrete accounted for approximately 3.4%, 6.2% and 1.4% of the overall cost of sales for our Group in FP2010, FY2011 and 1Q2012, respectively.

We typically select our suppliers for each of the materials used in our production having regard to criteria such as pricing, product quality and ability to deliver on time. To facilitate timely purchases of materials, we keep a list of qualified suppliers who have demonstrated reliability in product quality and delivery time as well as pricing competitiveness. This list is subject to review by our management on an annual basis.

We have access to a large pool of suppliers for our direct materials as our production facilities are located in Henderson, Western Australia which is located close to Fremantle, Western Australia, which has a multimodal transportation network connecting it to major cities in Australia. Most of our direct materials are currently sourced from within Australia and therefore, most of our purchases are transacted in A\$. Accordingly, we are not subjected to any significant risk in foreign exchange rate fluctuations in the purchase of direct materials.

We occasionally enter into long term contracts of up to a year with some of our suppliers. We do not hedge or have the intention to hedge the price or volume of our direct materials sourced from Australia as the prices of direct materials from our suppliers are usually fixed for the duration of the relevant contracts. Most of the Group's direct materials are sourced from Australia and the remaining direct materials sourced from overseas are denominated in A\$. Accordingly, we are not subjected to any significant risk in exchange rates fluctuations in the purchase of direct materials.

Our major suppliers of direct materials who accounted for 5.0% or more of our total purchases for FP2010, FY2011 and 1Q2012 are as follows:

Suppliers	Materials supplied	Percentage of our Group purchases (%)		
		FP2010	FY2011	1Q2012
OneSteel Limited	Steel	—	2.5	16.8
Holcim (Australia) Pty Ltd	Concrete	7.1	7.3	1.4
Fero Reinforcing Pty Ltd	Reinforcement bars	6.4	0.4	—

During the periods under review, the year-to-year fluctuations in our purchases from our major suppliers were mainly due to cost considerations as well as changes in specifications, materials and quality requirements.

We entered into long term contracts of up to one year with suppliers such as OneSteel Limited to meet part of our demand for direct materials. Under these contracts, we agreed to purchase a certain amount of direct materials from these suppliers to meet the requirements of our projects. We generally do not keep inventories of our direct materials, but rely on our suppliers to deliver such supplies accordingly based on our contracts with them.

To the best of our Directors' knowledge, we are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major suppliers of our business.

None of our Directors or Substantial Shareholders or their respective associates has any interest, directly or indirectly, in any of the above major suppliers, nor do the equivalent persons in such major suppliers have any interest, directly or indirectly, in any of our Group Companies.

COMPETITIVE STRENGTHS

We believe our competitive strengths are as follows:

We have established relationships with leading notable companies in the mining and oil and gas industries

Since our inception, we have established relationships with companies that operate under brand names such as KJVG (acting as agent for and on behalf of Chevron Australia Pty Ltd.), Vetco Gray Australia Pty Ltd (a business of General Electric Oil & Gas), BHP Billiton Limited and Rio Tinto Limited. Please refer to the section entitled "Major Customers" for more information on the types of services we provide and the percentage of revenue from each of our major customers.

We continue to maintain and develop close long-term relationships with our customers. We believe our ability to secure repeat orders from some of the industry leaders is a reflection of our ability to provide timely delivery and high levels of technical expertise, and our ability to customise our products and services to match their requirements. Our success in securing repeat orders from these industry leaders further validates our reputation with other customers and industry participants. We are also able to leverage on such trust and relationship with our customers to undertake large scale or complex projects, allowing us to stay ahead of our competitors.

We believe we have the largest under-cover sea-front fabrication and modular assembly facilities in Australia equipped with high capacity automated equipment

We believe that our Facilities hold the largest under-cover sea-front fabrication and modular assembly workshop in Australia. Our Facilities are strategically located close to the 3,000 tonne and 15,000 tonne Australian Marine Complex heavy load out wharves ("**AMC Load Out Wharves**") which are only approximately 500m away. Our workshop has a built-up area of approximately 29,200sqm with unobstructed waterfront access to common-use port facilities including a floating dock, 4,600 tonne self-propelled modular transporters ("**SPMT**") and a 300 tonne heavy lift wharf crane. Please refer to the section entitled "Fixed Assets" for more information on our plant and equipment.

In addition, we have an extensive stock of specialist formwork, concrete handling equipment, an experienced team of employees specialising in pre-cast concrete, a suite of automated fabrication equipment such as the overhead cranes, specialist in-house transporter and access to specialist high capacity synchronised lifting systems.

We are able to fabricate, assemble, transport and load-out large steel structures/modules up to 29m in width, 20m in height and 150m in length in our under-cover workshop fabrication space. Please refer to the section entitled "Fixed Assets" for more information on our plant and equipment.

The proximity to the AMC Load Out Wharves facilitates and expedites the shipping of large integrated modularised structures from our Facilities by reducing costly handling and transportation costs associated with transport regulations and general restrictions in relation to the use of public roads. Furthermore, our large Facilities, which we believe is the largest under-cover sea-front workshop fabrication space in Australia, enable us to fabricate large integrated modularised structures round-the-clock, undisturbed by inclement weather conditions. We believe that our ability to secure contracts of higher values are partly due to the foregoing reasons.

We are proximate to the growing oil and gas and mining-related industries of Western Australia

Our Facilities are strategically located in the Australian Marine Complex in Henderson, approximately 35 km south of Perth, Western Australia. Western Australia is the largest state in Australia and is one of the world's major oil and gas and mining resource centres. We are strategically connected via transportation networks such as highways and shipping channels to prominent projects in Western Australia which includes LNG plants such as the Gorgon LNG project and Pluto projects as well as mining projects in the Pilbara region. The total value of investment projects as at December 2011 in Australia was A\$912.8 billion, of which, A\$267.2 billion worth of investment projects are located in Western Australia. Please refer to the section entitled "Australia Economic Overview" for more information on the types and level of investment projects in Australia.

We have an experienced management team with proven track records of sustainable growth and profitability

We have a leading and established management team headed by our Executive Chairman, CEO and COO, who have more than 60 years of industry experience between them.

Mr. Fitzgerald has over 30 years of experience in the structural mechanical process and insulation contracting sector. Prior to establishing our Group, he was an Executive Director of AusGroup Limited from 2005 to 2008. He was a founder and a director of AGC Industries Pty Ltd (a wholly-owned subsidiary of AusGroup Limited), where he was responsible for the management, development and performance of the operation divisions of AGC Industries Pty Ltd and spearheaded the expansion of the oil and gas business group where he developed substantial experience in the fabrication and assembly of production platforms and subsea modules. He also has significant experience in the fabrication and construction of material handling and process plants for mining and resource industries. Prior to that, he was the managing director of Ausclad Industries Pty Ltd (which subsequently became a subsidiary of AusGroup Limited) from 1989 to 1998.

Mr. Tallon has over 24 years of experience in the construction industry. Mr. Tallon's experience includes large mining projects involving the delivery of high quality structures. Prior to joining our Group, he was a director of Ballymount Enterprises Pty Ltd, where he was responsible for promoting, expanding, developing and steering the company as well as guiding its operations in structural concrete contracting. He has substantial experience in bridge and multi-storey construction.

Mr. Deery has over 17 years of experience in the resources industry and in particular fabrication and construction projects for the mining and oil and gas sectors. From 2001 to 2009, Mr. Deery held various positions including as manager of projects in AGC Industries Pty Ltd, which became a subsidiary of AusGroup Limited. He managed SMP construction works for major projects and ensured that project managers completed projects in a safe, timely and profitable manner.

Our management team is ably supported by an experienced work force. As at 30 September 2011, more than 70.0% of our employees are engineers, specialist technicians and skilled tradesmen and craftsmen.

Please refer to the section entitled “Directors, Key Executives and Employees” for more information on our management team. We believe that our management team’s extensive experience and contacts within our industry will enable us to anticipate and cater to the requirements and demands of our customers, allowing us to continue our business expansion plans and growth moving forward.

Our flexible fabrication capabilities enable us to provide integrated multi-disciplinary specialist services

We believe that our flexible fabrication capabilities allow us to maximise the use of our Facilities and realise significant cost-savings.

Our workshop is designed for unrestricted assembly of large steel structures/modules of up to 29m in width, 20m in height and 150m in length in bay three of our workshop. Depending on the project requirements and schedule, our workshop can be reconfigured to suit our production requirements. Furthermore, we have a core team of highly mobile experienced employees which can be deployed to project sites at short notice.

Our comprehensive industry knowledge and capabilities provide our customers with increased assurance of timely completion of their projects. Our ability to provide such integrated multi-disciplinary specialist services is evidenced by our Group being pre-qualified by major international corporations including Chevron Limited, Cameron Australasia Pty Ltd, General Electric Company, BHP Billiton Limited and Rio Tinto Limited.

RESEARCH AND DEVELOPMENT

Civmec Pipe was awarded a grant of A\$50,000 from the Department of Regional Development and Lands (“**DRDL**”) in Australia to construct and trial test run a 1:10 scaled down model of a mobile pipe manufacturing machine in 2010. The purpose of the machine is to reduce the supply cost of large-diameter pipes to remote pipeline locations by enabling pipes to be constructed directly on-site, thereby reducing transportation costs. As at the Latest Practicable Date, the prototype of the machine has been created, and our Group is assessing its options including seeking financing from the DRDL to undertake additional research and development to further develop and possibly commercialise this project. Please refer to the section entitled “Intellectual Property” for more information on the patent application in relation to the above.

Our Group’s expenditure on research and development activities and the percentage of net revenue of our Group spent on such activities in FP2010, FY2011 and 1Q2012 are approximately A\$0 (n/a), A\$50,000 (0.1%) and A\$0 (n/a), respectively.

INTELLECTUAL PROPERTY

We have registered the following intellectual properties in Australia:

Type of intellectual property	Description	Period of Validity
Trade mark	CIVMEC device/logo	10 years commencing from 5 August 2005
Business name	Civmec Civil & Mining	Six years commencing from 29 January 2007
Domain name	www.civmec.com.au	Current until 28 April 2013
Business name	AMC House	Three years commencing from 27 May 2010

Subject to payment of requisite fees, we expect to renew the same on their respective expiry.

Patents

Our Executive Chairman had on 15 December 2009 filed a patent application with the Australian Patent Office in respect of an apparatus for forming a pipe. On 20 June 2011, our Executive Chairman assigned all his rights, title and interest in the invention and in the patent application to Civmec Pipe for no consideration. Please refer to the section entitled “Research and Development” for more information on the patent.

QUALITY ASSURANCE AND SAFETY

We are strongly committed to quality, health, safety, the environment, customer satisfaction and a high performance culture and we operate our business under our OHSM system. CCE is accredited with the AS/NZS 4801:2001 standard in relation to the manufacturing of civil concrete structures, fabrication of steel and associated erection and excavation work for the resources industry.

To ensure continuing achievement in the industry, we pre-determine the process objectives that drive our quality management system to ensure the highest degree of commitment and effectiveness. We pride ourselves on a track record of excellence in a competitive and ever-changing commercial environment. This is demonstrated through our competitiveness, commitment, quality objectives, continual improvement, product quality and reliability of service, completion of projects with a target of zero accidents whilst consistently striving to complete projects within deadlines and to budget regardless of the scope or demands.

The continued dedication of management at all levels and the commitment of our staff helps build our Group’s reputation for providing quality products and services across all our Group’s business units.

Quality Management System

Our commitment to customer satisfaction and quality are demonstrated through the continued adherence by management at all levels and the dedication of our staff to our quality management system which is under the purview of our Group Quality Manager. CCE is accredited under ISO 9001:2008 in relation to its quality management system for construction of civil concrete structures, fabrication of steel, associated erection and excavation work for the resources industry.

The system ensures the availability of trained personnel, process equipment, resources, work space and supporting services required to effectively and efficiently fulfill all contractual obligations in accordance with ISO 9001:2008, regulatory and legal requirements while maximising continued customer satisfaction at all times.

Management Review

It is our Group’s policy to ensure that customer requirements and needs, including tendering and estimating requirements are positively identified prior to the commencement of the contract. Upon receipt of tender documentation, our Proposals Manager conducts a pre-tender assessment, to fully evaluate whether it is potentially viable to proceed with the tender process. In the event of a discrepancy with any of the supplied documentation, written clarification from the customer is sought prior to proceeding with tender preparation.

Submission of any tender is made in accordance with the following prescribed levels of authority, which are applicable as at the Latest Practicable Date:

- (a) for tender amounts up to A\$100,000, approval is by our Proposals Manager;

- (b) for tender amounts exceeding A\$100,000 but less than A\$5,000,000, approval is by either our COO or CEO; and
- (c) for tender amounts equal to or exceeding A\$5,000,000, approval is by our Board.

The tender package is formally submitted to the customer only when our management is satisfied that all issues have been addressed and approval obtained from our Board (where necessary).

Following notification from the customer that our tender is successful, we will review the contract documentation award package against the original tender documentation to identify any changes, variations or discrepancies. In the event of such changes, variations or discrepancies, the customer is notified in writing, clearly documenting any applicable variation to cost or scheduled delivery dates.

Resource Management

We recognise the need for training to enhance the experience and/or to provide additional skills and qualifications to our staff. These needs are identified, categorised, documented and include areas such as quality, health, safety and environment, IT, special skills and customer requirements.

Product Realisation

All purchases of materials, parts and services from external suppliers and sub-contractors are procured on a back to back basis with the head contract conditions contained in the sub-contracts to ensure that only approved sub-contractors, suppliers and services are utilised by our Group to effectively fulfil our contractual obligations.

Process Control

The processes used or employed by our Group are performed by trained personnel using approved documented procedures, work instructions and controlled equipment. We continually identify new processes which may be used or employed by our Group.

Product Identification and Traceability

All quality-related contractual records, materials, customer-supplied products and associated documentation are uniquely identifiable, captured and cross-referenced to ensure effective product identification, retrieval, traceability, storage and despatch.

Products found to be unsatisfactory after inspection subsequent to receipt are identified/tagged and stored in quarantine or segregated designated areas to prevent any accidental or unauthorised use, improper disposal and possible damage, until a mutually satisfactory resolution is reached with the customer or supplier. Potentially hazardous or sensitive materials will not be received without proper materials safety data sheets and relevant delivery documentation. Items in storage are periodically inspected to verify its condition, shelf life currency (where applicable) and segregation.

Inspection and Testing

Subsequent to being awarded a contract, we usually prepare comprehensive project specific inspection and test plans and quality plans which may prescribe the location, timing, frequency and parties responsible for carrying out inspections and tests including relevant “Hold, Review and Reference” points, acceptance criteria and provision for signatures including final inspection.

Inspections are carried out in accordance with documented procedures, work instructions, specifications, drawings, approved inspection and test plans.

Items sourced from suppliers are inspected upon receipt for correctness and completeness against the relevant purchase order and accompanying delivery documentation. Any discrepancies (including non-conforming items) are immediately identified with clear and precise documentation to allow for positive recall and replacement in accordance with our quality management system.

Final Inspection and Testing

Through a dedicated team of quality inspectors, we ensure that all inspection and testing activities have been progressively and effectively carried out and that all contractual obligations have been adequately addressed and documented, including any special customer requirements and the final product has the required appearance, identification, content and is in compliance with customer requirements, to the complete satisfaction of the customer.

All inspection, measuring and test equipment, including any software utilised on the project, regardless if they are owned by our Group or others, are controlled and calibrated in accordance with documented procedures and in-line with our requirements.

Corrective and Preventive Action

We review all non-conformance/corrective action reports periodically, and where considered appropriate, discuss them with the relevant department heads to establish whether action to prevent recurrence has been effectively implemented in accordance with the requirements of ISO 9001:2008, our quality management system and in line with regulatory and legal requirements.

Product deficiencies identified by employees will be brought to the attention of the department head, who will complete a non-conformance/corrective action report where considered appropriate.

Our quality management system is audited at least once every 12 months (or sooner if required), by a person independent of the area/function being audited.

Our quality management system is subject to review by our customers and we have successfully passed recent audits conducted periodically and on a random basis, by our larger customers such as KJVG, Rio Tinto Limited and GE Vetco Gray. To date, we have successfully passed all audits on quality conducted by our customers.

Industrial Safety

It is our policy that the prevention of accidents and the protection of our workforce and environment are essential for good business performance. We place great importance on the continuing safety of our employees, contractors and customers. In terms of priority, such safety and environmental concerns are management responsibilities ranking in importance with customer satisfaction and cost control in our daily operations.

Our health, safety and environmental management system is monitored and reviewed against AS/NZS 4801:2001. In addition, due to the broad and diverse scope of the work of our Group, we are required to comply with a number of Australian legislative industrial safety requirements. We have complied with all applicable Australian legislative industrial safety requirements as at the Latest Practicable Date.

AWARDS, ACCREDITATION AND RECOGNITIONS

CCE is accredited under ISO 9001:2008 in relation to its quality management system for construction of civil concrete structures, fabrication of steel, associated erection and excavation work for the resources industry.

CCE has also achieved certification in accordance with the requirements of the Australian and New Zealand Standard for Occupational Health and Safety Management Systems, AS/NZS 4801:2001 in relation to the manufacturing of civil concrete structures, fabrication of steel and associated erection and excavation work for the resources industry.

PROPERTIES AND FIXED ASSETS

The following table sets out all the properties leased and used by our Group as at the Latest Practicable Date. Save as disclosed below, our Group does not own or lease any properties.

Description and location	Approx. land area (sqm)	Approx. built-up area (sqm)	Tenure	Use/ Activities	Encumbrance	Lessor	Lessee
16 Nautical Drive, Henderson, Western Australia	70,000	29,200	Lease expiring on 13 July 2044	Facilities and offices	First registered mortgage in favour of St. George Bank Limited	Western Australian Land Authority	Civmec Holdings
10 Ocean Street, Kwinana, Western Australia	12,088	850	Lease expiring on 31 December 2012	Warehouse and hardstand	Not applicable	Anne Tallon and Tallon Investment Trust	CCE
8 Stuart Drive, Henderson, Western Australia	9,553	Nil (open land)	Lease expiring on 31 October 2012	Storage of industrial plant and machinery	Not applicable	Gaetano Galati-Sardo, as trustee for the GJG Property Trust	CCE
95 Quill Way, Henderson, Western Australia	2,760	2,610	Lease expiring on 13 November 2012	Steel fabrication work and assembly of modules	Not applicable	Trokut Pty Ltd	CCE

As the properties located at 8 Stuart Drive, Henderson, Western Australia and 95 Quill Way, Henderson, Western Australia were leased for specific projects purposes, which projects will be completed by the expiry dates of these leases, we do not presently have any intention to renew such leases when they expire. We also do not intend to extend our lease of the property located at 10 Ocean Street, Kwinana, Western Australia, which is used for storage of plant and equipment, and as at the Latest Practicable Date, we are in the process of identifying suitable replacement premises.

The property located at 16 Nautical Drive, Henderson, Western Australia (“**Property**”) is subject to a notification lodged by the Western Australian Planning Commission, to notify owners or prospective owners of the land of the possible existence of unexploded ordnance below a level of one metre seriously affecting the use or enjoyment of the land. The notification on the title as to the existence of unexploded ordnance does not impose any obligation on our Group, as occupier of the land, to remedy the hazard. The notification does not expressly restrict the use of the land for any particular purpose, but will need to be taken into account in respect of proposed works involving excavation or similar works below the depth of one metre.

Our Directors are of the opinion that the risk of encountering unexploded ordnance on the Property is low. Our Directors are further of the view that there is little (if any) risk of our Group having to relocate our Facilities on the Property, as our normal business activities are conducted above ground and the notification lodged by the Western Australian Planning Commission relates to unexploded ordnance below a depth of one metre.

The Property also has a memorial registered against its title under the Contaminated Sites Act 2003 (WA). The memorial has been lodged by the Department of Environment and Conservation to record a finding that Lot 804 (of which the Property forms a part) is noted as being “possibly contaminated” and advising that further investigations be conducted. Under the Contaminated Sites Act 2003 (WA), a public register is kept of land that has been classified as either “contaminated — remediation required”, “contaminated — restricted use”, “remediated — restricted use” or “possibly contaminated — further investigation required”. The lease of the Property contains a provision that if the site is found to have been contaminated prior to the commencement of the lease, the lessor (i.e. the Western Australian Land Authority (“**Landcorp**”)), will be responsible for all remediation works. No contamination surveys or reports were required nor commissioned by our Group prior to entry into the lease to determine the extent of the contamination or the area of the land it relates to. Notwithstanding the foregoing, our Group has engaged in correspondence with Landcorp which confirmed that:

- (a) the memorial relates to a portion of Lot 804 previously occupied by a former tenant and not the Property;
- (b) the areas of concern to the Department of Environment and Conservation do not appear to be part of the Property; and
- (c) no further action from Civmec Holdings (being the lessee) is required from Landcorp’s perspective, in relation to the memorial.

Save as disclosed above, except for laws and regulations generally applicable to similar companies and businesses operating in Australia, there are no regulatory requirements or environmental issues that may materially affect our Group’s utilisation of our tangible fixed assets.

As at the Latest Practicable Date, the net book value of our property, plant and equipment amounted to A\$40.8 million.

Our Group intends to deploy part of the net proceeds attributable to our Company from the issue of the New Shares (after deducting the estimated expenses to be borne by our Company in relation to the Invitation) to the building of new office premises for the operations of our Group. The building of new office premises will be partially financed by the net proceeds from the issue of the New Shares, and will commence prior to the listing of and quotation for our Shares on the SGX-ST and is expected to be completed by March 2013. While we do not anticipate any increase in the production capacity of our Group after the building of the new office premises, the expanded office premises will facilitate and expand the administration capabilities of our operations. Please refer to the section entitled “Use of Proceeds and Listing Expenses” for more information on the use of the net proceeds from the issue of the New Shares.

PRODUCTION FACILITIES AND CAPACITY

The estimated maximum capacities of certain of our plant and equipment are as follows:

Description	Uses/functions	Maximum capacity
Fabrication bays	Bays to assemble, fit-out and commission modularised structures, heavy material handling equipment such as stackers, reclaimers, shiploaders and rotary railcar dumpers for the mining resources sector and specialist modular process skids	Our two heavy fabrication bays each have the capacity to fabricate structures up to 24m wide, 150m long and 12m high. Our modular assembly bay has the capacity to fabricate large structures up to 29m wide, 150m long and 20m high.
Production system for automatic and robotic welding	For production welding of platework and structural steel using programmes generated from drawings	This system can perform welding joints on large and small structures within a radial range of 6m along a 30m travel bed using submerged arc or metal inert gas welding processes.
Pre-fabrication beams and profiles blasting machine line	For removal of mill scale and rust from beams and profiled steel	This system can process all types of steel beams, columns and sections, measuring up to 1,500mm wide, 18,000mm long and 500mm high.
Pre-fabrication plate blasting machine line	For removal of mill scale and rust from flat steel plates of various thicknesses and lengths	This system can process all flat plates of various thicknesses up to 3,200mm wide.
Fully automatic CNC integrated systems (beams)	Marking, cutting, drilling, coping, profiling and beveling of beams	These systems can process up to 40,000 tonnes of steel beams and columns per year and can handle sections measuring up to 1,220mm wide, 510mm high and 18,000mm long.
Fully automatic CNC flat bar and angle processing line	Stamping, cutting, drilling and punching of flat bar and angles	These systems can process up to 1,500 tonnes of flat bars and angles per year.
Fully automatic CNC integrated systems (pipes)	Marking, cutting, drilling, coping, profiling and beveling of pipes	These systems can process all steel pipes ranging from 60mm to 900mm in diameter and up to 12,000mm long.
Fully automatic CNC integrated systems (plates)	Marking, cutting, drilling, profiling, machining and beveling of plates up to 200mm in thickness	These systems can process between two to 16 plates, totalling an average of 25 tonnes per day.
Final fabrication blasting chamber and painting rooms	After fabrication final blasting and surface treatment/painting of fabricated products	The blasting chamber and painting rooms can accommodate components measuring up to 6m wide, 6m high and 20m long.
22 overhead gantry cranes throughout the fabrication bays	Lifting and relocation of objects during and following production	Our overhead gantry cranes have lifting capacities ranging from 20 to 50 tonnes each, and up to 80 tonnes or 200 tonnes when synchronised.

It is not meaningful to estimate our utilisation or production rates as our fabrication capacities and utilisation rates in respect of our pre-cast or fabrication activities carried out on-site or at temporary facilities are affected by factors such as:

- (i) area available for fabrication activities;
- (ii) availability and number of skilled workers;
- (iii) level of complexity in the type of fabrication work being undertaken;
- (iv) method of fabrication;
- (v) type and number of value-added services applied to the fabrication;
- (vi) degree of outsourcing;
- (vii) size of the structures; and/or
- (viii) availability of equipment.

As at the Latest Practicable Date, we generally operate on a 54 hour week over 5.5 days per week with overtime. If so required by the production schedule, night shifts and additional overtime will be rostered. As at the Latest Practicable Date, we have not experienced any material interruptions to our production capacity or schedules, whether due to labour disputes, power interruptions, fire or other causes.

Generally, our business is not subject to any significant seasonal trends.

STAFF TRAINING

We believe that our employees are one of our most important resources and significant assets to the success of our business. Hence, we place emphasis on constant training and competency of our staff to ensure that they are equipped with the necessary skills and knowledge to serve our customers better with improved productivity and to familiarise themselves with our OHSM management system. Our training programmes can be classified into the following broad categories.

Training in occupational health and safety

We provide our employees with training in occupational health and safety. Our Human Resource Department maintains training records of our employees, which are forwarded to project sites where the employees are working. As an existing employee completes further training, copies of certificates and training records are forwarded to our Human Resource Department which ensures that any required licences or certificates are current and arranges renewal training if required.

Project training

We conduct training for all employees in all aspects of safety and quality as well as training in the use of mechanical equipment.

Each project will have mandatory training requirements which must be adhered to before project personnel (including sub-contractors) are mobilised to site. Apart from mandatory pre-mobilisation training, employees and sub-contractors completing certain tasks on site will require certain competencies and where these competencies are not yet achieved, appropriate training is conducted beforehand.

In the case of project personnel who may change job roles or conduct a variety of roles, a training needs evaluation is conducted and new training requirements to meet the needs of the new position is clearly identified and the necessary training conducted.

Training for head office staff

Our employees who are stationed at the head office receive office-specific induction training so as to familiarise themselves with any risks and hazards related to working in an office environment including emergency evacuation and reporting of incidents. A record of this induction process training is recorded on the OHSM database and personnel training file.

Trainers

Our internal training courses are created by competent personnel who have industry experience and knowledge. We ensure that our internal trainers have relevant tertiary training qualifications.

When necessary external training is provided by registered training organisations who are required to train our personnel to the appropriate standard. Verification of competency may be required for and on some projects, which is determined on a case by case basis in accordance with customer requirements.

Apprenticeship training programme

Our Group hosts an apprenticeship training programme whereby two apprentices are selected each month from an approved apprentice provider and are given formal training in tradesman/craftsman skills.

CORPORATE SOCIAL RESPONSIBILITY

Indigenous training programme

As part of our corporate social responsibility policies, our Group has an indigenous engagement plan, which aims to increase the participation of indigenous people through direct employment opportunities and through the engagement of indigenous sub-contractors, across our on-site worksites and at our Facilities. As at the Latest Practicable Date, our Group employs six indigenous employees including three apprentices.

Environmental conservation

Our Group is committed to minimising our environmental impact. We operate in compliance with all environmental legislation and strive to use pollution prevention and environmental best practices in all our operations. Our employees are educated, trained and motivated to increase their environmental awareness and we encourage them to work in an environmentally responsible manner.

We have implemented an environmental management system to identify and manage the environmental aspects of our operations, including energy and water usage and resource conservation. We promote the efficient use and recycling whenever practical of materials and resources throughout our Facilities, including water, electricity, direct materials and other resources, especially those that are non-renewable.

In our operations, we apply best practice standards for environmental management which meet or exceed the standards prescribed by the relevant laws and regulations. Our management continually monitors our environmental impact and provides feedback to the relevant project managers, so as to minimise the impact and damage caused by our operations on the environment.

PERMITS, APPROVALS, CERTIFICATIONS AND GOVERNMENT REGULATIONS

Our business and operations in Australia are subject to legislation and government regulations which are generally applicable to companies and businesses operating in Australia. As at the Latest Practicable Date, we are not subject to any special legislation or government regulations which have a material impact on our business and operations. We have complied with all applicable legislation and government regulations in relation to our business.

Please refer to Appendix G entitled “Description of Relevant Australian Laws and Government Regulations”.

COMPETITION

Due to the diverse nature of the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries which our Group serves, competition from companies offering similar services would have to be categorised in terms of the business segments which our Group provides.

To the best of our knowledge and belief, we consider the following companies or corporate groups as our direct competitors in the provision of various types of services as set out below, as these companies or corporate groups compete for the same projects as our Group and are also on some of our customers’ approved vendors lists:

Name	Types of services			
	Fabrication	Pre-cast concrete	Site civil works	Maintenance
AusGroup Limited	x			x
Monadelphous Pty Ltd	x			x
UGL Limited	x			x
Downer EDI Limited	x		x	x
Forge Group Limited	x		x	x
Tenix SDR Pty Ltd	x			x
Fremantle Steel Fabrication Pty Ltd	x			
Pacific Industrial Company Pty Ltd	x			
IGC Pty Ltd		x		
DTMT Pty Ltd			x	
Ertech Pty Ltd			x	
McConnell Dowell	x	x	x	x
John Holland Pty Ltd	x	x	x	x
Laing O’Rourke	x	x	x	x
NRW Holdings Limited			x	
Georgiou Group Pty Ltd		x	x	
Killarnée Civil & Concrete Contractors			x	
Transfield Services Pty Ltd				x
GR Engineering Services Ltd			x	

As at the Latest Practicable Date, our Business Development Manager, being a trustee and beneficiary of the Macri Superannuation Fund which holds Shares, owns 36,240 shares in the issued and paid-up share capital of AusGroup Limited. Save for such shareholdings, he does not have any involvement whatsoever in the management or operations of AusGroup Limited. Save for the foregoing, none of our Directors, Key Executives or Substantial Shareholders or their respective associates has any interest, direct or indirect, in any of our above competitors, nor do the equivalent persons in such competitors have any interest, directly or indirectly, in any of our Group Companies.

INSURANCE

We maintain insurance which provides coverage for workers' compensation (including industrial disease), goods in transit, general and products liability insurance, commercial motor vehicle, mobile plant, broadform liability, group income protection, industrial risks and specific contract works. As at the Latest Practicable Date, we also have insurance policies to cover Directors' and officers' liability, employment practices liability, statutory liability and employment theft.

All the above policies are in existence and the premiums have been paid thereon. These insurance policies are reviewed regularly to ensure that the coverage is adequate. Although our Directors believe that the coverage from these insurance policies is adequate for our present operations, please also refer to the section entitled "Risk Factors" for more information.

SELECTED FINANCIAL INFORMATION

The following selected Group financial information should be read in conjunction with the full text of this Prospectus, including the Financial Statements, where the selected Group financial information has been derived from.

OPERATING RESULTS OF OUR GROUP

	Audited		Unaudited	
	FP2010	FY2011	1Q2011	1Q2012
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	22,294	61,007	10,419	43,699
Cost of sales	(14,036)	(41,060)	(7,278)	(32,089)
Gross profit	8,258	19,947	3,141	11,610
Other income	139	317	83	89
Administration expenses	(3,406)	(7,588)	(1,596)	(3,556)
Finance costs	(166)	(1,557)	(246)	(713)
Profit before tax	4,825	11,119	1,382	7,430
Income tax expense	(1,589)	(3,596)	(405)	(2,241)
Net profit	3,236	7,523	977	5,189
Profit attributable to:				
Equity holders of our Company	3,236	7,523	977	5,189
Non-controlling interest	—	(1)	—	—
	3,236	7,522	977	5,189
Other comprehensive income, net of tax:				
Exchange differences on re-translation from functional currency to presentation currency	(50)	1,334	522	(732)
Total comprehensive income	3,186	8,856	1,499	4,457
Total comprehensive income attributable to:				
Equity holders of our Company	3,186	8,857	1,499	4,457
Non-controlling interest	—	(1) ⁽¹⁾	—	(0) ⁽²⁾
Total comprehensive income attributable to Shareholders	3,186	8,856	1,499	4,457
EPS (based on pre-Invitation share capital) (cents) ⁽³⁾	0.7	1.7	0.2	1.2
EPS (based on post-Invitation share capital) (cents) ⁽⁴⁾	0.6	1.5	0.2	1.0

Notes:

- (1) The loss attributable to non-controlling interest for FY2011 was S\$740 and was due to 16.5% of the non-controlling shareholders in Civmec Pipe Products Pty Ltd.
- (2) The loss attributable to non-controlling interests for 1Q2012 was S\$5 and was due to 16.5% of the non-controlling shareholders in Civmec Pipe Products Pty Ltd.
- (3) For comparative purposes, EPS (based on the pre-Invitation share capital) for the periods under review is computed based on the net profit attributable to Shareholders and the pre-Invitation share capital of 450,000,000 Shares. Please refer to the Audited Combined Financial Statements and Unaudited Interim Condensed Combined Financial Statements for more information on EPS computation.
- (4) For comparative purposes, EPS (based on the post-Invitation share capital) for the periods under review is computed based on the net profit attributable to Shareholders and the post-Invitation share capital of 501,000,000 Shares.

FINANCIAL POSITION OF OUR GROUP

	Audited as at 30 June 2011	Unaudited as at 30 September 2011
	S\$'000	S\$'000
Non-current assets		
Property, plant and equipment	44,439	47,636
Intangible assets	13	13
Deferred income tax assets	833	1,536
<i>Total non-current assets</i>	<i>45,285</i>	<i>49,185</i>
Current assets		
Trade and other receivables	20,402	34,491
Other current assets	493	2,705
Cash and cash equivalents	6,620	10,608
<i>Total current assets</i>	<i>27,515</i>	<i>47,804</i>
TOTAL ASSETS	72,800	96,989
Current liabilities		
Trade and other payables	11,309	23,759
Borrowings	1,585	21,421
Provisions	621	1,064
Current income tax liabilities	3,663	6,185
<i>Total current liabilities</i>	<i>17,178</i>	<i>52,429</i>
Non-current liabilities		
Loans and bank borrowings	33,856	18,075
Provisions	211	308
Deferred income tax liabilities	260	425
<i>Total non-current liabilities</i>	<i>34,327</i>	<i>18,808</i>
TOTAL LIABILITIES	51,505	71,237
NET ASSETS	21,295	25,752
Shareholders' equity		
Share capital	1	1
Other reserves	10,535	9,803
Retained earnings	10,760	15,949
Non-controlling interest	(1)	(1)
TOTAL EQUITY	21,295	25,752
NAV per Share (cents) ⁽¹⁾	4.7	5.7
Adjusted NAV per Share (cents) ⁽²⁾	9.2	10.1

Notes:

- (1) NAV per Share has been computed based on the respective net assets as at 30 June 2011 and 30 September 2011, and the pre-Invitation share capital of 450,000,000 Shares.
- (2) Adjusted NAV per Share has been computed based on the respective net assets as at 30 June 2011 and 30 September 2011, adjusted for the conversion of the First Pre-IPO Investors' and Second Pre-IPO Investors' convertible loans as at the respective balance sheet dates and the pre-Invitation share capital of 450,000,000 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

OVERVIEW

We are an Australian-based integrated multi-disciplinary construction and heavy engineering services provider to the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries. We provide heavy engineering and other services including fabrication, site civil works, pre-cast concrete and maintenance services. Our business model is anchored on a dedicated management team, having one of the largest under-cover sea-front fabrication and modular assembly facility in Western Australia, and supported by a suite of advanced fabrication equipment which allows us to add value across the value chain from detailed shop drawings, fabrication, project management and after-sales service.

We service the Australian-based operations of international corporations. Our customers are mainly from the oil and gas industry (such as Murray & Roberts Australia Pty Ltd and Leightons Contractors Pty Ltd that operate under the brand name of or contract by Chevron and General Electric) and mining industry (such as Rio Tinto and BHP Billiton). Accordingly, our revenue segmentation is differentiated on common services (fabrication, pre-cast concrete, site civil works and maintenance services) for companies in the oil and gas, mining and other industries.

Revenue

We derive our revenue from mainly from companies operating in the following industries:

- (i) Oil and gas; and
- (ii) Mining and others.

We set out below the breakdown of our revenue by industry segments for FP2010, FY2011, 1Q2011 and 1Q2012:

Revenue by industry segments	Audited				Unaudited			
	FP2010		FY2011		1Q2011		1Q2012	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Oil and gas	11,624	52.1	43,185	70.8	5,348	51.3	18,620	42.6
Mining and others	10,670	47.9	17,822	29.2	5,071	48.7	25,079	57.4
Total	22,294	100.0	61,007	100.0	10,419	100.0	43,699	100.0

From FP2010 to FY2011, our total revenue increased by approximately S\$38.7 million, or 173.6%, from S\$22.3 million in FP2010 to S\$61.0 million in FY2011 on the back of the strong investment project activities in Western Australian from the oil and gas as well as the mining industries. In addition, our Facilities began operations in the second quarter of FY2011, which increased our fabrication capacities and allowed us to pursue contracts of higher value. Accordingly, our total revenue increased by approximately S\$33.3 million, or 319.4% from S\$10.4 million in 1Q2011 to S\$43.7 million in 1Q2012.

Please refer to the sections entitled "Australia Economic Overview" and "Trends Information" for more information on the historical performance and prospects of Australia economy as well as forecasted private and public sector investments.

Our order books as at the Latest Practicable Date stood at approximately A\$204.0 million (approximately S\$271.8 million) of unfulfilled secured contracts which we expect to deliver A\$76.5 million (approximately S\$102.0 million) and A\$127.5 million (approximately S\$169.8 million) worth of contracts in FY2012 and FY2013, respectively.

The above fluctuations of our revenues will be further explained in the subsequent section entitled “Review of Results of Operations”.

Our revenue may be affected by, *inter alia*, the following key factors:

(a) Market demand

Demand for our construction and heavy engineering services is largely affected by the general condition and activity level of the exploration and production (“**E&P**”) operations by companies in the oil and gas and mining industries, and in particular, the major oil and gas and mining companies. Oil and gas and mining companies are in turn dependent on existing energy and minerals prices, and the respective industries’ expectation of future price trends. Typically, total E&P capital expenditure is closely related to changes in minerals and energy prices. We generally expect higher energy and mineral prices to result in higher activity levels in oil and gas and mining E&P, which in turn would increase the oil and gas and mining companies’ actual and planned capital expenditures on construction and heavy engineering services. Conversely, a sustained period of low prices would generally have a negative impact on the level of oil and gas and mining E&P and would in turn, have an adverse effect on the service providers in the construction and heavy engineering industries.

Oil and gas and mining prices are subject to significant volatility, as they are affected by many factors, including:

- Overall demand for minerals and energy;
- Cost and level of oil and gas and mining E&P activity;
- Worldwide economic activity;
- Interest rates and the cost of capital;
- Environmental regulation;
- Policies of national governments with respect to minerals and energy E&P and consumption, including taxation and other related legislation;
- Development of alternative energy sources or substitutes to minerals; and
- Technological advances in oil and gas and mining E&P.

(b) Number and value of contracts secured by us

The value of each contract is dependent on the scope and complexity of the work involved. Our revenue is affected by our ability to secure any or parts of the contracts available from our customers. The availability of such contracts, the value of each contract, our ability to secure these contracts, as well as the scope of our involvement in each secured contract, will have an impact on our revenue.

(c) Competition

Competition in our industry could increase as a result of new market entrants, or our competitors may be able to price their products and services more attractively. Our revenue will be affected if we fail to compete successfully with our competitors in terms of pricing, design, service quality, continuous improvement initiatives and delivery time.

(d) Ability to meet performance guarantees and/or manage our working capital requirements

Our ability to meet performance guarantee requirements for projects secured and manage cash flow for working capital requirements for on-going projects will affect our ability to secure a contract, and our ability to complete it as scheduled. Our ability to meet performance guarantee requirements and working capital requirements would depend, *inter alia*, on our ability to increase our equity base, increase or roll-over our financing from banks or other financial institutions and/or utilise other sources of funds. Our revenue will be affected if we fail to provide sufficient performance guarantee to secure a project contract or if we fail to complete the project contract as scheduled.

(e) Ability to deliver our projects as scheduled

Our ability to deliver a project as scheduled will allow us to commence or plan for another project. Any delay during the progress of a project due to variation orders or the customer's requests may delay the recognition of the revenue from the project. This will affect our ability to handle more projects within a financial year. Furthermore, the ability to deliver our projects as agreed and scheduled with our customers will allow us to further gain the confidence of our customers, and maintain and/or improve our reputation in the industry. Failing to meet the performance requirements of our customers may result in the possible deterioration of our reputation in the industry, and consequently affect our ability to secure new contracts and impinge on our revenue and profitability.

(f) General economic, social, political, and legal or regulatory developments in Australia

Currently, all of our revenue is derived from customers operating within Australia. As such, fluctuations in the general economic, social, political and legal or regulatory developments in Australia will have an impact on the demand for our products and services, and consequently, our revenue.

Our projects are secured mainly through the participation in public or private tender exercises conducted by our customers and engineering companies. Please refer to the section entitled "Project Implementation Process" for more information on the various stages of project implementation.

Pricing is typically decided on a mark-up over costs basis after all cost components and site costs have been estimated. These costs include, *inter alia*, direct material costs, direct labour costs, sub-contract costs and manufacturing and other overhead costs. We recognise our contract revenue on the following basis:

- (a) 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.
- (b) Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Please refer to the section entitled "Risk Factors" for a more comprehensive discussion of the above and on other factors which may affect our business operations, revenue and overall financial performance.

Due to the nature of our industry, our business is generally not subject to seasonality on a calendar-year basis, except for the month of December when many of our customers schedule maintenance shutdown and holiday breaks for their employees.

Cost of Sales

Breakdown of cost of sales by industry segments

The following table provides a breakdown of our cost of sales by industry segments for FP2010, FY2011, 1Q2011 and 1Q2012:

Cost of sales by industry segments	Audited				Unaudited			
	FP2010		FY2011		1Q2011		1Q2012	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Oil and gas	7,464	53.2	29,921	72.9	4,007	55.1	12,293	38.3
Mining and others	6,572	46.8	11,139	27.1	3,271	44.9	19,796	61.7
Total	14,036	100.0	41,060	100.0	7,278	100.0	32,089	100.0

For the periods under review, the above trends of the cost of sales of the industry segments were generally in line with the corresponding revenue. The above fluctuations of the cost of sales during the periods under review will be further explained in the subsequent section entitled "Review of Results of Operations".

Our cost of sales mainly comprised costs of direct materials, labour costs, sub-contract costs as well as manufacturing and other direct overhead expenses.

Please see below for further discussion on the trends and breakdowns of our cost of sales by direct material, direct labour, sub-contract costs as well as manufacturing and other overheads.

Breakdown of cost of sales by nature

Cost of sales by nature	Audited				Unaudited			
	FP2010		FY2011		1Q2011		1Q2012	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Direct materials	4,424	31.5	13,574	33.1	2,971	40.8	11,328	35.3
Sub-contract costs	2,700	19.2	2,999	7.3	340	4.7	2,904	9.0
Manufacturing and other overheads	2,306	16.5	6,507	15.8	666	9.1	3,750	11.7
Employee benefits	4,606	32.8	17,980	43.8	3,301	45.4	14,107	44.0
Total	14,036	100.0	41,060	100.0	7,278	100.0	32,089	100.0

(i) *Direct materials*

Our costs of direct materials comprised mainly the costs of steel sheet, steel plate and piping, insulation materials, sheet metals, and concrete. Direct materials costs accounted for comprised 31.5%, 33.1%, 40.8% and 35.3% of our cost of sales for FP2010, FY2011, 1Q2011 and 1Q2012, respectively. The relatively higher costs of raw materials of our cost of sales in FY2011 and 1Q2011 compared to the other periods was mainly due to more direct material-intensive contracts in fabrication. We procure our materials primarily from our local suppliers in Australia and our purchases are transacted mainly in Australian dollars. Accordingly, we are not subject to any significant risk in exchange rates fluctuations in the purchase of direct materials.

(ii) *Employee benefits*

Our labour costs comprised wages, welfare and other staff-related expenses of our engineers, tradesmen and staff who are directly involved in the provision of construction and heavy engineering services. It also included contract labour costs which are incurred for contract workers that we engage from time to time for specific projects to meet higher demand. Our labour costs comprised 32.8%, 43.8%, 45.4% and 44.0% of our cost of sales for FP2010, FY2011, 1Q2011 and 1Q2012, respectively.

(iii) *Sub-contract costs*

Our sub-contract costs refer to expenses that we incur when we engage external contractors or companies to complete a defined scope of work (which includes labour and materials) for a project such as painting works. Our sub-contract costs comprised 19.2%, 7.3%, 4.7% and 9.0% of our cost of sales for FP2010, FY2011, 1Q2011 and 1Q2012, respectively. This decreasing trend for FP2010 and FY2011 was due mainly to the increasing level of work being undertaken directly by our Group as opposed to sub-contracting to external contractors or companies. The ability to undertake an increasing level of work directly was due mainly to the progressive increment in our fabrication capabilities. This is reflected by the corresponding increase in direct labour for the same period.

(iv) *Manufacturing and other overheads*

Manufacturing and other overheads include depreciation of plant, travel expenses for site related work, rental of plant and equipment, utility expenses, repair and maintenance and other site expenses. Manufacturing and other direct overhead expenses comprised 16.5%, 15.8%, 9.1% and 11.7% of our cost of sales for FP2010, FY2011, 1Q2011 and 1Q2012, respectively. The decreasing trend of manufacturing and other overheads expenses as a percentage of cost of sales from 16.5% in FP2010 to 9.1% in 1Q2011 was due mainly to the relatively fixed nature of manufacturing and other overhead expenses (mainly as a result of depreciation charges where such increase in manufacturing and other overhead expenses is less than the corresponding increase in direct material and employee benefits expenses).

Gross Profit and Gross Profit Margin

The following tables provide a breakdown of our gross profit and gross profit margin by business segment for FP2010, FY2011, 1Q2011 and 1Q2012.

Gross Profit by industry segments	Audited				Unaudited			
	FP2010		FY2011		1Q2011		1Q2012	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Oil and gas	4,160	50.4	13,265	66.5	1,341	42.7	6,327	54.5
Mining and other	4,098	49.6	6,682	33.5	1,800	57.3	5,283	45.5
Total	8,258	100.0	19,947	100.0	3,141	100.0	11,610	100.0

Gross Profit margin by industry segments	Audited		Unaudited	
	FP2010	FY2011	1Q2011	1Q2012
Oil and gas	35.8%	30.7%	25.1%	34.0%
Mining and other	38.4%	37.5%	35.5%	21.1%
Overall	37.0%	32.7%	30.1%	26.6%

Our gross profit margin is affected by, *inter alia*, the accuracy in our estimation of project costs, the ability of our Group to negotiate for a higher contract value of our secured contracts with our customers, the percentage contribution from our respective industry segments to the Group's revenue and the ability to utilise direct labour as opposed to sub-contracts.

Our overall gross profit margin was 37.0%, 32.7%, 30.1% and 26.6% of our revenue for FP2010, FY2011, 1Q2011 and 1Q2012, respectively. The decrease in our overall gross profit margin from 32.7% in FY2011 to 26.6% in 1Q2012 was due mainly to the increase in contribution by the mining and others industry segment as a percentage of our Group's revenue. The new contracts from the mining and other industry segment are more labour intensive, resulting in the cost of sales increasing more than proportionately to the increase in revenue. Consequently, the gross profit margin from the mining and other industry segment decrease from 37.5% in FY2011 to 21.1% in 1Q2012, which also has the effect of reducing our overall gross profit margin from 32.7% in FY2011 to 26.6% in 1Q2012. Such decrease in gross profit margin from the mining and other industry segment was mitigated by an increase in gross profit margin from 30.7% in FY2011 to 34.0% in 1Q2012 in the oil and gas industry segment.

The gross profit margin for our oil and gas industry segment increased from 25.1% in 1Q2011 to 30.7% in FY2011. This was mainly due to the completion of one of the contracts in 1Q2011, which contributed 37.0% of our oil and gas industry segment's revenue in 1Q2011 but had a lower gross profit margin of 18.0%. The contract was one-off in nature and the Company had accepted the contract in view of, *inter alia*, the ability to complete the contract within a short period and utilisation of its then fabrication capacities. The marginal increase in gross profit margin from 30.7% in FY2011 to 34.0% in 1Q2012 was due mainly to greater efficiency experienced as our Facilities became better equipped over time. The above fluctuations of the gross profit margin during the periods under review will be further explained in the subsequent section entitled "Review of Results of Operations".

Definite and planned investment projects in the mining industry have increased by 25.9% from A\$129.6 billion as at December 2010 to A\$163.1 billion as at December 2011 while the definite and planned investment projects in the oil and gas industry have remained relatively stable over the same period⁽¹⁾. In line with the industry trend, the new contracts secured by our Group are predominately from the mining industry. These new contracts typically have larger average contract value, will be completed in phases over a generally longer term and are expected to better utilise our existing resources (including our fabrication facilities and our available pool of skilled workers) despite having lower gross profit margin. The contribution from such contracts with lower gross profit margin is expected to comprise a larger proportion of our total gross profit as compared to other contracts with higher gross profit margins. Accordingly, we expect the contribution by the mining and others industry segment as a percentage of our Group's revenue to increase and our overall gross profit margin for FY2012 to be lower than that of 1Q2012 for the aforementioned reasons. Please refer to the section entitled "Australia Economic Overview" for the forecasted public and private sector investments as well as "Trend Information" for more information.

Note:

- (1) Based on the December 2011 issue of Investment Monitor, a quarterly publication by Deloitte Access Economics that provides detailed data on major business and government investment projects in Australia. Deloitte Access Economics has been commissioned to provide an independent overview on the economic and industry outlook in Australia, set out in the section entitled "Australia Economic Overview".

Finance and other income

Finance and other income comprise mainly interest income from fixed deposits, disposal of plant and equipment, plant and equipments, and other sundry income. Our finance and other income represented 0.6%, 0.5%, 0.8% and 0.2% of our revenue for FP2010, FY2012, 1Q2011 and 1Q2012, respectively.

Administrative expenses

Our administrative expenses are generally in the nature of fixed costs and comprise mainly depreciation, salary and other staff-related expenses relating to our management, administrative and support personnel, occupancy costs, business development, traveling expenses, IT & communication, statutory fees and other administrative expenses.

Our administrative expenses represented 15.3%, 12.4%, 15.3%, and 8.1% of our revenue in FP2010, FY2011, 1Q2011 and 1Q2012, respectively. The general decreasing% trend is due to the increase in revenue during the period under review and the fixed cost nature of most of the expenses. The increase in administrative expenses for the periods under review was in line with the increase in our business activities over the same periods.

Finance costs

Finance costs comprised mainly interest expense on our bank borrowings, hire purchases and costs relating to the Invitation. Our finance costs represented 0.7%, 2.6%, 2.4% and 1.6% of our revenue in FP2010, FY2011, 1Q2011 and 1Q2012, respectively. The higher interest expense during FY2011 was mainly due to higher bank borrowings taken to partially finance the expansion of our production capacities in the same year.

Income tax expense

Our Group effective income tax rate was approximately 32.9%, 32.3%, 29.3% and 30.2% in FP2010, FY2011, 1Q2011 and 1Q2012, respectively.

Singapore

Our Company was incorporated in Singapore in FP2010. The corporate income tax rate applicable to our Company in Singapore was 17.0% in FP2010 and FY2011. Our Company had no taxable income for FP2010, FY2011 and 1Q2012.

Australia

Our subsidiaries were taxed accordingly to the prevailing tax regulations in Australia and the corporate income tax applicable to our subsidiaries was 30.0%, as adjusted for non-taxable income items and non-deductible expenses such as depreciation.

The above fluctuations of our respective profit and loss items during the periods under review will be further explained in the subsequent section entitled “Review of Results of Operations”.

Inflation

Our financial performance during the periods under review was not materially affected by inflation.

REVIEW OF RESULTS OF OPERATIONS

FP2010 vs. FY2011

Revenue

Our revenue increased by approximately S\$38.7 million, or 173.6%, from S\$22.3 million in FP2010 to S\$61.0 million in FY2011 on the back of the strong investment project activities in Western Australian

from the oil and gas as well as the mining industries. In addition, our Facilities began operations in the second quarter of FY2011, which increased our fabrication capacities and allowed us to pursue and secure contracts of higher value, where such revenue from these contracts were recognised in FY2011 in accordance with our revenue recognition policies. The average contract value of our top five contracts secured increased by A\$8.7 million, from A\$2.6 million in FP2010 to A\$11.3 million in FY2011. Please refer to the sections entitled “Australia Economic Overview” and “Trends Information” for more information on the prospects of Australia economy and forecasted private and public sector investments.

The increase in revenue was contributed by increases in revenues from both our oil and gas industry segment and mining and others industry segment, further described as follows:

(i) Revenue from our oil and gas industry segment

Revenue from our oil and gas segment increased by S\$31.6 million, or 271.5%, from S\$11.6 million in FP2010 to S\$43.2 million in FY2011.

(ii) Revenue from our mining and others industry segment

Revenue from our mining and others industry segment increased by S\$7.1 million, or 67.0%, from S\$10.7 million in FP2010 to S\$17.8 million in FY2011.

The increase in revenue from our industry segments was due mainly to the increased fabrication capabilities following the commencement of operations at our Facilities during FY2011, which allowed us to capitalise on the increase in capital expenditure by the oil and gas and mining companies.

Cost of sales and gross profit margin

Cost of sales increased by S\$27.1 million, or 192.0%, from S\$14.0 million in FP2010 to S\$41.1 million in FY2011. The increase in cost of sales was mainly due to the increase in cost of direct materials by S\$9.2 million, or 206.8%, from S\$4.4 million in FP2010 to S\$13.6 million in FY2011 and cost of employee benefits by S\$13.4 million, or 290.4%, from S\$4.6 million in FP2010 to S\$18.0 million in FY2011 which are in line with increased revenue.

The cost of sales for our oil and gas industry segment increased by S\$22.4 million, or 300.9%, from S\$7.5 million in FP2010 to S\$29.9 million in FY2011. The cost of sales for our mining and others industry segment also increased by S\$4.5 million, or 69.5%, from S\$6.6 million in FP2010 to S\$11.1 million in FY2011. These increases in segmental cost of sales were generally in line with the corresponding increases in segmental revenue between FP2010 and FY2011 as aforementioned.

Our overall gross profit margin marginally decreased from 37.0% in FP2010 to 32.7% in FY2011. This was mainly due to a decrease in the gross profit margins of our oil and gas industry segment, from 35.8% in FP2010 to 30.7% in FY2011, and a decrease in the gross profit margin of our mining and other industry segment, from 38.4% in FP2010 to 37.5% in FY2011. The gross profit margin for our oil and gas industry segment decreased from 35.8% in FP2010 to 30.7% in FY2011. This was mainly due to the completion of one of the contracts in 1Q2011, which contributed 37.0% of our oil and gas industry segment’s revenue in 1Q2011 but had a lower gross profit margin of 18.0%.

The decreases in segmental gross profit margins were generally due to a more than proportionate increase in costs of sales *vis-à-vis* revenues as a result of the new contracts secured being more labour intensive. Cost of sales increased by S\$27.1 million, or 192.0%, from S\$14.0 million in FP2010 to S\$41.1 million in FY2011 while revenue increased only by approximately S\$38.7 million, or 173.6%,

from S\$22.3 million in FP2010 to S\$61.0 million in FY2011. The new contracts performed in FY2011 in the mining and others industry typically have larger average contract value, despite having lower gross profit margin.

Finance and other income

Finance and other income increased by approximately S\$0.2 million, or 200.0%, from S\$0.1 million in FP2010 to S\$0.3 million in FY2011. The increase was mainly due to an increase in interest earned S\$0.1 million to S\$0.3 million in FY2011, as a result of higher average balance for cash and cash equivalents during FY2011.

Administrative expenses

Administrative expenses increased by S\$4.2 million, or 123.5%, from S\$3.4 million in FP2010 to S\$7.6 million in FY2011. The increase in administrative expenses was due mainly to (i) increase in salaries and other staff related expenses of S\$2.5 million as a result of an increase in the number of administrative staff in line with increase in business activities; (ii) increase in occupancy expenses of S\$0.6 million due to the building of the new Henderson facility; (iii) increase in depreciation expenses of S\$0.07 million as a result of an increase in our property, plant and equipment; (iv) increase in amortisation expenses of S\$0.5 million in relation to management fees for fund raising, where the bulk of such amortisation expenses was amortised in FY2011; and (v) other expenses such as IT and communication, insurance, overhead plant hire. These increases in such expenses are consistent with the expansion of the business activities and in line with increased revenue.

Finance costs

The increase in finance costs by S\$1.4 million, or 700.0%, from S\$0.2 million in FP2010 to S\$1.6 million was due mainly to the increase in interest expense for convertible loans by S\$0.8 million. The interest expense for the convertible loans is non-cash in nature and a one-off expenditure. Prior to the Invitation, all convertible loans will be converted to Shares and accordingly we will cease to incur such interest expenses.

Income tax expense

Income tax expense increased by S\$2.0 million, or 125.0%, from S\$1.6 million in FP2010 to S\$3.6 million in FY2011. The increase in income tax expense was in line with the increase in the profit before tax from S\$4.8 million in FP2010 to S\$11.1 million in FY2011. Our effective tax rates were 32.9% and 32.3% for FP2010 and FY2011, respectively, which is higher than the marginal tax rate of 30.0% due to non-deductible depreciation expenses pertaining to the purchase of Ballymount. We expect the effective tax rate to decrease as the assets arising from the purchase are fully depreciated by FY2013.

Net income attributable to Shareholders

As a result of the foregoing, our net profit for the year increased by S\$4.3 million, or 134.4%, from S\$3.2 million in FP2010 to S\$7.5 million in FY2011.

1Q2011 vs. 1Q2012

Revenue

Our revenue increased by approximately S\$33.3 million, or 320.2%, from S\$10.4 million in 1Q2011 to S\$43.7 million in 1Q2012 on the back of the strong investment project activities in Western Australian from the oil and gas as well as the mining industries. In addition, our Facilities began operations in the

second quarter of FY2011, which increased our fabrication capacities and allowed us to pursue contracts of higher value. Please refer to the sections entitled “Australia Economic Overview” and “Trends Information” for more information on the historical performance and prospects of Australia economy as well as forecasted private and public sector investments.

The increase in revenue was contributed by increases in revenues from our oil and gas segment and mining and other segment, further described as follows:

(i) Revenue from our oil and gas segment

Revenue from our oil and gas segment increased by S\$13.3 million, or 250.0%, from S\$5.3 million in 1Q2011 to S\$18.6 million in 1Q2012.

(ii) Revenue from our mining and others segment

Revenue from our mining and others segment increased by S\$20.0 million, or 392.2%, from S\$5.1 million in 1Q2011 to S\$25.1 million in 1Q2012.

The increase in revenue from our oil and gas segment and our mining and others segment was due mainly to the increased production capacity through the ongoing commissioning of our plant and equipment in our Henderson Facility during 1Q2012 and the positive economic outlook for the oil and gas and mining industry in Western Australia leading to increased capital investment. This robust economic environment in the resource industry and the increased capacity through the new Henderson facility has enabled Civmec to tender and secure higher value and longer term contracts.

Cost of sales and gross profit margin

Cost of sales increased by S\$24.8 million, or 339.7%, from S\$7.3 million in 1Q2011 to S\$32.1 million in 1Q2012. The increase in cost of sales was mainly due to the increase in cost of direct materials by S\$8.4 million, or 281.3%, from S\$3.0 million in 1Q2011 to S\$11.3 million in 1Q2012 and cost of employee benefits by S\$10.8 million, or 327.4%, from S\$3.3 million in 1Q2011 to S\$14.1 million in 1Q2012 which are in line with increased revenue.

The cost of sales for our mining and other industry segment increased by S\$16.5 million, or 500.0%, from S\$3.3 million in 1Q2011 to S\$19.8 million in 1Q2012. The cost of sales for our oil and gas industry segment also increased by S\$8.3 million, or 207.5%, from S\$4.0 million in 1Q2011 to S\$12.3 million in 1Q2012. The increase in oil and gas industry segment cost of sales were generally in line with the corresponding increase in revenue between 1Q2011 and 1Q2012 as aforementioned. The cost of sales for mining and other industry segment increased more proportionately than the increase in revenue due to the new mining contracts secured by our Group being more labour intensive.

In terms of gross profit margin, our overall gross profit margin decreased from 30.1% in 1Q2011 to 26.6% in 1Q2012. This was mainly due to decrease in margins of our mining and other segment (from 35.5% in 1Q2011 to 21.1% in 1Q2012) and partially offset by an increase in margin of our oil and gas segment (from 25.1% in 1Q2011 to 34.0% in 1Q2012). In particular, the contracts performed in 1Q2012 in the mining and other segment were projects in the early stages of longer term contracts with higher start up costs at the beginning of the project, resulting in lower gross profit margin. These new contracts typically have larger average contract value, will be completed in phases over a generally longer term and are expected to better utilise our existing resources (including our fabrication facilities and our available pool of skilled workers), despite having lower gross profit margin. Such contracts are expected to last more than a year with pre-determined revenue to be recognised over the course of FY2012. The contribution from such contracts with lower gross profit margin is expected to comprise a larger proportion of our total gross profit as compared to other contracts with higher gross profit margins. Accordingly, we expect our overall gross profit margin for FY2012 to be lower than that of

1Q2012 due mainly to the increase in contribution by the aforementioned contracts to our Group's revenue. The increase in gross profit margin from 25.1% in 1Q2011 to 34.0% in 1Q2012 for our oil and gas industry segment was due mainly one of the contracts (which contributed 37.0% of our oil and gas industry segment's revenue in 1Q2011) which had a lower gross profit margin of 18.0% and greater efficiency experienced as our Facilities became better equipped over time.

Administrative expenses

Administrative expenses increased by S\$2.0 million, or 125.0%, from S\$1.6 million in 1Q2011 to S\$3.6 million in 1Q2012. The increase in administrative expenses was due mainly to (i) increase in salaries and other staff related expenses of S\$0.8 million as a result of an increase in the number of administrative staff in line with increase in business activities; (ii) increase in occupancy expenses of S\$0.3 million due to the building of the new Henderson facility; (iii) increase in depreciation expenses of S\$0.03 million as a result of an expansion in our production facilities; (iv) increase in other expenses of S\$0.9 million such as IT and communication, insurance and travel. These increases in expenses are consistent with the expansion of the business activities and in line with increased revenue.

Finance costs

The increase in finance costs by S\$0.5 million, or 250.0%, from S\$0.2 million in 1Q2011 to S\$0.7 million was due mainly to (i) increase in interest expense for bank bills by S\$0.2 million from S\$ nil in 1Q2011 to S\$0.2 million in 1Q2012 due to the higher average bank borrowings in 1Q2012 that were undertaken to partially finance the expansion of our production facilities; and (ii) increase in interest expense for convertible loans by S\$0.1 million from S\$0.2 million in 1Q2011 to S\$0.3 million in 1Q2012 due to an increased in convertible loans from A\$5.0 million in 1Q2011 to A\$15.0 million in 1Q2012 that were undertaken to partially finance the expansion of our production facilities.

Income tax expense

Income tax expense increased by S\$1.8 million or 450.0% from S\$0.4 million in 1Q2011 to S\$2.2 million in 1Q2012. The increase in income tax expense was in line with the increase in the profit before tax from S\$1.4 million in 1Q2011 to S\$7.4 million in 1Q2012. Our effective tax rates were 29.3% and 30.2% for 1Q2011 and 1Q2012, respectively.

Net profit attributable to Shareholders

As a result of the foregoing, our net profit for the year increased by S\$4.2 million, or 431.1%, from S\$1.0 million in 1Q2011 to S\$5.2 million in 1Q2012.

REVIEW OF PAST FINANCIAL POSITION

We set out below a description of our most recent balance sheet as at 30 September 2011, which should be read in conjunction with the full text of this Prospectus, including the Financial Statements.

Non-current assets

Non-current assets comprised property, plant and equipment, intangible assets and deferred tax assets. As at 30 September 2011, our non-current assets amounted to approximately S\$49.2 million or 50.7% of our total assets, comprising property, plant and equipment of approximately S\$47.6 million, intangible assets of approximately S\$0.01 million and deferred tax assets of approximately S\$1.5 million.

Our property, plant and equipment was the most significant component of our non-current assets and comprised leasehold buildings, plant and equipment, motor vehicles, furniture and fittings and construction-in-progress. Leasehold buildings accounted for approximately S\$20.9 million or 43.9% of our property, plant and equipment whereas other plant and equipment accounted for approximately S\$26.7 million or 56.1% of our property, plant and equipment as at 30 September 2011.

Current assets

Current assets comprised trade and other receivables, prepayments, and cash and cash equivalents. Our current assets as at 30 September 2011 amounted to approximately S\$47.8 million or 49.3% of our total assets.

As at 30 September 2011, our trade and other receivables amounted to approximately S\$34.5 million or 72.2% of our current assets, respectively. Trade receivables amounted to S\$31.8 million as at 30 September 2011, of which S\$7.1 million were past due but not impaired. As each of our customers has varying payment cycles, we are generally able to receive payments from our customers within 45 days of billing. As at the Latest Practicable Date, other than for the outstanding amount of S\$358,000, such past due trade receivables have been collected.

Pre-payments amounted to approximately S\$2.7 million or 5.6% of our current assets and cash and cash equivalents amounted to approximately S\$10.6 million or 22.2% of our current assets as at 30 September 2011.

Current liabilities

Current liabilities comprised trade and other payables, borrowings, payable to related parties, current income tax liabilities and provisions. Our current liabilities as at 30 September 2011 amounted to approximately S\$52.4 million.

As at 30 September 2011, trade and other payables amounted to approximately S\$23.7 million or 45.2% of our current liabilities. Trade and other payables increased by S\$12.4 million or 110.0% from S\$11.3 million as at 30 June 2011 to S\$23.7 million as at 30 September 2011. This is mainly due to the increase in trade payables of S\$8.2 million or 118.8%, from S\$6.9 million as at 30 June 2011 to S\$15.1 million as at 30 September 2011 for the procurement of direct materials to partly fulfil the Company's order books, which stood at approximately S\$271.8 million as at the Latest Practicable Date.

Borrowings amounted to S\$21.4 million or 40.8% of our current liabilities of which approximately S\$18.9 million relate to the First Pre-IPO Investors and Second Pre-IPO Investors' convertible loans, income tax liabilities amounted to S\$6.2 million or 11.8% of our current liabilities and provisions for employee benefits amounted to S\$1.1 million or 2.0% of our current liabilities as at 30 September 2011.

Non-current liabilities

Non-current liabilities comprised borrowings, deferred income tax liabilities and provisions. Our non-current liabilities as at 30 September 2011 amounted to approximately S\$18.8 million. Borrowings amounted to approximately S\$18.0 million or 95.7% of our non-current liabilities, comprising of lease liabilities of approximately S\$9.6 million and bank bills of approximately S\$8.5 million. Deferred income tax liabilities amounted to approximately S\$0.4 million or 2.1% of our non-current liabilities and provision for employee benefits amounted to S\$0.3 million or 1.6% of our non-current liabilities as at 30 September 2011.

Share capital and reserves

As at 30 September 2011, our share capital and reserves amounted to approximately S\$9.8 million.

LIQUIDITY AND CAPITAL RESOURCES

Our growth and operations have been funded by a combination of internal and external sources of funds. Internal sources of funds comprise mainly cash generated from our operating activities and our cash and cash equivalents while external sources comprise mainly financing facilities from financial institutions and capital contribution from Shareholders.

The principal uses of these funds are for working capital purposes such as trade payables, financing of trade receivables balances and operating expenses, as well as for our capital expenditure and repayment of loans and advances.

Please refer to the section entitled “Capitalisation and Indebtedness” for details of our latest available credit facilities, cash and cash equivalents and level of borrowings.

Banking facilities

As at Latest Practicable Date, our Group has total banking facilities of A\$38.7 million (S\$51.5 million), of which A\$22.6 million (S\$30.1 million) was utilised as at Latest Practicable Date.

Particulars of our banking facilities as at Latest Practicable Date are as follows:

Name of bank	Nature of facilities/ purpose	Total amount available (A\$ m)	Utilised (A\$ m)	Unutilised (A\$ m)	Maturity Profile	Interest rates (% per annum)
St George Bank	Bank Bill	6.7	3.0	3.7	June 2016	7.19 – 7.47
St George Bank	Master Asset Finance Facility	5.0	2.4	2.6	Ongoing	Varies
St George Bank	Multi-Option Facility	10.0	0.4	9.6	Ongoing	Varies
Asset Insure	Surety Bonds	17.0	16.8	0.2	Ongoing	2.65
Total		38.7	22.6	16.1		

Repayment of the bank bill facility is on an interest only basis until 14 June 2016 and the terms of the bank bill will then be renegotiated. The bank bills facility is used to finance the construction of a shed for the expansion of our production facilities.

Our Group’s multi-option facility is secured by (i) a registered fixed and floating charge over the assets and undertakings of our Group; and (ii) a first registered real property mortgage over the leasehold interest in the commercial property located at Lot 804 (16) Nautical Drive, Henderson Western Australia and a guarantee and indemnity given by certain Directors. Please refer to the section entitled “Interested Person Transactions” for more information on the guarantees and indemnity given by certain Directors.

To the best of our Directors’ knowledge, we are not in breach of any terms, conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results of business operations or the investment by our Shareholders.

Notwithstanding that the Group recorded a net current liabilities of S\$4.6 million in the unaudited interim condensed combined financial statements as at 30 September 2011, had the convertible loans of A\$15 million been converted into equity, the Group would record a net current assets of S\$15.3 million instead. Please refer to Appendix D entitled “Unaudited Pro Forma Combined Financial Statements of

Civmec Limited and its subsidiaries for the financial period from 1 July 2011 to 30 September 2011” for further details. Accordingly, our Directors are of the opinion that, after taking into account our internal and external sources of funds, our Group has sufficient working capital as at the date of this Prospectus to meet our present requirements.

Cash Flows

We set out below a summary of our Group’s net cash flows for FP2010, FY2011 and 1Q2012:

	FP2010⁽¹⁾	FY2011	1Q2012
	S\$’000	S\$’000	S\$’000
Net cash from operating activities	6,950	1,716	4,563
Net cash used in investing activities	(14,773)	(30,797)	(5,450)
Net cash generated from/(used in) financing activities	18,101	23,248	4,793
Net increase/(decrease) in cash and cash equivalents	10,278	(5,833)	3,906
Effects of currency translation on cash and cash equivalents	42	1,110	113
Cash and cash equivalents at beginning of financial period	—	10,321	5,598
Cash and cash equivalents per combined statement of cash flows	10,320	5,598	9,617
Deposits pledged ⁽²⁾	935	1,022	991
Cash and cash equivalents	11,255	6,620	10,608

Notes:

- (1) Our Group began operations in 22 June 2009, when CCE was first incorporated in Australia. Please refer to the section entitled “History” for more details.
- (2) The deposits pledged are cash-backed bank guarantee facilities to provide security under the Henderson lease in favour of the lessor, Western Australian Land Authority, as well as cash-backed credit card facilities with St George Bank Ltd.

Please refer to the section entitled “Capitalisation and Indebtedness” for further details of our cash and cash equivalents and level of borrowings.

Net cash generated from operating activities

FP2010

In FP2010, we recorded net cash inflow from operating activities of approximately S\$6.9 million, which comprised operating profit before changes in working capital of approximately S\$6.0 million, adjusted for net working capital inflow of approximately S\$0.8 million and interest income received of approximately S\$0.1 million. The net working capital inflows were the result of an increase in trade and other payables of approximately S\$6.8 million due mainly to an increase in procurement of direct materials. The above working capital inflows were partially offset by an increase in trade receivables of approximately S\$6.3 million due to our Group being a new business.

FY2011

In FY2011, we recorded net cash inflow from operating activities of approximately S\$1.7 million, which comprised operating profit before changes in working capital of approximately S\$14.6 million, adjusted for net working capital outflow of approximately S\$10.2 million, interest received of approximately S\$0.3 million, interest payment of S\$0.8 million and income tax payment of approximately S\$2.2

million. The net working capital outflows were the result of an increase in trade receivables of approximately S\$13.7 million due mainly to the increase in revenue. The above working capital outflows were partially offset by an increase in trade and other payables of approximately S\$2.9 million due mainly to an increase in procurement of direct materials.

1Q2012

In 1Q2012, we recorded net cash inflow from operating activities of approximately S\$4.6 million, which comprised operating profit before changes in working capital of approximately S\$9.1 million and adjusted for net working capital outflow of approximately S\$4.1 million, interest received of approximately S\$0.1 million and interest payment of approximately S\$0.4 million and income tax payment of approximately S\$0.1 million. The net working capital outflows were the result of an increase in trade receivables of approximately S\$14.7 million due mainly to the increase in revenue. The above working capital outflows were partially offset by an increase in trade and other payables of approximately S\$12.4 million as a result of an increase in revenue.

Net cash used in investing activities

In FP2010, we recorded a net cash outflow from investing activities of approximately S\$14.8 million. This was mainly due to the purchase of property, plant and equipment for the set up of our production facilities.

In FY2011, we recorded a net cash outflow from investing activities of approximately S\$30.9 million. This was mainly due to the purchase of property, plant and equipment for expansion of our production facilities.

In 1Q2012, we recorded a net cash outflow from investing activities of approximately S\$5.5 million. This was mainly due to the purchase of property, plant and equipment for expansion of our production facilities.

Net cash generated from financing activities

In FP2010, we recorded a net cash inflow from financing activities amounted to S\$18.1 million as a result of the proceeds from issue of shares of approximately S\$4.3 million, related party borrowings of approximately S\$9.9 million and proceeds from issue of convertible loans of approximately S\$5.9 million partially offset by repayment of loans from related parties of approximately S\$0.9 million and deposits pledged of S\$0.9 million.

In FY2011, we recorded a net cash inflow from financing activities amounted to S\$23.2 million as a result of the proceeds from bank borrowings of approximately S\$16.2 million and proceeds from issue of convertible loans of approximately S\$13.0 million partially offset by repayment of bank borrowings and related party borrowings of approximately S\$0.6 million and S\$4.6 million respectively.

In 1Q2012, we recorded a net cash inflow from financing activities amounted to S\$4.8 million as a result of the proceeds from bank borrowings of approximately S\$5.4 million partially offset by repayment of bank borrowings of approximately S\$0.6 million.

MATERIAL CAPITAL EXPENDITURES AND DIVESTMENTS

The material capital expenditures made by our Group for FP2010, FY2011 and 1Q2012 and for the period from 1 October 2011 up to the Latest Practicable Date were as follows:

	Audited		Unaudited	
	FP2010 S\$'000	FY2011 S\$'000	1Q2012 S\$'000	As at Latest Practicable Date S\$'000
Property, plant and equipment	12,528	30,809	5,582	4,336
Total	12,528	30,809	5,582	4,336

The above capital expenditure was financed by a combination of funds generated from our operations, from banking facilities, finance lease and hire purchase facilities.

There were no material divestments by our Group during the periods under review and up to the Latest Practicable Date.

MATERIAL COMMITMENTS AND CONTINGENCIES

We have various contractual obligations, some of which are required to be recorded as liabilities in our financial statements, including long-term and short-term loans. Others, such as purchase obligations, are not generally required to be recorded as liabilities on our financial statements. Save as disclosed below and in our financial statements, we do not have additional commitments or contingencies that are not recorded in our financial statements that may result in future cash and/or other requirements.

Encumbrance over our Group's properties

Our Group has no other encumbrance over its properties save as disclosed in the section entitled "Properties and Fixed Assets".

Capital Commitments

As at the Latest Practicable Date, our Group has capital commitments arising from the additions to properties, plant and equipment of S\$13.2 million, of which S\$1.8 million is for the purchase of plant and equipment while the remaining S\$11.4 million is for the construction of our new office building.

Our Group expects to meet the capital expenditure commitment through our internal resources, undrawn hire purchase facilities, bank loans and Invitation proceeds.

Operating Lease Commitments

As at the Latest Practicable Date, our Group has operating lease commitments as follows:

	Unaudited as at 30.09.2011	As at Latest Practicable Date
	S\$'000	S\$'000
Not later than 12 months	1,117	1,530
Between 12 months and five years	4,850	5,275
Greater than five years	24,454	37,030
Total	30,421	43,835

Performance Guarantees

The amount of performance guarantees provided to our customers as at FP2010, FY2011, 1Q2012 and the Latest Practicable Date were as follows:—

Performance guarantees provided pursuant to:—	Audited		Unaudited	
	FP2010 A\$'000	FY2011 A\$'000	1Q2012 A\$'000	As at Latest Practicable Date A\$'000
Surety bond facility	—	729	14,993	16,801
Bank guarantees	—	—	363	363
Total	—	729	15,357	17,164

We entered into a surety bond facility with AssetInsure Pty Ltd, as agent for Swiss Re International Pty Ltd, for the provision of performance bonds on 26 November 2010. The surety bond facility had an original limit of A\$7.5 million, which was revised to A\$17.0 million on 19 September 2011. The increase in the amount of performance guarantees by A\$14.7 million from A\$0.7 million as at FY2011 to A\$15.4 million as at 1Q2012 was in line with the increase in the value of contracts secured and recognised as revenue, as well as our order book.

As at the Latest Practicable Date, we have provided performance guarantees amounting to A\$17.2 million (S\$22.9 million) for contracts secured and recognised as revenue, as well as our order book of approximately A\$204.0 million as at the Latest Practicable Date. We intend to meet future performance guarantee requirements through negotiation with customers, increasing or rolling-over of our financing (including similar surety bond facility and/or bank bill) from banks or other financial institutions, internally generated cash flow, secured contracts which do not require performance bonds and/or utilizing other sources of funds.

Please refer to the section entitled “Project Execution and Completion” of this Prospectus for more information on the performance guarantees we provide to our customers.

Save as disclosed above and in the section entitled “Prospects, Business Strategies and Future Plans”, we do not have other material plans on capital expenditures, divestments and commitments as at the Latest Practicable Date.

FOREIGN EXCHANGE EXPOSURE

Our reporting currency is in S\$. All our business operations are carried out in Australia. During the periods under review, the majority of our purchases and sales, and substantially our expenses, were denominated in A\$. Our books and records are maintained in A\$. However, to the extent that we may enter into transactions in currencies other than A\$ in the future, our financial results may be subject to fluctuations between such foreign currencies and A\$. Transactions in currencies other than the functional currency during the period, if any, will be translated into the functional currency at exchange rates in effect at the time of the transactions. Monetary assets and liabilities denominated in currencies other than the reporting currency at the balance sheet date, if any, will be translated into the reporting currency in effect at the balance sheet date. Exchange gains and losses are dealt with in the profit and loss accounts of our Group.

We have no material foreign currency exchange gain or loss during the periods under review. Currently, we do not have any hedging policy with respect to foreign exchange exposure and we did not use any financial instruments for hedging purposes in relation to the purchase of direct materials during the periods under review and up to the Latest Practicable Date. The Company had entered into 13 forward exchange contracts with St George Bank to purchase €1.3 million worth of plant and equipment from certain suppliers in Europe. The purchase of such plant and equipment was one-off in nature and the

Company had not entered into any financial instruments for hedging purposes since 29 November 2011. We will continue to monitor our foreign exchange exposure and may employ hedging instruments to manage our foreign exchange exposure should the need arise.

CHANGES IN ACCOUNTING POLICIES

Except as disclosed in the Audited Combined Financial Statements and Unaudited Interim Condensed Combined Financial Statements, there have been no changes in our accounting policies since the incorporation of CCE.

CREDIT MANAGEMENT

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

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.

Typically, we extend credit terms of 30 days to our customers. These terms vary on a case-to-case basis depending on the customer's creditworthiness and our existing relationship with the customer. We will decide on the credit terms after a thorough evaluation of the customer's financial condition, credit history, financial strength, and the volume of the customer's order. Generally, we invoice our customers every month on a progressive basis. In certain instances, we may agree with our customers on a milestone payment schedule.

For our existing customers, we periodically review the credit terms and our customers' previous payment track record, and if necessary, we will amend the credit terms we grant to our customers. We will also closely monitor any outstanding overdue debts and we will take measures to collect outstanding debts due to us.

We did not have any bad debts written-off nor did we provide for any doubtful debts for FP2010, FY2011 and 1Q2012.

Our Group had a concentration of credit risk with Leighton Contractors Pty Limited, accounting for approximately S\$13.9 million, or 83.0% of the trade receivables in FY2011. As of the Latest Practicable Date, we have collected the S\$13.9 million due from Leighton Contractors Pty Limited. The main source of credit risk to our Group is considered to relate to the class of assets described as "Trade and other receivables".

Depending on the contract terms, our customers generally retain 5.0% of the contract sum which will be released to us after the expiry of the defects liability period. The defects liability period is typically 12 months after delivery of the goods. The retention sum is based on the contract signed and determined at the contract negotiation stage, depending on our customers' requirement. Retention monies are included in the balance sheet under Trade and Other Receivables and represent the amount of progress billings which will be paid after the satisfaction of conditions specified in the contract such as the defects liability period. The amount of retention monies of our Group for FP2010, FY2011 and 1Q2012 is as follows:

	FP2010 (S\$)	FY2011 (S\$)	1Q2012 (S\$)
Retention Monies	269,284	463,745	661,415

Credit terms extended to our customers are generally 30 days. Our average trade receivables' turnover days for FP2010, FY2011 and 1Q2012 are as follows:

	FP2010 ⁽¹⁾	FY2011 ⁽¹⁾	1Q2012 ⁽²⁾
Trade receivables' turnover in days	46	79	56

Notes:

- (1) Trade receivables turnover = (Average trade receivables/revenue) X 365 days. Where "Average trade receivables" is defined as the average of the opening and closing trade receivables amount of the relevant year.
- (2) Trade receivables turnover = (Average trade receivables/revenue) X 90 days. Where "Average trade receivables" is defined as the average of the opening and closing trade receivables amount of the relevant year.

Trade receivables' turnover days increased from 46 days in FP2010 to 79 days in FY2011 mainly due to a single debtor owing A\$10.0 million. This debt was subsequently paid in the 1Q2012 leading to lower turnover days in 1Q2012.

Aging Analysis

The aging schedule for trade receivables as at 30 September 2011 is as follows:

	As at 30 September 2011	
	S\$'000	%
Within 30 days	24,747	77.7
Within 60 days	6,808	21.4
More than 60 days	276	0.9
Total trade receivables	31,831	100.0
Allowance for impairment of trade receivables	—	
Net trade receivables	31,831	
Amount received as at the Latest Practicable Date	31,473	

Credit policy of our suppliers

Credit terms granted by our trade creditors may vary from supplier to supplier. In general, our credit terms granted by our suppliers are usually 30 days. Our average trade payables' turnover for FP2010, FY2011 and 1Q2012 are as follows:

	FP2010 ⁽¹⁾	FY2011 ⁽¹⁾	1Q2012 ⁽²⁾
Trade payables' turnover in days	54	52	31

Notes:

- (1) Trade payables turnover = (Average trade payables/cost of sale) X 365 days. Where "Average trade payables" is defined as the average of the opening and closing amount of trade payables of the relevant year.
- (2) Trade payables turnover = (Average trade payables/cost of sale) X 90 days. Where "Average trade payables" is defined as the average of the opening and closing amount of trade payables of the relevant year.

Our trade payables' turnover in days was relatively stable although higher than the credit terms granted by our suppliers due to the management of cash flow during the start up of the company. The lower trade payables' turnover for 1Q2012 was due mainly to the repayment to our suppliers in that period.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

PROSPECTS

Economic and industry outlook in Australia⁽¹⁾

Australia is expected to continue to record solid economic growth in 2012 and 2013 despite the recent gloom in the state of global economy. Much of this growth is expected to come from a strong pipeline of investment projects. The continued increase in large and long term investment projects reflects strong investors' confidence level in the prospects of the Australian economy. As at December 2011, the total value of investment projects underway or in planning in Australia has exceeded A\$912.8 billion.

As at December 2011, mining and oil and gas industries accounted for A\$405.9 billion or 44.5% of the total value of investment projects and A\$132.9 billion or 38.3% of the investment projects under construction. Mining and oil and gas industries are expected to continue to dominate the investment themes in Australia in the near to medium term, as evidenced by the mining and oil and gas industries accounting for A\$ 56.6 billion or 82.7% of the committed investment projects and A\$155.4 billion or 70.2% and investment projects under consideration.

Western Australia is home to a large share of the engineering construction activities in Australia, with a staggering volume of work either underway or being considered. Approximately 29.3% of total investment projects underway or in planning as at December 2011 were located in Western Australia. Furthermore, Western Australia accounts for 53.3% of the total investment projects in the mining and oil and gas industries in Australia, or approximately A\$216.2 billion out of the total A\$405.9 billion worth of mining and oil and gas investment projects in Australia.

While there are notable challenges in the global economic outlook, the Australian mining and oil and gas industries are expected to continue to increase their capital expenditure to capitalise on the opportunities from the boom in China and other emerging economies. As a consequence, such capital expenditure is sharply concentrated in engineering construction activities, particularly in Western Australia and Queensland.

Note:

- (1) Based on the December 2011 issue of Investment Monitor, a quarterly publication by Deloitte Access Economics that provides detailed data on major business and government investment projects in Australia. Deloitte Access Economics has been commissioned to provide an independent overview on the economic and industry outlook in Australia, set out in the section entitled "Australia Economic Overview".

Please see the section entitled "Cautionary Note Regarding Forward-looking Statements" in relation to the above.

OUR ORDER BOOK

As at the Latest Practicable Date, our order book based on secured contracts amounted to approximately A\$204.0 million (approximately S\$271.8 million) which we expect to deliver A\$76.5 million (approximately S\$102.0 million) and A\$127.5 million (approximately S\$169.8 million) worth of contracts in FY2012 and FY2013, respectively.

TREND INFORMATION

In general, the demand for our products and services are affected by the budget and timing of the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries which, in turn, depend on the global supply and demand for oil and gas, resources, infrastructure, utilities, chemicals and power. Based on the revenue and operations of our Group as at the Latest Practicable Date, our Directors believe that although Australia is expected to continue to record solid

economic growth in FY2012 despite the recent gloom in the state of global economy, the costs of labour, direct materials and utilities including electricity and water are likely to face an upward trend. This may lead to higher costs of production. If we are unable to adjust our prices in line with our increased costs, our profitability may be affected.

Our gross profit margin is affected by, *inter alia*, the accuracy in our estimation of project costs, the ability of our Group to negotiate for a higher contract value of our secured contracts with our customers, the percentage contribution from our respective industry segments to the Group's revenue and the ability to utilise direct labour as opposed to sub-contracts. Our overall gross profit margin was 37.0%, 32.7%, 30.1% and 26.6% of our revenue for FP2010, FY2011, 1Q2011 and 1Q2012, respectively. The decrease in our overall gross profit margin from 32.7% in FY2011 to 26.6% in 1Q2012 was due mainly to the increase in contribution by the mining and others industry segment as a percentage of our Group's revenue.

Definite and planned investment projects in the mining industry have increased by 25.9% from A\$129.6 billion as at December 2010 to A\$163.1 billion as at December 2011 while the definite and planned investment projects in the oil and gas industry have remained relatively stable over the same period⁽¹⁾. In line with the industry trend, the new contracts secured by our Group are predominantly from the mining industry. These new contracts typically have larger average contract value, will be completed in phases over a generally longer term and are expected to better utilise our existing resources (including our fabrication facilities and our available pool of skilled workers), despite having lower gross profit margin. The contribution from such contracts with lower gross profit margin is expected to comprise a larger proportion of our total gross profit as compared to other contracts with higher gross profit margins. Accordingly, we expect the contribution by the mining and others industry segment as a percentage of our Group's revenue to increase and our overall gross profit margin for FY2012 to be lower than that of 1Q2012 for the aforementioned reasons. Please refer to the section entitled "Australia Economic Overview" for the forecasted public and private sector investments as well as "Management's Discussion and Analysis of Results of Operations and Financial Position" for more information.

Note:

- (1) Based on the December 2011 issue of Investment Monitor, a quarterly publication by Deloitte Access Economics that provides detailed data on major business and government investment projects in Australia. Deloitte Access Economics has been commissioned to provide an independent overview on the economic and industry outlook in Australia, set out in the section entitled "Australia Economic Overview".

The interest expense arising from convertible loans was S\$0.8 million and S\$0.3 million in FY2011 and 1Q2012 respectively. The interest expense for the convertible loans was non-cash in nature and a one-off expenditure. Prior to the Invitation, all convertible loans will be converted to Shares and accordingly we will cease to incur such interest expenses.

Our effective tax rates were 32.9%, 32.3% and 30.2% for FP2010, FY2011 and 1Q2012, respectively which is higher than the marginal tax rate of 30.0% due to non-deductible depreciation expenses pertaining to the purchase of Ballymount.

Save as disclosed above, in the sections entitled "Risk Factors", "Management Discussion and Analysis of the Results of Operations and Financial Condition" and "Prospects, Business Strategies and Future Plans" and barring any unforeseen circumstances, our Directors believe that there are no other significant recent known trends in the costs and prices of our products and services, or any other known uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity and capital resources. They are also not aware of any such trends that would cause the financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" for further information.

BUSINESS STRATEGIES AND FUTURE PLANS

We intend to continue expanding our office premises for the operations of our Group

Our Group intends to deploy part of the net proceeds attributable to our Company from the issue of the New Shares to the building of new office premises for the operations of our Group. As at the Latest Practicable Date, we have commenced the building of new office premises, which are expected to be completed by March 2013. The expanded office premises will facilitate and expand the administration capabilities of our operations.

The cost of constructing our new office premises is approximately A\$9.0 million (equivalent to S\$12.0 million). As at the Latest Practicable Date, A\$0.5 million (approximately S\$0.6 million) in expenditure had been made in respect of the building of the new office premises. We intend to allocate approximately S\$6.0 million of the net proceeds from the Invitation towards the building of the new office premises. We will finance the balance amount through bank borrowings.

We intend to acquire additional plant and equipment and upgrade our Facilities

We intend to acquire additional plant and equipment including cranes, boom lifts, welding machines and compressors to increase our capabilities in SMP installation works, and excavators, bobcats, fork lifts and concrete pumps to expand our site civil works capabilities. We may also acquire such additional plant and equipment as may be required for the performance of any of our projects. These new plant and equipment with additional features and improved performance specifications will upgrade our capabilities and ensure that we take advantage of technological advances in our industry.

In addition, we believe that upgrading our Facilities with additional automatic submerged arc welding machines, tank rotators, yard cranes and specialist welding and assembly equipment will enhance our capabilities to tender for a wider range of projects and also enable us to carry out fabrication works more efficiently and hence strengthen our market position as one of the leading integrated multi-disciplinary construction and heavy engineering services provider to the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries.

As at the Latest Practicable Date, our Group has capital commitments arising from the additions to plant and equipment of A\$1.3 million (approximately S\$1.8 million). We intend to allocate approximately S\$3.0 million of the net proceeds from the Invitation for the acquisitions of additional plant and equipment and upgrade our facilities. To the extent there is a shortfall in such provision, we intend to finance any shortfall through our working capital and/or borrowings, and to the extent there is a surplus, we intend to apply such surplus for the building of our new office and/or working capital uses.

We intend to expand our sales and marketing capabilities

We believe that the quality of our experienced and established sales and marketing personnel is one of our key success factors and we intend to expand our sales and marketing capabilities and initiatives by taking the following measures:

- (i) increasing the number of sales and marketing personnel in our Group to undertake increased sales and marketing activities;
- (ii) expanding our corporate customer base by seeking more customers to gain entry into new projects and enhance our market presence; and
- (iii) fostering closer relationships and exploring cooperation opportunities with existing customers, in particular our major customers. We may also enter into similar collaborations with other customers as and when the opportunities arise.

We intend to fund the expansion of our sales and marketing capabilities and initiatives with our working capital.

We plan to explore opportunities in strategic investments or alliances and acquisitions

We plan to diversify our range of services and expand our businesses by entering into strategic investments or alliances and/or acquire businesses in related fields when opportunities arise. We intend to venture into SMP installation work to supply site construction, structural, piping, and mechanical installation services to the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries. Save for the foregoing and our strategic alliance with Civmec Cape Insulation Group in relation to CCIG, we have not identified any specific investments or acquisition targets as at the Latest Practicable Date. However, should such opportunities arise, we will seek approvals, where necessary, from our Shareholders and the relevant authorities as may be required by the relevant rules and regulations. Should we need to enter into strategic alliances, we will fund such expansions from internally generated funds and/or future external fund raising activities.

Please refer to the section entitled “Use of Proceeds and Listing Expenses” for more information on the use of the net proceeds from the issuance of the New Shares.

DIRECTORS, KEY EXECUTIVES AND EMPLOYEES

DIRECTORS

Our Directors are entrusted with the responsibility for the overall management of our Group. The particulars of our Directors are listed below:

Name	Age	Address	Country of Residence	Designation
James Finbarr Fitzgerald	48	10 Tara Vista, West Leederville, WA, Australia 6007	Australia	Executive Chairman
Patrick John Tallon	42	12/5 Melville Place, South Perth, Australia 6151	Australia	CEO
Kevin James Deery	40	Unit 5/42 Gardner Street, Como, WA, Australia 6152	Australia	COO
Chong Teck Sin	56	16 Jalan Kakatua Jurong Park Singapore 598533	Singapore	Lead Independent Director
Chelva Retnam Rajah	63	7D Balmoral Road Singapore 259790	Singapore	Independent Director
Wong Fook Choy Sunny	55	80 Robinson Road #17-02 Singapore 068898	Singapore	Independent Director

The business and working experience of our Directors are summarised below:

James Finbarr Fitzgerald

Mr. James Finbarr Fitzgerald is our Executive Chairman. He was appointed to our Board on 27 March 2012. He is responsible for the development and performance of our Group including the areas of safety, strategy and financial performance. Mr. Fitzgerald and our CEO were amongst the founders of our Group. Mr. Fitzgerald has over 30 years of experience in the structural mechanical process and insulation contracting sector. He was a founder and a director of AGC Industries Pty Ltd from end 1997 to 2009, where he was responsible for the management, development and performance of the operation divisions of AGC Industries Pty Ltd, and between 2000 and 2008, spearheaded the expansion of the oil and gas business group where he developed substantial experience in the fabrication and assembly of production platforms and subsea modules. AGC Industries Pty Ltd subsequently became a wholly-owned subsidiary of AusGroup Limited, and Mr. Fitzgerald, being a founding member, served as Executive Director of AusGroup Limited from 2005 to 2008, being responsible during his tenure, for the management, development and performance of its operating divisions. Mr. Fitzgerald also has significant experience in the fabrication and construction of material handling and process plants for mining and resource industries. Prior to that, he was the managing director of Ausclad Industries Pty Ltd (which subsequently became a subsidiary of AusGroup Limited) from 1989 to 1998. Mr. Fitzgerald holds an Australian Tradesman's Certificate (Sheet Metal Worker, First Class) from the Australian Local Sheetmetal Trade Committee of New South Wales.

Patrick John Tallon

Mr. Patrick John Tallon is our CEO. He was appointed to our Board on 27 March 2012. Mr. Tallon and our Executive Chairman were amongst the founders of our Group. He has been with our Group since

July 2009 and is responsible for the safety, budgets, management and development of our Group's operations, setting all Group policies such as those relating to safety, quality and the environment and the improvement of productivity. Prior to joining our Group, he was a director of Ballymount Enterprises Pty Ltd from September 2002, where he was responsible for promoting, expanding, developing and steering the company as well as guiding its operations in structural concrete contracting. Ballymount Enterprises Pty Ltd is in the process of being wound up, which is expected to be completed by July 2012. Mr. Tallon has over 24 years experience in the construction industry. Mr. Tallon's experience includes large mining projects involving the delivery of high quality structures. He has experience in bridge and multi-storey constructions. Mr. Tallon holds a tradesman certificate in carpentry and joinery from the Training and Employment Authority of Ireland.

Kevin James Deery

Mr. Kevin James Deery is our COO. He was appointed to our Board on 27 March 2012. He is responsible for the overall operations of our Group including ensuring that projects are completed within budget, overseeing the management of current projects, forecasting of revenues and profits, and implementing and complying with the safety and quality management systems, procedures and work instructions. Mr. Deery is also responsible for approving the purchase and disposal of assets and the appointment of appropriate personnel to various positions in our Group. From 2001 to 2009, Mr. Deery held various positions which include that of manager of projects in AGC Industries Pty Ltd (a wholly-owned subsidiary of AusGroup Limited). He managed SMP construction works for major projects and ensured that project managers completed projects in a safe, timely and profitable manner. Mr. Deery has over 17 years of experience in the resources industry and in particular fabrication and construction projects for the mining and oil and gas sectors. Mr. Deery holds a Bachelor of Engineering (Mechanical) Degree from Curtin University.

Chong Teck Sin

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 Seksun Corporation Ltd (subsequently known as Enporis Greenz Limited) from 1999 to 2004, and thereafter, served as a non-executive director on the boards of directors of companies and/or entities. Mr. Chong was also formerly an independent director of Beyonics Technology Limited and is currently an independent director of Wanxiang International Limited and AVIC International Investments Limited. Mr. Chong is also an independent director of Blackgold International Holdings Limited and Changan Minsheng APLL Logistics Co., Ltd, which are listed on the Australian Securities Exchange and the Stock Exchange of Hong Kong Limited, respectively. Between April 2004 and March 2010, Mr. Chong was a board member of the Accounting and Corporate Regulatory Authority. Between October 2008 and July 2010, Mr. Chong was also a board member of the National Kidney Foundation. Mr. Chong graduated with a Bachelor of Engineering from the University of Tokyo in 1981 and a Masters of Business Administration from the National University of Singapore in 1987.

Chelva Retnam Rajah

Mr. Chelva Retnam Rajah is our Independent Director and was appointed to our Board on 27 March 2012. He is currently a partner at Tan Rajah & Cheah, Advocates & Solicitors ("TRC"). Mr. Rajah has been a partner at TRC since 1976. From 1 July 1995 to 30 June 1997, Mr. Rajah served as Judicial Commissioner of the High Court of Singapore, after which he rejoined TRC as a partner. Since 1 April 2003, he has been the non-executive chairman of Cathay Organisation Holdings Ltd., where he was also a non-executive director since 7 July 1999. He is also a director of several companies in the Cathay Organisation group. Mr. Rajah has been an independent director of UOB-Kay Hian Holdings Ltd. since August 2000. He was formerly an independent director and chairman of MPH Limited, and director of United Pulp & Paper Co. Ltd. Mr. Rajah also formerly served as independent director of Overseas Union Enterprise Ltd. and Kay Hian Holdings Limited (prior to its merger with certain

businesses of United Overseas Bank Limited). From 1990 to 1992, he served as the President of the Law Society of Singapore and a Vice President of the Singapore Academy of Law. He was appointed Senior Counsel in 1998. Mr. Rajah has served as a Member of the Military Court of Appeal. He obtained his Bachelor of Arts (Jurisprudence) from Lincoln College, Oxford University. Mr. Rajah is qualified as a Barrister-at-law (Middle Temple) and an Advocate & Solicitor in Singapore.

Wong Fook Choy Sunny

Mr. Sunny Wong Fook Choy is our 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. He started his legal career in 1982. 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 Laws (Honours) from the National University of Singapore.

Experience and Expertise of our Directors

All our Directors possess the relevant experience and expertise to act as our Directors, as evidenced by their business and working experience set out above and have prior experience as directors of public listed companies in Singapore and/or been informed of their roles and responsibilities of a director of a listed company on the SGX-ST. Our Executive Chairman and all our Independent Directors have prior experience as directors of public listed companies in Singapore, and are familiar with the roles and responsibilities of directors of public listed companies in Singapore. Our CEO and COO have been informed of their obligations under the Listing Manual as well as the relevant Singapore laws and regulations and they have attended a programme organised by the Singapore Institute of Directors and supported by the SGX-ST on 11 January 2012 to familiarise themselves with the roles and responsibilities of a director of a listed company on the SGX-ST.

The list of present and past directorships of each Director over the last five years preceding the Latest Practicable Date, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
James Finbarr Fitzgerald	<u>Group Companies</u> CCE Civmec Holdings Civmec Pipe Ballymount <u>Other Companies</u> AGC Rural Pty Ltd ⁽¹⁾ Parglade Holdings (1998) Pty Ltd ⁽²⁾	<u>Group Companies</u> Nil <u>Other Companies</u> AGC Australia Pty Ltd AGC Industries Pty Ltd AGC Refractory Pty Ltd AGC Services Pty Ltd AGC Technologies Pty Ltd Ausclad Commercial Industries Pty Ltd Ausclad Group of Companies Limited Clad Limited Trade Fast (WA) Pty Ltd AusGroup Limited Ausclad Pty Ltd Glenkarri Pty Ltd Cactus Engineering & Trading Pte Ltd Seagate Structural Engineering Pty Ltd

Name	Present Directorships	Past Directorships
Patrick John Tallon	<u>Group Companies</u> CCE Civmec Holdings Ballymount <u>Other Companies</u> Goldfirm Ballymount Enterprises Pty Ltd ⁽¹⁾ Boddington Enterprises Pty Ltd ⁽¹⁾	<u>Group Companies</u> Nil <u>Other Companies</u> Nil
Kevin James Deery	<u>Group Companies</u> CCE Civmec Holdings Ballymount <u>Other Companies</u> CCIG	<u>Group Companies</u> Nil <u>Other Companies</u> Nil
Chong Teck Sin	<u>Group Companies</u> Nil <u>Other Companies</u> AVIC International Investments Limited Blackgold International Holdings Limited GRN Singapore Pte. Ltd. Atlas Vending Pte Ltd Wanxiang International Limited Changan Minsheng APLL Logistics Co. Ltd	<u>Group Companies</u> Nil <u>Other Companies</u> JES International Holdings Limited The National Kidney Foundation Accounting and Corporate Regulatory Authority Sihuan Pharmaceutical Holdings Group Ltd British-American Tobacco (Singapore) Private Limited Midsouth Holdings Pte. Ltd. Eastgate Technology Ltd Beyonics Technology Limited
Chelva Retnam Rajah	<u>Group Companies</u> Nil <u>Other Companies</u> Cathay Organisation Private Limited Singapore Majestic Theatre Private Limited Cathay-Keris Films Pte Ltd Mt. Emily Realty Pte Ltd Cathay Organisation Holdings Ltd Cathay Properties Pte Ltd Riverine Realty Pte Ltd Cathay Asia Films Pte Ltd Cathay Cineplexes Pte Ltd Cathay Prinsep Holdings Pte Ltd Cathay Building 2002 Pte Ltd Cathay Leisure Holdings Pte Ltd Hangout Hotels International Pte Ltd Cathay Ad-House Pte Ltd Pavilion Foundation Limited Singapore International Arbitration Centre UOB-Kay Hian Holdings Limited Mercy Relief Limited Camelot Trust Pte Ltd	<u>Group Companies</u> Nil <u>Other Companies</u> Overseas Union Enterprise Limited Greenall Investments Pte Ltd Maxwell Chambers Pte Ltd

Name	Present Directorships	Past Directorships
Wong Fook Choy Sunny ⁽³⁾	<u>Group Companies</u> Nil <u>Other Companies</u> Albedo Limited Excelpoint Technology Ltd. Mencast Holdings Ltd. KTL Global Ltd Wong Tan & Molly Lim LLC WTML Management Services Pte Ltd	<u>Group Companies</u> Nil <u>Other Companies</u> Advanced Integrated Manufacturing Corp. Ltd. Global Testing Corporation Limited

Notes:

- (1) As at the Latest Practicable Date, these companies do not own nor carry on any substantive business and are in the process of being wound up or struck off, which are expected to be completed by July 2012.
- (2) As at the Latest Practicable Date, Parglade Holdings (1998) Pty Ltd owns plant and equipment to which it has leased to third parties. Parglade Holdings (1998) Pty Ltd does not have any transactions with the Group.
- (3) Companies in which Wong Fook Choy Sunny was appointed as director for the purpose of incorporation only and in the course of his professional practice, or as nominee director have not been included.

None of our Independent Directors have any existing business relationships or financial dealings with, nor are they directly or indirectly, engaged or concerned or interested in any capacity in any business, trade or occupation which has any existing business relationship or financial dealing with, our Company or our subsidiaries.

None of the Directors are related to each other or to any of our Key Executives and Substantial Shareholders. None of our Directors has any arrangement or understanding with any of our Substantial Shareholders, customers, suppliers or other person pursuant to which such Director was appointed as a Director. There is no shareholding qualification for Directors under our Articles of Association.

No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.

KEY EXECUTIVES

Our day-to-day operations are entrusted to our Executive Directors and our Key Executives. An experienced and qualified team of Key Executives is responsible for the different functions of our Group. The particulars of our Key Executives are set out below:

Name	Age	Residential Address	Designation
Giuseppe Carrabba	39	9 More Crescent Bull Creek, WA, Australia 6149	CFO
Terence Hemsworth	59	6 Howick Court, Coogee, WA, Australia 6166	Support Services Manager
Giuseppe Macri	62	253 The Esplanade, Mt Pleasant WA, Australia 6153	Business Development Manager
Colin Brown Swan	50	10 Gladstone Avenue, South Perth, WA, Australia 6151	Finance Manager

Name	Age	Residential Address	Designation
Rodney John Bowes	51	23 Packerham Promenade, Canning Vale, WA, Australia 6155	Proposals Manager
Trevor White	47	4/103 Mary Street, Como, WA, Australia 6152	General Manager (Operations)

The business and working experience of our Key Executives are set out below:

Giuseppe Carrabba

Mr. Giuseppe Carrabba is our CFO. He joined our Group in July 2011 and is responsible for the financial management of our Group. Mr. Carrabba commenced his career in 1993 in public practice as an accountant. In 1999, he was an accountant in Lycopodium Ltd, an Australian based engineering and project management company. He joined Dwyer Durack, an Australian law firm, as a company accountant in 2001. In 2002, Mr. Carrabba joined PMP Print Ltd, a printing and distribution company listed on the Australian Securities Exchange as a commercial manager, where he was responsible for the preparation of budgets and the management of financial and commercial affairs of the company. He joined Downer EDI Works Limited, a manufacturer of asphalt and a provider of road construction and maintenance services, as a management accountant in 2005, where he was responsible for the financial policies and operations of the company. In 2007, he joined the Industrial Foundation for Accident Prevention, an independent, not-for-profit, member-based occupational health and safety training organisation that provides safety and risk management solutions to the Australian workplace, as chief financial officer. Mr. Carrabba holds a Bachelor of Business from Curtin University of Technology and is a member of CPA Australia.

Terence Hemsworth

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, legal, risk and insurance and business systems. Mr. Hemsworth's career spans more than 40 years in the construction and fabrication industry, having worked on major projects for the oil and gas, mining, resource and infrastructure sectors in the United Kingdom, South Africa, New Zealand, Australia, Singapore and Malaysia. From 2002 to 2010, Mr. Hemsworth held a number of senior roles at AGC Industries Pty Ltd (a wholly-owned subsidiary of AusGroup Limited), which include that of group commercial manager, acting executive general manager operations, and general manager in Ausclad Group of Companies Limited. Prior to that, Mr. Hemsworth held a number of roles at O'Donnell Griffin Electrical Engineering Pty Ltd including regional manager for Western Australia and Northern Territory, state manager for Western Australia and operations manager for Singapore. Mr. Hemsworth holds an Electrician Certificate from the City & Guilds of London Institute.

Giuseppe Macri

Mr. Giuseppe Macri is our Business Development Manager. He joined our Group in 2010 and is responsible for identifying and targeting new business opportunities, fostering existing customer relationships, preparing and submitting pre-qualification expressions of interest documentation, supporting and assisting in the preparation of tender proposals, preparing prospect assessments and process evaluation for bidding tenders, assisting in early contract negotiations and preparing customer presentations. Prior to joining our Group, Mr. Macri was the business development manager of AGC Industries Pty Ltd (a wholly-owned subsidiary of AusGroup Limited). He had a supporting role in the preparation of the listing of AusGroup Limited on the SGX-ST in 2005. Mr. Macri was on the executive management team of AGC Industries Pty Ltd from 2002 to 2007. Prior to joining AusGroup Limited, Mr. Macri joined Transfield Construction Pty Ltd. in 1967, and was appointed general manager of

fabrication operations in Western Australia in 1974, a position he held until 2002. He was also an associate director of Transfield Construction Pty Ltd from 1985 to 2002. Mr. Macri brings to our Group approximately 47 years of experience in the engineering and construction industry. Mr. Macri received his high school education at John Curtin High School, Fremantle.

Colin Brown Swan

Mr. Colin Brown Swan is our Finance Manager. He joined our Group in 2009 and is responsible for the day-to-day management of the financial operations of our Group. Prior to joining our Group, from 2008 to 2009, Mr. Swan was finance manager at Civmec Construction & Engineering Pty Ltd (then a subsidiary of VDM Group Limited). From 2007 to 2008, Mr. Swan was a project accountant at Kaefer Integrated Systems Pty Ltd, a multinational corporation specialising in industrial cladding. From 2002 to 2006, Mr. Swan was financial manager at Intervid International, where he was responsible for implementing various systems for the management of accounting and financial operations. From 1987 to 2001, Mr. Swan was a financial/systems and accounting manager at Grinaker-LTA Limited, where he was responsible for the management of the financial and accounting systems. Mr. Swan is an associate of the Institute of Chartered Secretaries and Administrators (ICSA), a Member of the Institute of Public Accountants, and holds a certificate in management from the Graduate Institute of Management and Technology.

Rodney John Bowes

Mr. Rodney John Bowes is our Proposals Manager. He joined our Group in 2010 and is responsible for the management of our Estimating Department, the preparation of tenders and contract documentation, and the negotiation of contracts. Prior to joining our Group, Mr. Bowes was general manager (marketing and proposals) at Ausgroup Limited for eight years, where he was in charge of the management of the business development, and the marketing and estimating departments. Mr. Bowes holds trade papers in engineering and shipbuilding from the City and Guilds of London Institute.

Trevor White

Mr. Trevor White is our General Manager (Operations). He joined our Group in 2011 and is responsible for the management of the construction and fabrication activities of our Group. Prior to joining our Group, he held a number of senior management roles in Jacobs Engineering Group Inc. (one of the world's leading and most diverse providers of technical, professional and construction services) from 1986 to 2011, where his appointments included being national construction manager, site manager and commissioning engineer. Mr. White holds an ordinary national certificate in technical architecture and ship design from the Longlands College of Further Education.

The list of present and past directorships of each Key Executive over the last five years preceding the Latest Practicable Date, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Giuseppe Carrabba	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	Nil
	<u>Other Companies</u>	<u>Other Companies</u>
	Nil	Nil

Name	Present Directorships	Past Directorships
Terence Hemsworth	<u>Group Companies</u> Nil <u>Other Companies</u> CCIG	<u>Group Companies</u> Nil <u>Other Companies</u> Nil
Giuseppe Macri	<u>Group Companies</u> Nil <u>Other Companies</u> Nil	<u>Group Companies</u> Nil <u>Other Companies</u> Transfield Construction Pty Ltd
Colin Brown Swan	<u>Group Companies</u> Nil <u>Other Companies</u> Aquila Distributors Pty Ltd ⁽¹⁾ Essential Chef Pty Ltd ⁽¹⁾	<u>Group Companies</u> Nil <u>Other Companies</u> Nil
Rodney John Bowes	<u>Group Companies</u> Nil <u>Other Companies</u> Nil	<u>Group Companies</u> Nil <u>Other Companies</u> Nil
Trevor White	<u>Group Companies</u> Nil <u>Other Companies</u> Trevor White Enterprises Pty Ltd	<u>Group Companies</u> Nil <u>Other Companies</u> Nil

Notes:

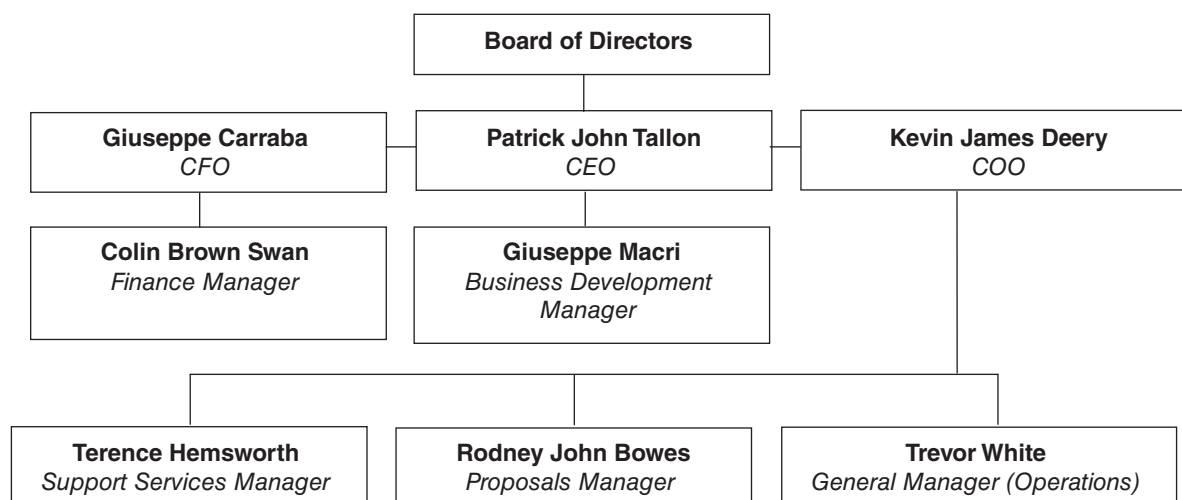
(1) As at the Latest Practicable Date, these companies are dormant companies.

None of the Key Executives are related to each other or to any of our Directors or Substantial Shareholders.

None of our Key Executives has any arrangement or understanding with any of our Substantial Shareholders, customers, suppliers or other person pursuant to which such Key Executive was appointed as a Key Executive of our Group.

MANAGEMENT REPORTING STRUCTURE

The management reporting structure of our Group is set out below:



SERVICE AGREEMENTS

On 27 March 2012, our Company entered into service agreements (“**Service Agreements**”) with each of our Executive Chairman, CEO and COO (collectively, “**Executives**” and each an “**Executive**”).

The Service Agreements are valid for an initial period of three years with effect from the date of our admission to the Official List of the SGX-ST. Upon the expiry of the initial period of three years, the employment of each Executive shall be renewed for a further three years on such terms as may be agreed by our Remuneration Committee unless either party notifies the other party by giving three months’ written notice of its intention not to renew the employment.

Either party may terminate the Service Agreement by giving to the other six months’ written notice or in lieu of such notice an amount equivalent to six months’ salary based on the Executive’s last drawn monthly salary on a pro-rata basis, save that during the initial period of three years, the Executive shall not be entitled to terminate the Service Agreement without the prior written consent of our Board. The Service Agreement shall forthwith automatically determine upon the death of the Executive and may be terminated immediately by our Company without prior notice if the Executive shall at any time:

- (a) commit any material or persistent breach of any of the provisions contained therein;
- (b) be guilty of any grave misconduct or wilful neglect in the discharge of his duties thereunder;
- (c) become bankrupt or make any arrangement or composition with his creditors;
- (d) be guilty of conduct tending to bring himself or our Company into disrepute;
- (e) become of unsound mind;
- (f) by reason of ill health or injury caused by his own default becomes unable to perform any of his duties under the Service Agreement for a continuous period of 120 days or more;
- (g) be disqualified from being a Director; or
- (h) is convicted of any criminal offence (save for an offence under any road traffic legislation for which he is not sentenced to any term of immediate or suspended imprisonment) and sentenced to any term of immediate or suspended imprisonment.

Pursuant to the terms of the Service Agreements, our Executive Chairman, CEO and COO will be entitled to receive an annual salary of A\$220,000 each.

In addition, our Company is required to make superannuation payments in relation to each Executive under the laws and regulations of Australia, and each Executive is entitled to receive an annual allowance of A\$20,000 for the use and maintenance of a car.

The remuneration payable to the Executives under their respective Service Agreements is similar to the remuneration payable to such Executives during FY2011.

Each Executive is also bound under his Service Agreement not to disclose any confidential information concerning the business or affairs of our Group. Please refer to the section entitled “Potential Conflict of Interests” for more information on other restrictions applicable to the Executives.

Save as disclosed above, there are no other existing or proposed service contracts between our Company and any Director. There is also no existing or proposed service agreement entered into or to be entered into by our Directors with our Group which provide for benefits upon termination of employment.

DIRECTORS AND KEY EXECUTIVES’ REMUNERATION

The compensation paid to our Directors and Key Executives for FP2010 and FY2011 and the estimated compensation to be paid to our Directors and Key Executives for FY2012 (in remuneration bands⁽¹⁾) are as follows:

	FP2010	FY2011	Estimated amount for FY2012
Directors			
James Finbarr Fitzgerald	A	B	B
Patrick John Tallon	A	B	B
Kevin James Deery	A	B	B
Chong Teck Sin	—	—	A
Chelva Retnam Rajah	—	—	A
Wong Fook Choy Sunny	—	—	A
Key Executives			
Giuseppe Carrabba ⁽²⁾	—	—	A
Terence Hemsworth	—	A	B
Giuseppe Macri	—	A	B
Colin Brown Swan	A	A	A
Rodney John Bowes	—	A	B
Trevor White	—	—	B

Notes:

- (1) ‘A’ means between S\$0 and S\$249,999.
‘B’ means between S\$250,000 and S\$499,999
- (2) Giuseppe Carrabba joined our Group in July 2011.

As at the Latest Practicable Date, save as required by the applicable laws and regulations of Australia, we have not set aside or accrued any amounts to provide for pension, retirement or similar benefits for our Directors or employees.

EMPLOYEES

For FP2010, FY2011 and 1Q2012, all of our Group's employees are based in Australia. The number of permanent employees employed by our Group at the end of FP2010, FY2011 and 1Q2012 are as follows:

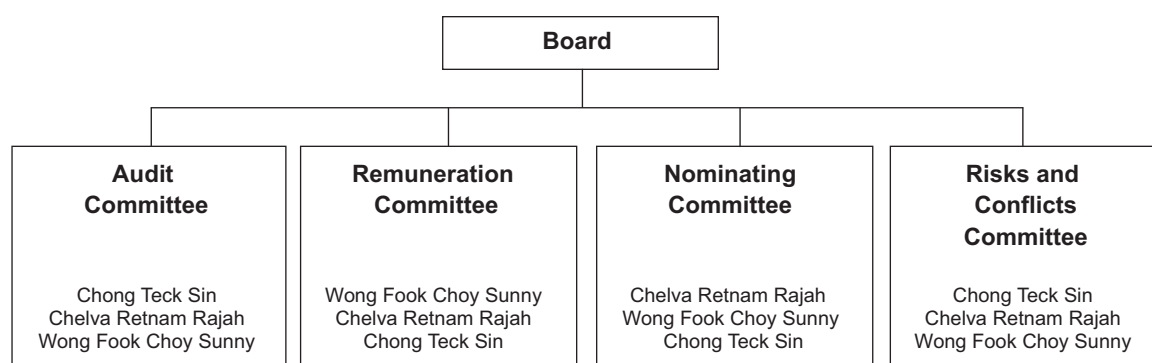
	30 June 2010	30 June 2011	30 September 2011
Employees (salaried)	22	53	91
— Directors and Key Executives	4	7	9
— Administration	10	16	27
— Operations	8	30	55
Employees (wage-based)	51	166	326
— Administration	9	21	37
— Operations	42	145	289
Total	73	219	417

The total number of employees employed by our Group increased from 73 as at 30 June 2010 to 417 as at 30 September 2011 mainly because of the increased number of projects undertaken. Our Group does not hire significant numbers of temporary employees. We do not experience any significant seasonal fluctuation in the number of our employees. The relationship between our management and employees is good. There have been no labour disputes which affected our operations. To the best knowledge of our Directors, the salaried employees are not unionised, and the majority of the wage-based employees work under union agreements.

CORPORATE GOVERNANCE

Corporate governance refers to the processes and structure by which the business and affairs of a company are directed and managed, in order to enhance long-term shareholder value through enhancing corporate performance and accountability. Good corporate governance therefore embodies both enterprise and accountability.

Our Group recognises the importance of corporate governance and of offering high standards of accountability to our Shareholders. In accordance with the Code of Corporate Governance, we have set up an Audit Committee, a Nominating Committee and a Remuneration Committee, and in addition, a Risks and Conflicts Committee as follows:



In view that our Executive Chairman and CEO are both part of the executive management team, we have appointed Chong Teck Sin as our Lead Independent Director, pursuant to the recommendations in Guideline 3.3 of the Code of Corporate Governance 2011. In accordance therewith, the Lead

Independent Director will be available to Shareholders where they have concerns which contact through the normal channels of our Executive Chairman or CEO has failed to resolve or for which such contact is inappropriate.

Based on the composition of our Board, the various Board committees, the respective responsibilities of our Board committees, and the appointment of our Lead Independent Director, our Directors are of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by our Board is independent and based on collective decision-making without our Executive Chairman being able to exercise considerable power or influence.

Board of Directors

Our Articles of Association provide that our Board will consist of not less than two Directors.

As at the date of this Prospectus, our Board has six Directors, comprising three Executive Directors and three Independent Directors.

None of our Directors are appointed for any fixed term. At each annual general meeting of our Company, all our Directors for the time being shall retire from office. Directors who retire are eligible to submit themselves for re-nomination and re-election.

As at the Latest Practicable Date, none of the Independent Directors are appointed to the boards of any of the subsidiaries in our Group.

Audit Committee

Our Audit Committee comprises all the Independent Directors. The Chairman of our Audit Committee is Chong Teck Sin.

Our Audit Committee will assist our Board in discharging their responsibility to safeguard our 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 our Group. Our Audit Committee will provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

Our Audit Committee shall meet periodically and perform, amongst others, the following functions:

- (a) review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management's response thereto;
- (b) review with independent internal auditors, the internal audit plan and their evaluation of the adequacy of our internal control and accounting system before submission of the results of such review to our Board for approval;
- (c) review the half-yearly and, where applicable, quarterly, and annual financial statements and any formal announcements relating to our Group's financial performance before submission to our 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 statutory or regulatory requirements;
- (d) review the internal control procedures and ensure co-ordination between the external auditors and our management, review the assistance given by our 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 the resignation or dismissal of the auditors;
- (f) review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- (g) review our Group's hedging policies, procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging policies approved by our Board;
- (h) review potential conflicts of interest, if any, and to set out a framework to resolve or mitigate such potential conflicts of interests;
- (i) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (j) review and discuss with investigators, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position and our management's response thereto; and
- (k) generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position.

Our Board, after making all reasonable enquiries, with the concurrence of our Audit Committee, is of the opinion that the internal controls of our Group are adequate to address the financial, operational and compliance risks. Our Audit Committee will be appointing a third party professional firm to review the internal control processes and procedures of our Group after our Company is listed on the Official List of the SGX-ST.

In addition, all future transactions with related parties shall comply with the requirements of the Listing Manual. As required by paragraph 1(9)(e) of Appendix 2.2 of the Listing Manual, our Directors shall abstain from voting in respect of any contract or arrangement or proposed contract or arrangement in which he has directly or indirectly a personal material interest.

Our Audit Committee, after having: (a) conducted interviews with our CFO; (b) considered the qualifications and past working experience of our CFO (as described in the section entitled "Key Executives"); (c) noted our CFO's abilities, familiarity and diligence in relation to the financial matters and information of our Group; (d) noted the absence of negative feedback on our CFO from Moore Stephens LLP, our Reporting Accountants and Auditors; and (e) made all reasonable enquiries, and to the best of its knowledge and belief, is of the view that, nothing has come to the attention of the members of our Audit Committee to cause them to believe that our CFO does not have the requisite competence, character or integrity expected thereof.

Remuneration Committee

Our Remuneration Committee comprises all the Independent Directors. The chairman of our Remuneration Committee is Wong Fook Choy Sunny.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Key Executives, and determine specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee shall be submitted for endorsement by our entire Board.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances and bonuses, options and benefits-in-kind shall be covered by our Remuneration Committee. In addition, our Remuneration Committee will perform an annual review of the remuneration of the employees related to our Directors and Substantial Shareholders to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scope and level of responsibility. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

Nominating Committee

Our Nominating Committee comprises all the Independent Directors. The chairman of our Nominating Committee is Chelva Retnam Rajah.

Our Nominating Committee has been set up to be responsible for the nomination of Directors (including Independent Directors) taking into consideration each Director's 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 as well as reviewing and recommending to the Board the composition of the Audit Committee, Remuneration Committee and Risks and Conflicts Committee. Our Nominating Committee is also charged with the responsibility of determining annually whether a Director is independent. Each member of our Nominating Committee shall abstain from voting on any resolution in respect of the assessment of his performance, independence or re-nomination as Director.

Risks and Conflicts Committee

Our Risks and Conflicts Committee comprises all the Independent Directors. The Chairman of our Risks and Conflicts Committee is Chong Teck Sin.

Our Risks and Conflicts Committee has been set up to assist our Board in carrying out its responsibilities by reviewing the types and levels of risks undertaken by our Group and any conflicts of interests encountered by our Group, and recommending and approving the policies and procedures for monitoring and managing such risks and conflicts of interests. Our Risks and Conflicts Committee will also be responsible for monitoring the risks associated with the operations of our Group. Each member of our Risks and Conflicts Committee is required to be independent from any management and business relationship with our Group, and our Substantial Shareholders.

CIVMEC EMPLOYEE SHARE OPTION SCHEME

A summary of the CESOS is set out below. Capitalised terms as used throughout this section, unless otherwise defined in Appendix J, shall bear the meanings as defined in the section entitled "Definitions".

As at the Latest Practicable Date, no Option has been granted under the CESOS.

Rationale of the CESOS

Our Group recognises that human resources are an invaluable asset. Our Company has to be able to retain qualified and experienced key employees and recruit new employees with capabilities and high performance standards. Our Group wishes to motivate employees so that they will assume an

ownership mentality and take increased responsibility for our Group's performance. The CESOS will be an incentive to recruit, retain and motivate employees.

The CESOS will also facilitate us in structuring a competitive remuneration package, which is designed as an additional incentive tool to reward and retain employees, as well as to recognise their contributions to our Group.

Our Group recognises that it is important to receive continuing support and contributions from its employees. Apart from the contributions made by its employees, persons who are not employees of our Company, such as employees and executive directors of Associated Companies, are also able to provide our Group with valuable support, input and business contracts, and provide our Group with business alliances or opportunities.

Our Company recognises that the continued support of these persons is important for the progress, well-being and stability of our Group. The CESOS gives our Company the opportunity to acknowledge and give recognition to any outstanding achievements and contributions made by these categories of participants. The CESOS will provide an opportunity for employees and directors of our Group who contribute to the success of our Group to share the success and achievements of our Group as well as the performance of our Company through participation in the equity of our Company. By doing so, our Company hopes to strengthen its working relationship with the Participants by inculcating in them a stronger and more lasting sense of identification with our Group, as well as recognising their contributions to our Group at the same time.

Eligibility for Participation in the CESOS

The following persons are eligible to participate in the CESOS at the absolute discretion of the Committee:

- (a) full-time employees of our Group who are of the age of 18 years and above;
- (b) directors of our Company and its subsidiaries (including Non-Executive Directors); and
- (c) Associated Company Employees, who in the opinion of the Committee, have contributed or will contribute to the success of our Group.

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 regulations of the SGX-ST from time to time are satisfied.

Participants who participate in the CESOS are eligible to participate in other schemes implemented by other companies in our Group if approved by the Committee.

For the purposes of assessing the contributions of eligible persons, the Committee may adopt a performance framework which incorporates financial and/or non-financial performance measurement criteria including, but not limited to the financial benefit or financial enhancement to our Group through

any deals or transactions entered into by our Group as a result of the contributions of such persons, as well as the value of other contributions such as the introduction of new contacts or business opportunities.

Limitation on the Size of the CESOS

The aggregate number of new Shares in respect of which Options may be granted on any date under the CESOS, when added to the number of new Shares issued and issuable in respect of all Options granted thereunder or other share-based incentive schemes of our Company, shall not exceed 15% of the number of the total 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).

With regard to Controlling Shareholders and their Associates, the aggregate number of new Shares which may be granted to all Controlling Shareholders and their Associates will not exceed 25% of all the new Shares available under the CESOS and other share-based incentive schemes of our Company. In addition, the number of new Shares issued and issuable to each of the Controlling Shareholders or their Associates shall not exceed 10% of all the new Shares available under the CESOS and other share-based incentive schemes of our Company.

Subject to the provisions on variation of the capital, the total number of new Shares in respect of Options that may be offered to a Participant in accordance with the CESOS shall be determined at the absolute discretion of the Committee. Such discretion will give the Committee sufficient flexibility in adjusting the number of new Shares in respect of Options to be granted, to achieve the desired goals of our Company through tailoring the compensation and incentive package suitable for each Participant. In determining the extent of participation by an eligible employee, the Committee shall take into account criteria such as the rank, responsibilities, past performance, years of service and potential for further development and contribution to the success of our Group.

The size of the CESOS is intended to accommodate the potential pool of Participants arising over the duration of the CESOS and to support the use of Options in our Company's overall long-term compensation strategy.

Exercise Price of the Options Granted under the CESOS

The CESOS provides for Options to be granted with a Subscription Price set at a discount of not more than 20% to the Market Price at the relevant Date of Grant. The ability to grant Options at a discount to the Market Price of the Shares will allow our Company flexibility in structuring the Options and ensure that our Company maintains the competitiveness of its compensation strategy.

Our Company may utilise the Options as a means to reward Participants for their outstanding performance and to motivate them to continue to excel, as well as attract new talent for our Company. The ability to grant Options at a discount is important in situations where it is more meaningful for our Company to acknowledge a Participant's contribution and achievement through offering Options at a discount to the Market Price as a supplement to cash bonus, as these Options operate as a form of cashless reward from our Company with a greater potential for capital appreciation than Options granted at the Market Price. This serves as an additional method available to our Company for compensating employees in addition to the salaries, salary increments and cash bonuses as it enables our Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for Shareholders.

Further, because Options granted with a discount under the CESOS are subject to a longer vesting period (such Options being exercisable only after the second anniversary from the Date of Grant) than those granted at the Market Price (exercisable after the first anniversary of the Date of Grant), holders of such Options are encouraged to have a long term view of our Company, thereby promoting staff and employee retention and reinforcing their commitment to our Company.

Our Company believes that the maximum discount of 20% to the Market Price of the Shares is sufficient to allow for flexibility in the CESOS, while minimising the potential dilutive effect to the Shareholders arising from the CESOS.

In accordance with Rule 845(5) of the Listing Manual and Rule 8.1(ii) of the CESOS, the making of offers and grants of Options under the CESOS at a discount not exceeding the maximum discount of 20% of the Market Price is subject to the approval of Shareholders in general meeting. For the avoidance of doubt, such prior approval shall be required to be obtained only once and, once obtained, shall, unless revoked, authorise the making of offers and grants of Options under the CESOS at such discount for the duration of the CESOS.

Duration of the CESOS

The CESOS shall continue to be in operation at the discretion of the Committee, subject to a maximum duration of 10 years commencing from its adoption by Shareholders at the extraordinary general meeting, provided always that the CESOS may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The CESOS may be terminated at any time by the Committee or by ordinary resolution of our Company in general meeting subject to all relevant approvals which may be required, and if the CESOS is so terminated, no further Options shall be offered by our Company hereunder.

Financial Effects of the CESOS

Share capital

Our share capital will increase to the extent of the new Shares that will be issued and allotted pursuant to the exercise of the Options granted under the CESOS.

Whether and when Options will be exercised will depend on the Subscription Price of the Options, when the Options will vest as well as the prevailing trading price of the Shares. There would be no impact on our Company's number of issued Shares if the relevant Options are not exercised.

NTA

The effect on NTA per Share will depend on whether the Subscription Price is above or below our Company's NTA per Share at the time of issue of the new Shares pursuant to an exercise of the Options. If the Subscription Price is above our Company's NTA per Share, the effect will be accretive and if the Subscription Price is below our Company's NTA per Share, the effect will be dilutive.

EPS

Without taking into account earnings that may be derived by our Company from the use of the proceeds of their issue, the new Shares issued pursuant to any exercise of the Options will have a dilutive impact on our Company's EPS.

Potential Cost of Issuing the Options

Financial Reporting Standard 102 ("**FRS 102**") relating to share-based payments took effect for all listed companies from 1 January 2005. Under FRS 102, the recognition of an expense in respect of Options granted under the CESOS is required. The expense will be based on the fair value of an Option at each Date of Grant of the Option and will be recognised over the vesting period. This fair value is normally estimated by applying the option pricing model at the Date of Grant of an Option, taking into account

the terms and conditions of the grant of the Option and recognised as a charge to our Company's consolidated profit and loss statement over the period from the Date of Grant of the Option to the vesting date ("**Vesting Period**"), with a corresponding credit to our Company's reserve account.

Before the end of the Vesting Period and at the end of each accounting year, the estimate of the number of Options that are expected to vest in each Participant by the vesting date is revised, and the impact of the revised estimate is recognised in the consolidated profit and loss statement with a corresponding adjustment to our Company's reserve account. After the vesting date, no adjustment of the charge to the consolidated profit and loss account is made.

Under the CESOS, Options are granted to Participants at a nominal consideration of S\$1.00 upon acceptance of the offer of the Options. Subject as aforesaid, as and when Options are exercised, the cash inflow will add to the NTA of our Company and its share capital will grow. Since Options may be granted with Subscription Prices set at a discount to the Market Price for our Shares prevailing at the time of the grant of such Options, the amount of cash inflow to our Company on the exercise of Options would be diminished by the quantum of the discount given, as compared with the cash inflow which would have been received by our Company had the Options been granted at the Market Price of the Shares prevailing at the time of grant.

In the event that Options are granted with Subscription Prices below the prevailing Market Price of the Shares, there will be a cost to our Company should the Options subsequently be exercised. On the assumption that all such Incentive Options are exercised, the costs to our Company are anticipated to be as follows:

- (a) the Subscription Price of an Option at a discount to the Market Price would translate to a reduction of the proceeds from the exercise of such Options, as compared to the proceeds that our Company would have received from such exercise had the exercise been made at the Market Price. Such a reduction of the exercise proceeds would represent the monetary cost of granting Options;
- (b) as the monetary cost of granting Options is borne by our Company, our earnings would effectively be reduced by an amount corresponding to the reduced interest earnings that our Company would have received from the difference in proceeds from a Subscription Price with no discount versus the discounted Subscription Price. Such a reduction would, accordingly, result in the dilution of our earnings per Share; and
- (c) the effect of the issue of new Shares upon the exercise of Options on our Company's NTA per Share is accretive if the Subscription Price is above the NTA per Share, but dilutive otherwise. The dilutive effect is greater if the Subscription Price is at a discount to the Market Price.

Rationale and justification for participation by Controlling Shareholders and their Associates

One of the objectives of the CESOS is to motivate Participants to optimise their performance and to maintain a high level of contribution. The objectives of the CESOS apply equally to our Directors who are Controlling Shareholders or Associates of Controlling Shareholders.

Our Company's view is that all deserving and eligible Participants should be motivated, regardless of whether they are Controlling Shareholders. Our Company believes that as the CESOS is designed to motivate, retain and reward employees and directors who contribute to the growth and profits of our Company, employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders should be entitled to the same benefits as other employees and should not be excluded from benefiting under the CESOS solely for the reason that they are Controlling Shareholders or Associates of the Controlling Shareholders.

It is in our Group's interest that these Participants who are actively contributing to our Group's progress and development are given the incentive to continue to remain with our Company and contribute towards our Group's future progress and development. In respect of the determination as to eligibility and grant of Options, the terms of the CESOS do not differentiate between employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders and other Directors and employees who are not such persons. As such, employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders will be subject to the same rules as other employees.

Our Executive Chairman and CEO are also Controlling Shareholders, as they are trustees of the JF & OT Fitzgerald Family Trust and Kariong Investment Trust, respectively.

Pursuant to Rule 853 of the Listing Manual, the specific grant of Options to the Controlling Shareholders and their Associates will have to be approved by independent Shareholders in a general meeting of our Company in separate resolutions.

Rationale for participation by directors and employees of Associated Companies

It is desired that our Company should have a performance share plan which caters to our directors and employees of our Group as well as persons who are not employed within our Company and/or our subsidiaries but work closely with our Company and/or our subsidiaries and who, by reason of their relationship with our Company and/or our subsidiaries, are in a position to input and contribute their experience, knowledge and expertise to the development and prosperity of our Group.

Such other persons include the directors and employees of any Associated Companies. Our Company recognises that it is important to the well-being and stability of our Group that our Company acknowledges the services and contributions made by the directors and employees of any Associated Company, and that our Group continues to receive their support and contributions. By implementing CESOS, our Company will have a means of providing for those who, while they are not directors or employees of our Group, are nonetheless closely associated with our Group as well as the performance of our Company through participation in the equity of our Company. It is hoped that by doing so, our Company will also strengthen its working relationships with the directors and employees of the Associated Companies by inculcating in them a stronger and more lasting sense of identification with our Group.

Rationale for participation by our Non-Executive Directors

While the CESOS caters principally to Group Employees, it is recognised that there are other persons who make significant contributions to our Group through their close working relationships with our Group, even though they are not employed within our Group. Such persons include our Non-Executive Directors. Our Non-Executive Directors, being persons from different professions and working backgrounds, bring to our Group their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping our Group shape its business strategy by allowing our Group to draw on the backgrounds and diverse working experience of these individuals. It is desirable that Non-Executive Directors be allowed to participate in the CESOS to incentivise and retain them and to further align their interests with that of our Group.

Our Directors are of the view that including our Non-Executive Directors in the CESOS will show our Company's appreciation for, and further motivate them in, their contribution towards the success of our Group.

However, as their services and contributions cannot be measured in the same way as the full-time employees of our Group, while it is desired that participation in the CESOS be made open to our Non-Executive Directors, any Options that may be granted to any such Non-Executive Director would be intended only as a token of our appreciation.

For the purpose of assessing the contributions of our Non-Executive Directors, the Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by our Non-Executive Directors. In addition, the Committee will also consider the nature and extent of their input, the assistance and expertise rendered by them to our Board and the impact thereof on the growth, success and development of our Group. The Committee may, where it considers relevant, take into account other factors such as the economic conditions and our Company's performance. The Committee may also decide that no Options shall be made in any financial year or no grant may be made at all.

It is envisaged that the vesting of Options, and hence the number of Shares to be delivered to our Non-Executive Directors based on the criteria set out above will be relatively small, in terms of frequency and numbers.

Further, although our Non-Executive Directors may be appointed as members of the Committee, the rules of the CESOS provide that a member is not to be involved in its deliberations in respect of the grant of Options to him/her. In addition, we will ensure that the grant of Options to Non-Executive Directors will be such that any conflict of interests that may potentially arise is kept minimal and that the independence of the Non-Executive Director is not compromised. Based on these, the Directors are of the view that the participation by our Non-Executive Directors in the CESOS will not compromise their independent status.

Rationale for participation by our Executive Chairman and CEO in the CESOS

Our Executive Chairman and CEO are founders of our Group and they have over 25 years and 20 years of experience, respectively, in our Group's business. Both of them have led the management in pursuing our Group's mission and objectives and have been instrumental to our growth. As our Group is dependent on the leadership, management skills, business networks and market contacts of our Executive Chairman and CEO, the Directors believe that their leadership will be critical as our Group embarks on its next phase of growth. For these reasons, the Directors consider their experience in and contribution towards the growth of our Company to be invaluable.

The extension of the CESOS to our Executive Chairman and CEO is consistent with our Company's objectives to motivate its employees and Directors to achieve and maintain a high level of performance and contribution which is vital to the success of our Company. Although our Executive Chairman and CEO already have controlling shareholding interests in our Company, the extension of the CESOS to them will ensure that they are equally entitled, with the other employees and Directors who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing their long term commitment to our Company. For the above reasons, the Directors believe that our Executive Chairman and CEO deserve and should be allowed to participate in the CESOS.

Summary of the Principal Terms and the Rules of the CESOS

The terms of the CESOS are summarised below, and are set out in its entirety in Appendix J.

1. Administration

The CESOS will be administered by members of the Committee. However, no member of the Committee will be involved in any deliberation or decision-making in respect of any Options to be offered or granted to him.

2. Eligibility

The following persons are eligible to participate in the CESOS at the absolute discretion of the Committee:

- (i) full-time employees of our Group who are of the age of 18 years and above;
- (ii) directors of our Company and its subsidiaries (including Non-Executive Directors); and
- (iii) Associated Company Employees, who in the opinion of the Committee, have contributed or will contribute to the success of our Group.

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

- (a) written justification for their participation has been provided to Shareholders 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 independent Shareholders who are not beneficiaries of the grant in a general meeting in separate resolutions for each such Controlling Shareholder or Associate; 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.

3. Maximum Entitlement

Each Participant's entitlement under the CESOS shall be determined by criteria including, but not limited to, the Participant's work performance, years of service and potential for future development.

4. Size of the CESOS

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).

5. Date of Grant

Options may be granted at any time during the period when the CESOS is in force provided that in the event that an announcement on any matter involving unpublished price sensitive information is made. Options may only be granted on or after the second Market Day on which such announcement is released.

6. Acceptance of Options

The grant of an Option by the Committee to Participant must be accepted not later than 5.00 p.m. on the 30th day from the Date of Grant. Upon acceptance of the Option, the Participant must pay to our Company a consideration of S\$1.00. Unaccepted offers shall automatically lapse and become null and void upon the expiry of the 30 day period. Options are personal to the persons to whom they are granted and shall not be transferred, charged, assigned or pledged or otherwise disposed of, in whole or in part except with the prior approval in writing of the Committee.

7. Subscription Price

For Incentive Options, the Subscription Price for each Share payable on the exercise of an Option shall be a price representing not more than 20% discount of the Market Price. Such a Subscription Price must be authorised in a separate resolution by Shareholders in a general meeting.

8. Rights to Exercise Options

Subject as provided in the Rules and any other conditions as may be introduced by the Committee from time to time, each Option shall be exercisable in whole or in part, during the relevant option period as follows:

- (a) in the case of a Market Price Option, a period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee), or such other period which may from time to time be prescribed under any relevant law, regulation or rule of the SGX-ST; and
- (b) in the case of an Incentive Option granted at a discount of up to 20% of the Market Price, a period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee), or such other period which may from time to time be prescribed under the relevant law, regulation or rule of the SGX-ST.

In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the CESOS until such time as it shall lapse in accordance with the CESOS.

9. Alteration of Capital

If a variation in the issued share capital of our Company occurs (whether by way of a capitalisation of profits or reserves or a rights issue or the conversion of convertible loan stock or other debt securities or a reduction, subdivision or consolidation of Shares), the Subscription Price in respect of Shares comprised in an Option to the extent unexercised, the class and/or number of Shares comprised in an Option to the extent unexercised or in respect of which additional Options may be granted under the CESOS and the maximum entitlement in any financial year shall be adjusted in such manner as the Committee may determine to be appropriate. Except for capitalisation issues, a written confirmation of the auditors of our Company for the time being (acting only as experts and not as arbitrators) that in their opinion such adjustment is fair and reasonable, shall be procured. Provided always that no such adjustment shall be made if as a result a Participant receives a benefit that a Shareholder does not receive.

10. Rights of New Shares

Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the then existing issued Shares except for any dividends, rights, allotments or other distributions, the record date of which is prior to the date on which such an Option is exercised. For this purpose, "record date" means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.

PRINCIPAL SHAREHOLDERS

SHAREHOLDING AND OWNERSHIP STRUCTURE

Our Shareholders and their respective shareholdings in our Company immediately before and after the Invitation are summarised below:

	Immediately before the Invitation				Immediately after the Invitation			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors (and their spouses)								
James Finbarr Fitzgerald (and Olive Teresa Fitzgerald) ⁽¹⁾	—	—	112,244,600	24.9	—	—	97,566,806	19.5
Patrick John Tallon ⁽²⁾	—	—	112,244,600	24.9	—	—	97,566,806	19.5
Kevin James Deery (and Chaychanok Deery) ⁽³⁾	—	—	15,177,000	3.4	—	—	13,660,000	2.7
Key Executives (and their spouses)								
Terence Hemsworth (and Sandra Ann Hemsworth) ⁽⁴⁾	—	—	4,524,800	1.0	—	—	4,524,800	0.9
Giuseppe Macri (and Carolyn Christina Macri) ⁽⁵⁾	—	—	15,177,000	3.4	—	—	15,177,000	3.0
Colin Brown Swan ⁽⁶⁾	—	—	2,082,600	0.5	—	—	2,082,600	0.4
Rodney John Bowes (and Margaret Mary Bowes) ^{(7), (8)}	—	—	4,524,800	1.0	—	—	4,524,800	0.9
Trevor White	565,600	0.1	—	—	565,600	0.1	—	—
Other Shareholders								
JF & OT Fitzgerald Family Trust ⁽¹⁾	112,244,600	24.9	—	—	97,566,806	19.5		
Goldfirm ⁽²⁾	—	—	112,244,600	24.9	—	—	97,566,806	19.5
Kariong Investment Trust ⁽²⁾	112,244,600	24.9	—	—	97,566,806	19.5	—	—
Deery Family Trust ⁽³⁾	15,177,000	3.4	—	—	13,660,000	2.7	—	—
Hemsworth Family Trust ⁽⁴⁾	4,524,800	1.0	—	—	4,524,800	0.9	—	—
Macri Superannuation Fund ⁽⁵⁾	15,177,000	3.4	—	—	15,177,000	3.0	—	—
Colin Swan Trust ⁽⁶⁾	2,082,600	0.5	—	—	2,082,600	0.4	—	—
Bowcon Family Trust ⁽⁷⁾	2,262,400	0.5	—	—	2,262,400	0.5	—	—
Bowcon Superannuation Fund ⁽⁸⁾	2,262,400	0.5	—	—	2,262,400	0.5	—	—
Glenn Allan Stephenson ⁽⁹⁾	—	—	24,283,000	5.4	—	—	21,107,606	4.2
Glenn Stephenson Family Trust ⁽⁹⁾	24,283,000	5.4	—	—	21,107,606	4.2	—	—
Carlo Silvera and Giselle Jayne Silvera ⁽¹⁰⁾	—	—	15,177,000	3.4	—	—	13,355,760	2.7
Silvera Family Trust ⁽¹⁰⁾	15,177,000	3.4	—	—	13,355,760	2.7	—	—
R.C.S.S. Vitelli Nominees Pty Ltd ⁽¹¹⁾	—	—	15,177,000	3.4	—	—	13,659,300	2.7
R&C Vitelli Family Trust ⁽¹¹⁾	15,177,000	3.4	—	—	13,659,300	2.7	—	—

	Immediately before the Invitation				Immediately after the Invitation			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Andro Franic ⁽¹²⁾	—	—	1,517,000	0.3	—	—	1,517,000	0.3
J.A.K.A.L. Trust ⁽¹²⁾	1,517,000	0.3	—	—	1,517,000	0.3	—	—
Clarendon Pacific Ventures Pte. Ltd. ⁽¹³⁾	23,812,000	5.3	—	—	23,812,000	4.8	—	—
Michael Lorrain Vaz ⁽¹³⁾	15,177,000	3.5	23,812,000	5.3	15,177,000	3.0	23,812,000	4.8
Martin Sweeney	1,517,000	0.3	—	—	1,517,000	0.3	—	—
Charles John Sweeney	1,517,000	0.3	—	—	1,517,000	0.3	—	—
Other First Pre-IPO Investors (Ang Kong Hua and Foo Siang Guan) ⁽¹⁴⁾	28,280,000	6.3	—	—	21,683,788	4.3	—	—
Second Pre-IPO Investors ⁽¹⁵⁾	57,002,000	12.7	—	—	50,985,134	10.2	—	—
Public	—	—	—	—	101,000,000	20.2	—	—
TOTAL	450,000,000	100.00			501,000,000	100.0		

Notes:

- (1) Our Executive Chairman and his spouse are the trustees of the JF & OT Fitzgerald Family Trust. Pursuant to Section 4(3) of the SFA, our Executive Chairman, his spouse (Olive Teresa Fitzgerald), their children (Sean Fitzgerald, Claire Fitzgerald and Sarah Fitzgerald) and Parlade Holdings Pty Ltd. (which is equally held by our Executive Chairman and his spouse) are deemed to have an interest in the Shares owned by the JF & OT Fitzgerald Family Trust, which are legally held in the names of our Executive Chairman and his spouse, Olive Teresa Fitzgerald, as trustees.
- (2) Goldfirm is the trustee of the Kariong Investment Trust. Our CEO has a deemed interest in the Shares which are held by Goldfirm as trustee. Pursuant to Section 4(3) of the SFA, our CEO is also deemed to have an interest in the Shares owned by the Kariong Investment Trust, which are legally held in the name of Goldfirm, as trustee.
- (3) Our COO and his spouse are the trustees of the Deery Family Trust. Pursuant to Section 4(3) of the SFA, our COO and his spouse, Chaychanok Deery, are deemed to have an interest in the Shares owned by the Deery Family Trust, which are legally held in the names of our COO and his spouse, Chaychanok Deery, as trustees.
- (4) Our Support Services Manager and his spouse are the trustees of the Hemsworth Family Trust. Pursuant to Section 4(3) of the SFA, our Support Services Manager, his spouse (Sandra Ann Hemsworth) and their children (Robert Andrew Hemsworth, Paul Raymond Hemsworth and Katie Louise Hemsworth) are deemed to have an interest in the Shares owned by the Hemsworth Family Trust, which are legally held in the names of our Support Services Manager and his spouse, Sandra Ann Hemsworth, as trustees.
- (5) Our Business Development Manager and his spouse are the trustees of the Macri Superannuation Fund, which is a self-managed pension fund. Pursuant to Section 4(3) of the SFA, our Business Development Manager, his spouse (Carolyn Christina Macri) and their children (Anthony William Macri, Julie Marie Macri and Joanne Christina Macri) are deemed to have an interest in the Shares owned by the Macri Superannuation Fund, which are legally held in the names of our Business Development Manager and his spouse, Carolyn Christina Macri, as trustees.
- (6) Our Finance Manager is the trustee of the Colin Swan Trust. Pursuant to Section 4(3) of the SFA, our Finance Manager and his father (John Robert Calder Swan) are deemed to have an interest in the Shares owned by the Colin Swan Trust, which are legally held in the name of our Finance Manager, as trustee.
- (7) Our Proposals Manager and his spouse are the trustees of the Bowcon Family Trust. Pursuant to Section 4(3) of the SFA, our Proposals Manager, his spouse (Margaret Mary Bowes) and their children (Daniel Joseph Bowes, Kate Elizabeth Bowes and Conor Brendan Bowes) are deemed to have an interest in the Shares owned by the Bowcon Family Trust, which are legally held in the names of our Proposals Manager and his spouse, Margaret Mary Bowes, as trustees.
- (8) Our Proposals Manager and his spouse are the trustees of the Bowcon Superannuation Fund, which is a self-managed pension fund. Pursuant to Section 4(3) of the SFA, our Proposals Manager, his spouse (Margaret Mary Bowes) and their children (Daniel Joseph Bowes, Kate Elizabeth Bowes and Conor Brendan Bowes) are deemed to have an interest in the Shares owned by the Bowcon Superannuation Fund, which are legally held in the names of our Proposals Manager and his spouse, Margaret Mary Bowes, as trustees.

- (9) Glenn Allan Stephenson is the trustee of the Glenn Stephenson Family Trust. Pursuant to Section 4(3) of the SFA, Glenn Allan Stephenson, his spouse (Stephanie Stephenson) and their child (Max Allan Stephenson) are deemed to have an interest in the Shares owned by the Glenn Stephenson Family Trust, which are legally held in the name of Glenn Allan Stephenson, as trustee.
- (10) Carlo Silvera and his spouse are the trustees of the Silvera Family Trust. Pursuant to Section 4(3) of the SFA, Carlo Silvera, his spouse (Giselle Jayne Silvera) and their children (Jordan Silvera, Julian Silvera and Samarah Silvera) are deemed to have an interest in the Shares owned by the Silvera Family Trust, which are legally held in the names of Carlo Silvera and his spouse, Giselle Jayne Silvera, as trustees.
- (11) R.C.S.S. Vitelli Nominees Pty Ltd is the trustee of the R&C Vitelli Family Trust. Pursuant to Section 4(3) of the SFA, Robert Vincent Vitelli, his spouse (Carolina Vitelli) and their children (Simona Vitelli and Samantha Vitelli) are deemed to have an interest in the Shares owned by the R&C Vitelli Family Trust, which are legally held in the name of R.C.S.S. Vitelli Nominees Pty Ltd, as trustee.
- (12) Andro Franic is the trustee of the J.A.K.A.L. Trust. Pursuant to Section 4(3) of the SFA, Andro Franic, his spouse (Karen Maxine Franic) and their children (Jake Andrew Franic and Logan Andrew Franic) are deemed to have an interest in the Shares owned by the J.A.K.A.L. Trust, which are legally held in the name of Andro Franic, as trustee.
- (13) Michael Lorrain Vaz has a direct interest in 15,177,000 Shares and a deemed interest in 23,812,000 Shares which are held by Clarendon Pacific Ventures Pte. Ltd.
- (14) Pursuant to the First Convertible Loan Agreement, convertible loans amounting to A\$5.0 million were granted to our Company and convertible into Shares. Prior to the Invitation and pursuant to the First Convertible Loan Agreement, the First Pre-IPO Investors converted all their convertible loans into 56,560,000 Shares.
- (15) Pursuant to the Second Convertible Loan Agreement, convertible loans amounting to A\$10.0 million were granted to our Company and were convertible into Shares. Prior to the Invitation and pursuant to the Second Convertible Loan Agreement, the Second Pre-IPO Investors converted all their convertible loans into 57,002,000 Shares.

Save as disclosed in the section entitled “Restructuring Exercise”, there has been no significant change in the percentage of ownership of the issued share capital of our Company in FP2010, FY2011, 1Q2012 and for the period commencing from 1 October 2011 to the Latest Practicable Date.

The Shares (including the Vendor Shares) held by our Directors, Key Executives and Substantial Shareholders do not have different voting rights from other Shareholders.

Save as disclosed above, our Company is not directly or indirectly owned or controlled by another corporation, any government or other natural or legal person whether severally or jointly. There is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of our Company.

Please refer to Appendix G entitled “Description of Relevant Australian Laws and Regulations” for further information on the laws of Australia relating to trusts.

VENDORS

The names and addresses of the Vendors and the number of Vendor Shares which they will offer pursuant to the Invitation are set out below:

Name	Address	No. of Shares held before the Invitation	No. of Vendor Shares	No. of Vendor Shares as a % of pre-Invitation share capital	No. of Vendor Shares as a % of post-Invitation share capital	No. of Shares held after the Invitation	No. of Shares as a % of post-Invitation share capital
Kariong Investment Trust	Suite 11/19-21 Outram Street, West Perth, Western Australia 6005	112,244,600	14,677,794	3.3%	2.9%	97,566,806	19.5%
JF & OT Fitzgerald Family Trust	10 Tara Vista, West Leederville, Western Australia 6007	112,244,600	14,677,794	3.3%	2.9%	97,566,806	19.5%
Deery Family Trust	5/42 Gardner St, Como, Western Australia 6152	15,177,000	1,517,000	0.3%	0.3%	13,660,000	2.7%
Glenn Stephenson Family Trust	U1/28 Talbot Ave, Como, Western Australia 6152	24,283,000	3,175,394	0.7%	0.6%	21,107,606	4.2%
Silvera Family Trust	21 Milgun Drive, Yangebup, Western Australia 6164	15,177,000	1,821,240	0.4%	0.4%	13,355,760	2.7%
R&C Vitelli Family Trust	5 Penhurst St, East Fremantle, Western Australia 6164	15,177,000	1,517,700	0.3%	0.3%	13,659,300	2.7%
Ang Kong Hua	30 Hill Street #05-04, Singapore 179360	16,968,000	5,339,323	1.2%	1.1%	11,628,677	2.3%
Foo Siang Guan	48 Leedon Road, Singapore 267859	13,592,080	1,510,231	0.3%	0.3%	12,081,849	2.4%
Hong Pian Tee	50 Leedon Road, Singapore 267860	5,700,200	633,355	0.1%	0.1%	5,066,845	1.0%
Tan Siew Huay	78 Jalan Lanjut, Singapore 577716	5,700,200	633,355	0.1%	0.1%	5,066,845	1.0%
Heng Kheng Long	238 Orchard Boulevard #36-07 The Orchard Residences Singapore 237973	5,700,200	633,355	0.1%	0.1%	5,066,845	1.0%
Goh Geok Ling	37 Jalan Kampong Chantek, Singapore 588615	4,275,150	475,016	0.1%	0.1%	3,800,134	0.8%
Ng Kee Choe	10 Pasir Panjang Road #03-01 Mapletree Business City Singapore 117438	4,275,150	475,016	0.1%	0.1%	3,800,134	0.8%
Leyau Lay Hoon	1 Melrose Drive, Singapore 358498	4,275,150	475,016	0.1%	0.1%	3,800,134	0.8%

Name	Address	No. of Shares held before the Invitation	No. of Vendor Shares	No. of Vendor Shares as a % of pre-Invitation share capital	No. of Vendor Shares as a % of post-Invitation share capital	No. of Shares held after the Invitation	No. of Shares as a % of post-Invitation share capital
Song Gin Puay Ronnie	1 Melrose Drive, Singapore 358498	3,135,110	348,345	0.1%	0.1%	2,786,765	0.6%
Cheng Yong Liang	745 Mountbatten Road, Singapore 437754	2,850,100	316,677	0.1%	0.1%	2,533,423	0.5%
Wong Yuen Weng Ernest	50 Draycott Park #12-01, Singapore 259396	2,850,100	633,354	0.1%	0.1%	2,216,746	0.4%
Seah Wee Ling Karen	45 Binjai Park, Singapore 589845	1,425,050	316,676	0.1%	0.1%	1,108,374	0.2%
Mah Siok Hean Catherine	5 Goldhill Drive, Singapore 308954	1,140,040	126,671	— ⁽¹⁾	— ⁽¹⁾	1,013,369	0.2%
Lim Kuo Kae	Block 285-D Toh Guan Road #20-72, Singapore 604285	570,020	63,335	— ⁽²⁾	— ⁽²⁾	506,685	0.1%
Yeo Kian Teong Alex	51 Jalan Ampang, Singapore 268637	570,020	63,335	— ⁽³⁾	— ⁽³⁾	506,685	0.1%
Tan Dah Ching	59 Holland Park, Singapore 249495	1,710,060	253,341	0.1%	0.1%	1,456,719	0.3%
Ho Lon Gee	15 Duchess Place, Singapore 269056	2,850,100	316,677	0.1%	0.1%	2,533,423	0.5%
Total		371,889,930	50,000,000	11.0%	10.0	321,889,930	64.3%

Notes:

- (1) No. of Vendor Shares offered pursuant to the Invitation by Mah Siok Hean Catherine as a percentage of pre-Invitation share capital and post-Invitation share capital is approximately 0.03% and 0.03% respectively.
- (2) No. of Vendor Shares offered pursuant to the Invitation by Lim Kuo Kae as a percentage of pre-Invitation share capital and post-Invitation share capital is approximately 0.01% and 0.01% respectively.
- (3) No. of Vendor Shares offered pursuant to the Invitation by Yeo Kian Teong Alex as a percentage of pre-Invitation share capital and post-Invitation share capital is approximately 0.01% and 0.01% respectively.

Save as disclosed in the section entitled “Shareholding and Ownership Structure” above and the section entitled “Directors, Key Executives and Employees”, none of the Vendors holds any position or office in, nor has any relationship with, our Group, apart from their shareholdings in our Company.

MORATORIUM

To demonstrate their commitment to our Company, all our existing Shareholders (excluding public Shareholders) as described in the section entitled “Shareholding and Ownership Structure” have each undertaken not to sell, transfer, assign, dispose, realise or distribute any part of their Shares (save for the Vendor Shares and Shares which are released from moratorium (as set out below)) for a period of six months from the date of the listing of and quotation for our Shares on the SGX-ST.

In addition, in respect of our corporate Shareholders as described in the section entitled “Shareholding and Ownership Structure” (namely, Clarendon Pacific Ventures Pte. Ltd. and Megan Ford Development Limited), the beneficial owners of these corporate Shareholders (namely Michael Lorrain Vaz (being the shareholder of Clarendon Pacific Ventures Pte. Ltd.) and Lau Sie Hung (being the shareholder of Megan Ford Development Limited)) have each also undertaken not to sell, transfer, assign, dispose,

realise or distribute any part of their respective shareholdings in the respective companies for a period of six months from the date of the listing of and quotation for our Shares on the SGX-ST.

The respective guardian(s) or appointor(s) of our Shareholders which are constituted as trusts or superannuation funds (namely, Bowcon Family Trust, Bowcon Superannuation Fund, Colin Swan Trust, Deery Family Trust, Glenn Stephenson Family Trust, Hemsworth Family Trust, J.A.K.A.L. Trust, JF & OT Fitzgerald Family Trust, Kariong Investment Trust, Macri Superannuation Fund, R&C Vitelli Family Trust and Silvera Family Trust) have each further undertaken that he will not take any action, directly or indirectly, which will result in such trust or superannuation fund failing to comply with its aforesaid moratorium obligations.

The table below sets out the list of certain existing public shareholders and the respective number of Shares held by these existing public shareholders which are released from moratorium. Such existing public shareholders collectively hold 70,135,499 Shares representing approximately 14.0% of our Company's post-Invitation issued share capital, and have each undertaken not to dispose of or transfer any part of their collective interests of 45,085,499 Shares or 9.0% of our Company's post-Invitation issued share capital immediately after the Invitation for a period of six months from the Listing Date. Accordingly, 25,050,000 Shares held by certain existing public shareholders, representing 5.0% of our Company's post-Invitation issued share capital have been released from moratorium. In addition, 17,664,264 Shares representing 3.5% of our Company's post-Invitation issued share capital held by Clarendon Pacific Ventures Pte. Ltd. have been released from moratorium. Clarendon Pacific Ventures Pte. Ltd. has undertaken not to dispose of or transfer any part of its remaining interest of 6,147,736 Shares, representing 1.2% of our Company's post-Invitation issued share capital immediately after the Invitation for a period of six months from the Listing Date.

		Shares held after Invitation		Shares which are released from moratorium		Shares under moratorium	
		No. of Shares	% of post- Invitation share capital	No. of Shares	% of post- Invitation share capital	No. of Shares	% of post- Invitation share capital
1.	Ang Kong Hua	11,628,677	2.3%	2,348,158	0.5%	9,280,519	1.9%
2.	Foo Siang Guan	12,081,849	2.4%	4,647,764	0.9%	7,434,085	1.5%
3.	Hong Pian Tee	5,066,845	1.0%	1,949,164	0.4%	3,117,681	0.6%
4.	Lee Teck Leng	5,700,200	1.1%	2,582,519	0.5%	3,117,681	0.6%
5.	Tan Siew Huay	5,066,845	1.0%	1,949,164	0.4%	3,117,681	0.6%
6.	Heng Kheng Long	5,066,845	1.0%	1,949,164	0.4%	3,117,681	0.6%
7.	Goh Geok Ling	3,800,134	0.8%	1,461,873	0.3%	2,338,261	0.5%
8.	Ng Kee Choe	3,800,134	0.8%	1,461,873	0.3%	2,338,261	0.5%
9.	Leyau Lay Hoon	3,800,134	0.8%	1,461,873	0.3%	2,338,261	0.5%
10.	Song Gin Puay Ronnie	2,786,765	0.6%	1,072,041	0.2%	1,714,724	0.3%
11.	Cheng Yong Liang	2,533,423	0.5%	974,583	0.2%	1,558,840	0.3%
12.	Wong Yuen Weng Ernest	2,216,746	0.4%	657,906	0.1%	1,558,840	0.3%
13.	Seah Wee Ling Karen	1,108,374	0.2%	328,954	0.1%	779,420	0.2%
14.	Seah Sze-Ling Ginny	1,425,050	0.3%	645,630	0.1%	779,420	0.2%
15.	Mah Siok Hean Catherine	1,013,369	0.2%	389,833	0.1%	623,536	0.1%

		Shares held after Invitation		Shares which are released from moratorium		Shares under moratorium	
		No. of Shares	% of post- Invitation share capital	No. of Shares	% of post- Invitation share capital	No. of Shares	% of post- Invitation share capital
16.	Lim Kuo Kae	506,685	0.1%	194,917	— ⁽¹⁾	311,768	0.1%
17.	Yeo Kian Teong Alex	506,685	0.1%	194,917	— ⁽²⁾	311,768	0.1%
18.	Tan Dah Ching	1,456,719	0.3%	521,415	0.1%	935,304	0.2%
19.	Megan Ford Development Limited	570,020	0.1%	258,252	0.1%	311,768	0.1%
Total		70,135,499	14.0%	25,050,000	5.0%	45,085,499	9.0%

Notes:

- (1) No. of shares held by Lim Kuo Kae which are released from moratorium as a percentage of post-Invitation share capital is approximately 0.04%.
- (2) No. of shares held by Yeo Kian Teong Alex which are released from moratorium as a percentage of post-Invitation share capital is approximately 0.04%.

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of our interested persons (namely, our Directors (including our CEO), Controlling Shareholders or the Associates of such Directors (including our CEO) or Controlling Shareholders) are Interested Person Transactions. Associates include the trustees of any trust of which such Director (including our CEO) or Controlling Shareholders or their immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object.

This section sets out the Interested Person Transactions entered into by our Group for FP2010, FY2011, 1Q2012 and for the period commencing from 1 October 2011 to the Latest Practicable Date on the basis of each member of our Group (namely, our Company and our subsidiaries) being an Entity At Risk and with Interested Persons being construed accordingly.

Save as disclosed in this section and under the sections entitled “Principal Shareholders” and “Restructuring Exercise”, there has been no Interested Persons Transaction in FP2010, FY2011, 1Q2012 and for the period commencing from 1 October 2011 to the Latest Practicable Date involving our Group which are material in the context of this Invitation.

PAST INTERESTED PERSON TRANSACTIONS

(a) *Director’s loan to Civmec Holdings*

Pursuant to a loan agreement dated 10 September 2010, our Executive Chairman had extended a loan of A\$3,596,251 to Civmec Holdings. The loan incurred interest expense of A\$125,603, was unsecured and repayable on demand. This loan was not made on normal commercial terms nor conducted on an arm’s length basis as Civmec Holdings had not sought to borrow from other financial institutions. This loan has been repaid. This was a one-off transaction to fund a letter of credit for the purchase of structural steel (material) for the construction of our Facilities. Our Group has no intention to enter into any such loan with our Executive Chairman after our admission to the Official List of the SGX-ST.

The largest amounts outstanding for this loan for FP2010, FY2011, 1Q2012 and from 1 October 2011 to the Latest Practicable Date are as follows:

Aggregate value (A\$)	FP2010	FY2011	1Q2012	Period from 1 October 2011 to the Latest Practicable Date
James Finbarr Fitzgerald	3,972,104	0	0	0

There is no amount outstanding under the loan described above as at the Latest Practicable Date. Our Group does not intend to enter into any similar transactions in the future after our admission to the Official List of the SGX-ST.

(b) *Transactions with Clarendon Management Private Limited (“Clarendon”)*

Clarendon was engaged by our Group to advise the Directors on various fund raising and restructuring options in relation to the Group’s listing plans in Singapore. Mr. Michael Lorrain Vaz, who was the nominee director of our Company for purposes of its incorporation and is deemed to be a Substantial Shareholder of our Company, is the sole shareholder and a director of Clarendon. In consideration for such advisory services, our Group paid professional fees to Clarendon amounting to A\$200,000 and A\$500,000 on 20 July 2010 and 31 January 2011, respectively. Our Directors believe that the transaction was entered into on normal commercial

terms and on an arm's length basis, and was not prejudicial to the interests of our Company. Our Group has no intention to engage Clarendon and/or Mr. Michael Lorrain Vaz to provide any advisory services after our admission to the Official List of the SGX-ST. Mr. Michael Lorrain Vaz and Clarendon have also previously on 16 June 2010 and 22 September 2010, extended advances of A\$15,277 and A\$1,032, respectively, to our Group. These advances are non-trade in nature, interest-free and repayable in cash on demand. Our Group does not intend to enter into any similar transactions in the future after our admission to the Official List of the SGX-ST.

ON-GOING INTERESTED PERSON TRANSACTIONS

(a) *Lease agreement with Anne Tallon and Tallon Investment Trust*

Anne Tallon (the sister-in-law of our CEO) and Tallon Investment Trust own a property at 10 Ocean Street, Kwinana, Western Australia, part of which is leased to CCE. On 6 July 2010 and 3 February 2012, CCE entered into a lease agreement with Anne Tallon and Tallon Investment Trust for premises located at 10 Ocean Street, Kwinana for the period from 1 January 2010 to 31 December 2012 ("**Initial Lease**") and for the period from 1 January 2012 to 31 December 2012 ("**Additional Lease**") respectively (collectively, "**Kwinana Leases**"). The aggregate annual rent paid in respect of FP2010, FY2011, 1Q2012 and from 1 October 2011 to the Latest Practicable Date were as follows:

	FP2010	FY2011	1Q2012	Period from 1 October 2011 to the Latest Practicable Date
Aggregate value (A\$)	72,232	144,225	36,513	76,821

The area covered under the Initial Lease is approximately 6,000 sqm, including a workshop with a built-up area of approximately 850 sqm. The area covered under the Additional Lease is approximately 6,000 sqm (including driveways and car parks) in addition to the area covered under the Initial Lease. The aggregate annual rental rates of approximately A\$238,429 were agreed between our Group and Anne Tallon as well as Tallon Investment Trust, having regard to market rental rates, based on normal commercial terms and on an arm's length basis, and is not prejudicial to the interests of our Company and its minority Shareholders.

We do not intend to extend the Kwinana Leases upon their respective expiry on 31 December 2012, and as at the Latest Practicable Date, we are in the process of identifying suitable replacement premises.

(b) *Deeds of indemnity and guarantee provided by our Shareholders and/or Directors for the benefit of our Group*

(i) Guarantees and indemnities in favour of St George Bank

CCE has entered into a multi-option facility with St George Bank, for banking facilities including bank guarantees, letters of credit and commercial overdrafts. The facility has an overall limit of A\$10,030,000. Our Executive Chairman and CEO have provided guarantees and indemnities in relation to the multi-option facility.

(ii) Guarantees and indemnities in favour of St George Finance Ltd

CCE has entered into a master asset finance facility with St George Finance Ltd for the provision of equipment lease, hire purchase or goods mortgage facilities as required. The facility has a limit of A\$5,000,000. Our Executive Chairman and CEO have provided guarantees and indemnities in relation to the master asset finance facility.

Civmec Holdings has entered into hire purchase agreements with St George Finance Ltd in relation to the financing of the purchase of certain plant equipment. The aggregate value of the facilities is approximately A\$3,718,274. Our Executive Chairman and CEO have provided guarantees in relation to the hire purchase agreements.

(iii) Guarantees and indemnities in favour of AssetInsure Pty Ltd

CCE has entered into a surety bond facility with AssetInsure Pty Ltd, as agent for Swiss Re International Pty Ltd, for the provision of performance bonds. The facility has a limit of A\$17,000,000. Our Shareholders, namely the Kariong Investment Trust and the JF & OT Fitzgerald Family Trust, and our Executive Chairman and CEO have provided guarantees and indemnities in relation to the surety bond facility.

(iv) Guarantees in favour of Australia and New Zealand Banking Group Ltd

CCE has provided a chattel mortgage to Australia and New Zealand Banking Group Ltd in relation to the financing of the purchase of certain plant equipment. The value of the mortgage is approximately A\$179,721. Our Executive Chairman and CEO have provided guarantees in relation to the chattel mortgage.

(v) Guarantees in favour of National Australia Bank Ltd

CCE has provided a chattel mortgage to National Australia Bank Ltd in relation to the financing of the purchase of certain plant equipment. The value of the mortgage is approximately A\$2,683,347. Our Executive Chairman and CEO have provided guarantees in relation to the chattel mortgage.

Provision of the abovementioned facilities, financing, guarantees and/or indemnities are not conditional on any specific shareholdings held by any of our Shareholders and/or Directors in our Group.

Subsequent to the Invitation, we intend to obtain a release and discharge of the existing guarantees and indemnities provided by, *inter alia*, the Kariong Investment Trust, the JF & OT Fitzgerald Family Trust, and our Executive Chairman and CEO by substituting the same with other guarantees and indemnities to be provided by our Group which may be acceptable to the respective financial institutions, subject to their consent.

We do not expect the discharge of the guarantees and indemnities to have any material adverse impact on our Group. In the event that the financial institutions do not accept the substitution of the personal guarantees and indemnities and we are unable to secure alternative financing on similar terms, the respective Directors and Shareholders have agreed to continue providing such guarantees and indemnities until such time that we are able to secure alternative financing or guarantees and indemnities from other third parties which are acceptable to the respective financial institutions.

As no fees were or will be paid to the Kariong Investment Trust, the JF & OT Fitzgerald Family Trust, and our Executive Chairman and CEO for the provision of the respective guarantees and indemnities, the provision of such guarantees and indemnities were not on an arm's length basis

but were not prejudicial to the interests of our Group and/or minority Shareholders. Our Group does not intend to enter into any such transactions after our listing on the SGX-ST Main Board.

REVIEW OF NON-MANDATED INTERESTED PERSON TRANSACTIONS

Our Audit Committee will review all non-mandated Interested Person Transactions on a quarterly basis to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of our Shareholders by ensuring that the following policies are adopted by the management and reviewed by the internal auditors:

- (a) market rates (where available) will be used as benchmarks for Interested Person Transactions;
- (b) in determining the appropriate pricing, the suitability, quality and cost of the product or service, and the experience and expertise of the supplier will be taken into consideration; and
- (c) in relation to sales from our Group to Interested Persons, unless otherwise approved by the Audit Committee, the Interested Persons will be charged at rates not lower than those charged to independent third parties.

In the event that a member of the Audit Committee is interested in any of the Interested Person Transactions, he will abstain from reviewing that particular transaction.

Internal auditors will be appointed to review all Interested Person Transactions on a periodic basis to ensure full compliance with the terms of the executed agreements and rules and regulations implemented by the SGX-ST for both on-going and future Interested Person Transactions. The report of such internal auditors will be submitted to the Audit Committee for their review. The Audit Committee will review the internal audit reports to ascertain that the guidelines and procedures established to monitor Interested Persons Transactions have been complied with.

The report shall detail the basis and procedures used to determine the terms of the transactions and whether the terms are on normal commercial terms and not prejudicial to the interests of our Shareholders. Please refer to the section entitled "Corporate Governance" for more details of our Audit Committee.

Our Audit Committee will also review all Interested Person Transactions to ensure that the then prevailing rules and regulations of the SGX-ST (in particular Chapter 9 of the Listing Manual) are complied with. We will also endeavour to comply with the principles of and best practices set out in the Listing Manual.

POTENTIAL CONFLICT OF INTERESTS

In general, a conflict of interest arises when any of our Directors, Controlling Shareholders or their Associates is carrying on or has any interest in any other corporation carrying on the same business or dealing in similar products as our Group.

Nicholas Paul Tallon ("**Nicholas Tallon**") is the brother of our CEO. Nicholas Tallon was a former shareholder and director of CCE until 26 February 2010 ("**Cessation Date**").

To the best knowledge of our Directors, Nicholas Tallon is currently a substantial shareholder and operations director and is involved in the operations of Talco Group Pty Ltd ("**Talco**"), which is a civil and concrete construction company operating in West Australia. To the best knowledge and belief of our Directors, Talco is not a direct competitor to our Group.

Our Directors believe that there is no conflict of interest between our CEO's and Nicholas Tallon's respective interest for the following reasons:

- (a) to the best of our Directors' knowledge, Talco (which has approximately 25 employees) operates on a smaller scale compared to our Group (which has approximately 600 employees as at the Latest Practicable Date) and accordingly, the types, scale, complexity and contract values of the projects undertaken by our Group are different from those undertaken by Talco. Furthermore, to the best of our Directors' knowledge, our Group has not, in its history of tendering for projects, encountered a competitive bid by Talco. As at the Latest Practicable Date, our Group does not have and does not intend to enter into any cooperation agreement with Talco, and any such change in intention shall be reviewed and approved by our Risks and Conflicts Committee;
- (b) to ensure that our CEO will not be placed in a position of potential conflict in relation to Talco and/or Nicholas Tallon during project tenders, the receipt of invitations to tender or information relating to possible projects will be monitored and managed by our Business Development Manager, who will ensure that information and/or documents relating thereto (which are in physical form) are kept in a secured and locked cabinet not otherwise accessible to others and (which are in electronic form) are password protected and not otherwise accessible to others, and account to the Risks and Conflicts Committee the measures taken to protect such information and/or documents as the latter may require. During the tendering process of any projects in which our Directors are aware of a competitive bid by Talco and/or Nicholas Tallon:
 - (i) our CEO will abstain from reviewing or approving the particular tender; and
 - (ii) during the preparation of tender documents for such projects, our CEO will not be allowed to access any information (such as those relating to cost structure and pricing) which the Risks and Conflicts Committee deems to be confidential or competitive information taking into account the interests of our Group;
- (c) submission of any tender is made in accordance with the following prescribed levels of authority, which are applicable as at the Latest Practicable Date:
 - (i) for tender amounts up to A\$100,000, approval is by our Proposals Manager;
 - (ii) for tender amounts exceeding A\$100,000 but less than A\$5,000,000, approval is by either our COO or CEO; and
 - (iii) for tender amounts equal to or exceeding A\$5,000,000, approval is by our Board.

The tender package is formally submitted to the customer only when our management is satisfied that all issues have been addressed and approval obtained from our Board (where necessary).

In the event that any of the authorising officers has a potential conflict of interests in relation to the tender, the relevant authorising officer will abstain from reviewing and approving the particular tender. Accordingly, during the tendering process of any projects in which our Directors are aware of a competitive bid by Talco and/or Nicholas Tallon, our CEO will abstain from reviewing and approving the particular tender;

- (d) our CEO has undertaken to our Company, the Issue Manager and the SGX-ST that:
- (i) he will not be involved in any decision making in Talco or any of its related companies that will put him in a conflict of interest position with respect to his duties and responsibilities in our Group;
 - (ii) save for Nicholas Tallon's interest in Talco, he will not, and shall use reasonable efforts to procure his Associates (whether present or future) will not, carry on any business that is directly or indirectly in competition with the business of our Group;
 - (iii) save for Nicholas Tallon's interest in Talco, he will not, and shall use reasonable efforts to procure that his Associates will not, directly or indirectly, have any interest in or provide any financial assistance to any other person to carry on business or other activity that will directly or indirectly compete with our Group;
 - (iv) he will not, either alone or jointly with or as a manager, agent for, director or executive or employee of any person, firm or company, directly or indirectly, carry on or be engaged or concerned or interested in any capacity in or provide any financial assistance to any other business, trade or occupation whatsoever, except in a business, trade or occupation which does not compete directly or indirectly with any business carried on or engaged in or concerned with or interested with or proposed to be carried on or engaged in or concerned with or interested with our Company or any company in our Group;
 - (v) he will not, either on his own account or for any other person directly or indirectly solicit, interfere with or endeavour to entice away from our Company or any company of our Group any person who to his knowledge is now or has been a customer, or executive or employee of, or in the habit of dealing with our Company or any company in our Group;
 - (vi) he will not, whether directly or indirectly, assist Nicholas Tallon, Talco and any of their Associates in competing with the business of our Group;
 - (vii) he will use reasonable efforts to procure that he and/or his Associates, save for Nicholas Tallon, will not, directly or indirectly, acquire any interest in Talco or be involved in any decision making in any manner in Talco;
 - (viii) he will inform our Company immediately should he be aware that any breach of any terms of this undertaking is imminent, likely or has taken place;
 - (ix) our Group and Talco do not and will not share common operational premises, facilities and assets;
 - (x) he will abstain from reviewing or approving any particular tender in which our Directors are aware of a competitive bid by Talco;
 - (xi) he will provide an annual confirmation that he has not breached any terms of this undertaking;
 - (xii) he will fully indemnify our Company and/or any company in our Group against all losses, liabilities, damages, costs, claims, expenses, demands, actions and proceedings which may be suffered, incurred or made against our Company and/or any company in our Group as a result of or in connection with any breach of any terms of this undertaking ("**Indemnity**");

- (xiii) as security for the Indemnity, he will procure Kariong Investment Trust to place 20 million of its Shares in an escrow arrangement as may be agreed with our Company ("**Escrow Shares**"). Our Company is authorised to take all necessary steps to sell any of the Escrow Shares (subject to any applicable moratoriums imposed in conjunction with the Invitation) and utilise the proceeds thereof towards the satisfaction of his liabilities under the Indemnity;
- (xiv) he will not transfer or create any encumbrance over any of the Escrow Shares, and on request by our Company from time to time, he will promptly do or procure the doing of all such acts and/or promptly execute or procure the execution of all such documents as our Company may consider necessary for giving full effect to the Indemnity, until such time that our Audit Committee deems that he does not have a material conflict of interests with respect to his relationship with Nicholas Tallon;
- (xv) any variation to or waiver of the terms of this undertaking shall be subject to the written consent of our Audit Committee; and
- (xvi) the undertaking will continue for so long as he is a Director or an employee of our Group and in any case, will be binding for at least 12 months after he ceases to be employed by our Group;
- (e) Nicholas Tallon is not a Director, employee, consultant or (direct or indirect) shareholder of our Group. He is also not involved in the management of our Group in any way. Conversely, our CEO is not a director, employee, consultant or shareholder of Talco and he is also not involved in the management of Talco in any way; and
- (f) our CEO, being a Director, owes fiduciary duties to our Company, including the duty to act in good faith and in our best interests. He is also subject to a duty of confidentiality that precludes a Director from disclosing to any third party (including any of our Shareholders or their Associates) information that is confidential to us and would prejudice our interest.

In addition to the reasons set out above, to minimise any potential conflicts of interest between our CEO's and Nicholas Tallon's respective interest, our Risks and Conflicts Committee will:

- (a) continually review the internal control procedures, associated business risks and other internal guidelines and procedures put in place by our Group to determine whether such guidelines and procedures are sufficient to ensure that there is no conflicts of interest between our CEO's and Nicholas Tallon's respective interest or any such potential conflicts of interest as and when they arise;
- (b) ensure the application of the internal guidelines and controls in potential or perceived conflicts of interest situations involving our CEO's and Nicholas Tallon's respective interest, including but not limited to, the bidding of projects for which, to the best of our Directors' knowledge, Talco and/or Nicholas Tallon is or will also be bidding. Such internal guidelines and controls may involve enforcing the non-participation of any Directors, Key Executives or employees of the Group deemed to be in a potential conflict of interest in relation to any tender or proposed transaction; and
- (c) review on a quarterly basis the projects in which our Company is involved and whether the internal guidelines and procedures have been complied with, engage the assistance of the internal auditors in relation to such review whenever deemed necessary by the Risks and Conflicts Committee, and highlight any non-compliance and material findings to the attention of our Board.

To address any unforeseen future potential conflicts of interests, each Executive Director has undertaken to our Company in their respective service agreements that except with our consent in writing:

- (a) for so long as he is an employee of our Company and for the period of 12 months from the date that the Director ceases to be an employee of our Company ("**Cessation Date**"), he will not either

on his own account or in conjunction with or on behalf of any person, firm or company carry on or be engaged, concerned or interested directly or indirectly in, within any country in which our Group carries on business, whether as shareholder, director, employee, partner, agent or otherwise, any business in competition with the business of our Group carried on prior to the Cessation Date (other than as a holder of not more than 5% of the total issued shares or debentures of any company listed on any recognised stock exchange);

- (b) for as long as he is an employee of our Company, he shall not, directly or indirectly be engaged, concerned or interested in any business, trade or occupation which: (i) is wholly or partly in competition with any business carried on by any Group Company by itself or themselves or in partnership, common ownership or as a joint venture with any third party; or (ii) as regard to any goods or services, is a supplier to or customer of any Group Company, without the prior written consent of our Board;
- (c) for so long as he is an employee of our Company and for the period of 12 months from the Cessation Date, he will not either on his own account or in conjunction with or on behalf of any other person, firm or company, solicit or entice away or attempt to solicit or entice away from our Group any person, firm, company, organisation, supplier, distributor, principal or manufacturer who shall at any time prior to the Cessation Date have been a customer, agent, correspondent, supplier, distributor, principal or manufacturer of or for our Group or in the habit of dealing with our Group;
- (d) for so long as he is an employee of our Company and for the period of 12 months from the Cessation Date, he will not either on his own account or in conjunction with or on behalf of any other person, firm or company, solicit or entice away or attempt to solicit or entice away from our Group any person who is an officer, manager or employee of our Group whether or not such person would commit a breach of his contract of employment by reason of leaving such employment;
- (e) he will not at any time hereafter make use of or disclose or divulge to any third party any information relating to our Group other than any information properly available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction;
- (f) he will not at any time hereafter in relation to any trade, business or company use a name including the words "Civmec" in such a way as to be capable of being or likely to be confused with the name of our Company and shall use all reasonable endeavour to procure that no such name shall be used by any person, firm or company with which he is connected; and
- (g) he will inform our Company immediately should he be aware that any breach of any of the restrictions above is imminent.

Save as disclosed above and in the section entitled "Interested Person Transactions", during the past three financial years ended 31 December and up to the Latest Practicable Date:

- (a) none of our Directors or Controlling Shareholders or their associates has had any interest, direct or indirect, in any material transactions to which we were or are a party;
- (b) none of our Directors or Controlling Shareholders or their associates has had any interest, direct or indirect, in any company carrying on the same business or carrying on a similar trade as us; and
- (c) none of our Directors or Controlling Shareholders or their associates has had any interest, direct or indirect, in any enterprise or company that is our customer or supplier of goods or services.

GENERAL AND STATUTORY INFORMATION

1. INFORMATION ON DIRECTORS, KEY EXECUTIVES AND CONTROLLING SHAREHOLDERS

Save as disclosed below, no Director, Key Executive or Controlling Shareholder:

- (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time he was a partner or at any time within two years from the date he ceased to be a partner;
- (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or key executive at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) has any unsatisfied judgement against him;
- (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
- (f) has, at any time during the last 10 years, had judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) has ever been disqualified from acting as a director or equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

- (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere, or
- (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
- (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the corporation or partnership, entity or business trust; or

- (k) has ever been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Disclosure in relation to Wong Fook Choy Sunny

In April 2003, when Wong Fook Choy Sunny was a director of Space & Telecommunications Systems Pte Ltd (“**Space & Telecommunications**”), he, along with the board of directors of Space & Telecommunications had passed resolutions to convene an extraordinary general meeting and a meeting of creditors to wind up Space & Telecommunications by way of creditor’s voluntary winding up. Space & Telecommunications was wound up in November 2003.

Disclosure in relation to our CFO

In 2009, Industrial Foundation for Accident Prevention (an independent, not-for-profit, member-based occupational health and safety training organisation that provides safety and risk management solutions to the Australian workplace) (“**IFAP**”) provided the use of its training premises to an external party for the conduct of safety training.

A gas explosion during the training caused injuries to certain people present. IFAP was charged under the Workplace Health and Safety Act and the Workplace Health and Safety Regulations of Australia for their part in the gas explosion and fined A\$121,000 in 2011.

Our CFO was then chief financial officer of IFAP and was not involved in the operational or safety matters of IFAP during the aforesaid incident. He was also not personally prosecuted or named as a defendant or accused in relation to the above.

2. MEMORANDUM AND ARTICLES OF ASSOCIATION

An extract of our Articles of Association relating to, *inter alia*, Directors’ powers to vote on contracts in which they are interested, Directors’ remuneration, Directors’ borrowing powers, Directors’ retirement, Directors’ share qualification, rights pertaining to shares, convening of general meetings and alteration of capital are set out in Appendix F. Our Articles of Association is available for inspection at our registered office as stated in the section entitled “Documents for Inspection”.

3. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, to which our Company or any member of our Group is a party, for the period of two years before the Latest Practicable Date, are or may be material:

- (a) First Convertible Loan Agreement dated 11 June 2010, described in the section entitled “Principal Shareholders” and a supplemental letter dated 1 November 2011 thereto;
- (b) Second Convertible Loan Agreement dated 15 December 2010, described in the section entitled “Principal Shareholders”, and supplemental letters dated 15 March 2011 and 18 January 2012 thereto;
- (c) Assignment of Convertible Loan Agreement dated 25 February 2011, under which the Kariang Investment Trust assigned its rights, title and interest relating to A\$400,000 of its loan amount under the First Convertible Loan Agreement to the Hemsworth Family Trust;
- (d) Assignment of Convertible Loan Agreement dated 25 February 2011, under which the JF & OT Fitzgerald Family Trust assigned its rights, title and interest relating to A\$200,000 of its loan amount under the First Convertible Loan Agreement to the Bowcon Family Trust;
- (e) Assignment of Convertible Loan Agreement dated 25 February 2011, under which the JF & OT Fitzgerald Family Trust assigned its rights, title and interest relating to A\$200,000 of its loan amount under the First Convertible Loan Agreement to the Bowcon Superannuation Fund;
- (f) Assignment of Convertible Loan Agreement dated 30 November 2011, under which the JF & OT Fitzgerald Family Trust assigned its rights, title and interest relating to A\$50,000 of its loan amount under the First Convertible Loan Agreement to the Colin Swan Trust;
- (g) Assignment of Convertible Loan Agreement dated 15 December 2011, under which the Kariang Investment Trust assigned its rights, title and interest relating to A\$50,000 of its loan amount under the First Convertible Loan Agreement to our General Manager (Operations); and
- (h) Share Swap Agreement dated 27 March 2012, described in the section entitled “Restructuring Exercise”.

4. LITIGATION

Neither our Company nor our subsidiaries are engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of lodgement of this Prospectus, a material effect on our Group’s financial position or profitability.

5. FINANCIAL CONDITION AND OPERATIONS OF OUR GROUP

- (a) Save as disclosed in this Prospectus, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.
- (b) Save as disclosed in this Prospectus, the financial condition and operations of our Group are not likely to be affected by any of the following:
 - (i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;

- (ii) material commitments for capital expenditure;
 - (iii) unusual or infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from operations; and
 - (iv) known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.
- (c) Save as disclosed in this Prospectus, our Directors are not aware of any event which has occurred since 1 October 2011, which may have a material effect on the financial information provided in this Prospectus or which may have a material effect on the financial position and results of our Group.

6. CONSENTS

- (a) Moore Stephens LLP, the Reporting Accountants and Auditors, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its reports as Reporting Accountants and Auditors in relation to the Financial Statements in the forms and context in which they appear in this Prospectus and references to its name in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.
- (b) Deloitte Access Economics has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of the executive summary from its December 2011 issue of Investment Monitor in the section entitled "Australia Economic Overview" and the statements in the section entitled "Prospects, Business Strategies and Future Plans", and references to its name in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.
- (c) The Issue Manager and Underwriter has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of and references to its name in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.
- (d) The Placement Agent has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of and references to its name in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.
- (e) The Solicitors to the Invitation and Legal Advisers to our Company on Singapore law has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of and references to its name in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.
- (f) The Solicitors to the Issue Manager, Underwriter and Placement Agent has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of and references to its name in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.
- (g) The Legal Advisers to our Company on Australian law has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of and references to its name in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.

- (h) Each of (i) the Solicitors to the Invitation and Legal Advisers to our Company on Singapore law; (ii) the Solicitors to the Issue Manager, Underwriter and Placement Agent; (iii) the Share Registrar and Share Transfer Agent; (iv) the Receiving Bank; and (v) the Principal Banker does not make, or purport to make, any statement in this Prospectus or any statement upon which a statement in this Prospectus is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this Prospectus.

7. GENERAL

- (a) No expert employed on a contingent basis by our Company or our subsidiaries, has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.
- (b) There has not been any public take-over, by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of a business trust, which has occurred during and between FP2010, FY2011, 1Q2012 and up to the Latest Practicable Date.
- (c) Save as disclosed in the section entitled “Management, Underwriting and Placement Arrangements”, no director, proposed director or promoter of the Company or any expert is entitled to receive any commission for subscribing and/or purchasing or agreeing to subscribe for and/or purchase, or procuring or agreeing to procure a subscription and/or purchase, for any shares in, or debentures of our Company.
- (d) Save as disclosed in the sections entitled “Intellectual Property”, “Our Major Customers” and “Our Major Suppliers”, the business or profitability of our Group is not materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process.

8. STATEMENT BY OUR DIRECTORS AND THE VENDORS

This Prospectus has been seen and approved by the Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Invitation, our Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Prospectus materially misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

The Vendors collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Invitation, our Company and its subsidiaries, and the Vendors are not aware of any facts the omission of which would make any statement in this Prospectus materially misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Vendors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

9. STATEMENT BY THE ISSUE MANAGER

The Issue Manager acknowledges that, having made due and careful enquiry and to the best of its knowledge and belief, based on information furnished to it by our Group, this Prospectus constitutes a full and true disclosure of all the material facts about the Invitation and our Group, and it is not aware of any other facts, the omission of which would make any statements herein materially misleading.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our registered office during normal business hours for a period of six months from the date of this Prospectus:

- (a) our Memorandum and Articles of Association;
- (b) the material contracts referred to in the section entitled “Material Contracts”;
- (c) the Service Agreements referred to in the section entitled “Service Agreements”;
- (d) the letters of consents referred to in the section entitled “Consents”;
- (e) the report of the Reporting Accountants and Auditors in relation to the Audited Combined Financial Statements;
- (f) the report of the Reporting Accountants and Auditors in relation to the Unaudited Interim Condensed Combined Financial Statements;
- (g) the report of the Reporting Accountants and Auditors in relation to the Unaudited Pro Forma Combined Financial Statements (FY2011);
- (h) the report of the Reporting Accountants and Auditors in relation to the Unaudited Pro Forma Combined Financial Statements (1Q2012); and
- (i) the Investment Monitor Report and Business Outlook Report as referred to in the sections entitled “Australia Economic Overview”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Business Strategies and Future Plans — Prospects”.

**APPENDIX A — INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD
FROM 22 JUNE 2009 TO 30 JUNE 2010 AND THE FINANCIAL YEAR
ENDED 30 JUNE 2011**

The Board of Directors
Civmec Limited
c/o 9 Temasek Boulevard
#08-01 Suntec Tower Two
Singapore 038989

Dear Sirs,

This report has been prepared solely for inclusion in the Offer Document of Civmec Limited in connection with the invitation in respect of the initial public offering of shares and listing on the Singapore Exchange Securities Trading Limited.

We have audited the accompanying combined financial statements of Civmec Limited (the “Company”) and its subsidiary companies (collectively referred to as the “Group”), as set out on pages A-3 to A-56, which comprise the combined statements of financial position of the Group as at 30 June 2010 and 2011 and the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial period from 22 June 2009 to 30 June 2010 and the financial year ended 30 June 2011, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of these combined financial statements that give a true and fair view in accordance with 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements of the Group are properly be drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group as at 30 June 2010 and 2011 and the results, changes in equity and cash flows of the Group for the period or year ended on that date.

Moore Stephens LLP

Public Accountants and
Certified Public Accountants

Singapore
5 April 2012

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**COMBINED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

	Note	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
		S\$	S\$
Sales revenue	5	22,293,510	61,006,874
Cost of sales	6	(14,035,967)	(41,059,501)
Gross profit		8,257,543	19,947,373
Other income	5	139,810	316,565
Administrative expenses	6	(3,405,927)	(7,588,410)
Finance costs	8	(166,405)	(1,557,100)
Profit before tax	6	4,825,021	11,118,428
Income tax expense	9	(1,588,568)	(3,595,958)
Profit for the year		3,236,453	7,522,470
Other comprehensive income:			
Exchange differences on re-translation from functional currency to presentation currency		(49,968)	1,333,971
Total comprehensive income for the period/year		3,186,485	8,856,441
Profit attributable to:			
Owners of the Company		3,236,453	7,523,210
Non-controlling interest		—	(740)
		3,236,453	7,522,470
Total comprehensive income attributable to:			
Owners of the Company		3,186,485	8,857,181
Non-controlling interest		—	(740)
		3,186,485	8,856,441
Earnings per share attributable to equity holders of the Company (cents per share):			
— Basic	10	0.72	1.67
— Diluted	10	0.72	1.67

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

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**COMBINED COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2010 AND 2011**

	<u>Note</u>	<u>30.06.2010</u>	<u>30.06.2011</u>
		S\$	S\$
ASSETS			
Current Assets			
Trade and other receivables	11	6,261,729	20,402,284
Other current assets	12	233,731	492,302
Cash and cash equivalents	13	11,255,200	6,620,150
		<u>17,750,660</u>	<u>27,514,736</u>
Non-Current Assets			
Property, plant and equipment	14	13,462,785	44,439,182
Intangible assets	15	11,972	13,092
Deferred tax assets	9	319,590	833,185
		<u>13,794,347</u>	<u>45,285,459</u>
TOTAL ASSETS		<u>31,545,007</u>	<u>72,800,195</u>
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	16	6,910,354	11,287,563
Borrowings	17	—	1,584,909
Payable to related parties	24	—	21,352
Current income tax liabilities		1,810,933	3,662,973
Provisions	19	252,877	620,871
		<u>8,974,164</u>	<u>17,177,668</u>
Non-Current Liabilities			
Borrowings	17	10,218,568	33,856,233
Deferred income tax liabilities	9	41,847	260,556
Provisions	19	31,149	211,071
		<u>10,291,564</u>	<u>34,327,860</u>
Total Liabilities		<u>19,265,728</u>	<u>51,505,528</u>
Capital and Reserves			
Share capital	20	9,010,042	1
Other reserves	21	32,784	10,535,743
Retained earnings		3,236,453	10,759,663
Total Equity Attributable to Owners of the Company		<u>12,279,279</u>	<u>21,295,407</u>
Non-controlling interest		<u>—</u>	<u>(740)</u>
TOTAL EQUITY		<u>12,279,279</u>	<u>21,294,667</u>
TOTAL LIABILITIES AND EQUITY		<u>31,545,007</u>	<u>72,800,195</u>

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

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

COMBINED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

Other reserves

Note	Share capital	Merger reserve	Option premium on convertible loans	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
2010								
Balance as at 22 June 2009	4	—	—	—	—	4	—	4
Total comprehensive income for the period	—	—	—	(49,968)	3,236,453	3,186,485	—	3,186,485
Issuance of convertible loan — equity component	—	—	82,752	—	—	82,752	—	82,752
Issuance of shares of the Company	1	—	—	—	—	1	—	1
Issuance of shares of subsidiary company	9,010,037	—	—	—	—	9,010,037	—	9,010,037
Balance at 30 June 2010	9,010,042	—	82,752	(49,968)	3,236,453	12,279,279	—	12,279,279
2011								
Balance as at 1 July 2010	9,010,042	—	82,752	(49,968)	3,236,453	12,279,279	—	12,279,279
Total comprehensive income for the year	—	—	—	1,333,971	7,523,210	8,857,181	(740)	8,856,441
Issuance of convertible loan — equity component	—	—	158,730	—	—	158,730	—	158,730
Issuance of shares of subsidiary company	217	—	—	—	—	217	—	217
Adjustment pursuant to Restructuring Exercise	(9,010,258)	9,010,258	—	—	—	—	—	—
Balance at 30 June 2011	1	9,010,258	241,482	1,284,003	10,759,663	21,295,407	(740)	21,294,667

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

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
		S\$	S\$
Cash Flows from Operating Activities			
Profit before income tax		4,825,021	11,118,428
Adjustments for:			
Depreciation of property, plant and equipment	6	1,177,367	1,746,606
Amortisation of management fee	6	5,907	473,304
(Gain)/Loss on disposal of property, plant and equipment		(7,041)	44,256
Finance cost	8	166,405	1,557,100
Interest income	5	(132,769)	(316,565)
Unrealised foreign exchange differences		—	(943)
Operating cash flow before working capital changes		6,034,890	14,622,186
Changes in working capital:			
Increase in trade and other receivables		(6,261,729)	(13,633,281)
Increase in other current assets		—	(66,984)
Increase in trade and other payables		6,759,980	2,931,180
Increase in payable to related parties		—	21,352
Increase in provisions		284,026	521,328
Cash generated from operations		6,817,167	4,395,781
Interest received		132,769	316,565
Finance cost paid		—	(780,006)
Income taxes paid		—	(2,216,160)
Net cash generated by operating activities		6,949,936	1,716,180
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		248,298	12,477
Purchase of property, plant and equipment		(12,528,479)	(30,809,280)
Loans to directors		(2,480,800)	—
Payments for intangibles		(11,972)	—
Net cash used in investing activities		(14,772,953)	(30,796,803)
Cash flows from financing activities			
Proceeds from issuance of shares of subsidiary company	28(a)	4,341,400	217
Proceeds from borrowings		—	16,233,426
Repayment of borrowings		—	(646,528)
Payment of management fee		(248,080)	(638,950)
Proceeds from issuance of convertible loans		5,936,380	12,982,800
Proceeds from loans from related parties		9,936,394	31,948
Repayment of loans from related parties		(930,300)	(4,627,597)
Deposits pledged		(934,683)	(87,498)
Net cash generated by financing activities		18,101,111	23,247,818
Net increase/(decrease) in cash and cash equivalents		10,278,094	(5,832,805)
Effects of currency translation on cash and cash equivalents		42,423	1,110,257
Cash and cash equivalents at the beginning of the financial period/ year	13	—	10,320,517
Cash and cash equivalents at the end of the financial period/year	13	10,320,517	5,597,969
Analysis of cash and cash equivalents:			
Cash on hand and in banks		11,255,200	6,620,150
Less: Deposits pledged		(934,683)	(1,022,181)
		10,320,517	5,597,969

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

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

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

1. Introduction

The combined financial statements of Civmec Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the financial period from 22 June 2009 to 30 June 2010 and financial year ended 30 June 2011 (the “relevant periods”) have been prepared for inclusion in the Offer Document of the Company in connection with the invitation (the “Invitation”) by the Company in respect of the initial public offering of shares and listing on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

2. Corporate Information

(a) The Company

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 described in (b) below.

The registered office and principal place of business of the Company is at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095.

The principal activities of the subsidiaries are set out in Note 2(b).

The combined financial statements for the financial period from 22 June 2009 to 30 June 2010 and financial year ended 30 June 2011 were authorised for issue on the date of the statement by the directors.

(b) The Restructuring Exercise

The Company undertook a reorganisation of the corporate structure to streamline and rationalise the Group’s structure and business pursuant to which the Company became the holding company of the Group. The combined financial statements of the Group were prepared based on a Restructuring Exercise (the “Restructuring Exercise”) as set out in the section entitled “Restructuring Exercise” of the Prospectus.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

2. Corporate Information (cont'd)**(b) The Restructuring Exercise (cont'd)**

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

Name of subsidiaries	Date and place of incorporation and principal place of business	Principal activities	Percentage of equity held by the Company
Civmec Construction & Engineering Pty Ltd*	22 June 2009 (Australia)	Civil construction and structural/mechanical and process piping ("SMP") services	100%
Civmec Holdings Pty Ltd*	30 June 2009 (Australia)	Asset holding company	100%
Ballymount Holdings Pty Ltd*	17 January 2005 (Australia)	Asset holding company	100%
Civmec Pipe Products Pty Ltd*	28 June 2010 (Australia)	Asset holding company	83.5%

* Audited by Moore Stephens, Perth, Australia

In addition, the Company acquired the following interest in a joint venture subsequent to the financial year ended 30 June 2011:

Name of entity	Date and place of incorporation and principal place of business	Principal activities	Percentage of equity held by the Company
Civmec Cape Insulation Group Pty Ltd	16 September 2011 (Australia)	Insulation services	50%

3. Significant Accounting Policies**(a) Basis of Preparation of Group's Combined Financial Statements**

The Group is regarded as a continuing entity resulting from the Group Restructuring Exercise as described in Note 2 since all the entities which took part in the Group Restructuring are deemed to be controlled by the same ultimate controlling parties, James Finbarr Fitzgerald and Olive Theresa Fitzgerald (acting as trustees for the JF & OT Fitzgerald Family Trust) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust). Consequently, immediately after the Group Restructuring, there is a continuation of the risks and benefits to the ultimate controlling parties that exist prior to the Group Restructuring Exercise. The Group Restructuring Exercise has been accounted for as a restructuring under common control in a manner similar to pooling of interests.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

3. Significant Accounting Policies (cont'd)**(a) Basis of Preparation of Group's Combined Financial Statements (cont'd)**

Accordingly, the combined financial statements for the financial period from 22 June 2009 to 30 June 2010 and financial year ended 30 June 2011 have been prepared on the basis of merger accounting and comprise the audited financial statements of the entities which are under common control of the ultimate controlling parties that exist before and after the Group Restructuring Exercise.

In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs and for any comparative periods disclosed, are included in the combined financial statements of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties. No restatement was made on financial information in the combined financial statements for the periods prior to the combination under common control.

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

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

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 balance sheet 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. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the combined financial statements are disclosed in Note 4 to the combined financial statements.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

3. Significant Accounting Policies (cont'd)**(a) Basis of Preparation of Group's Combined Financial Statements (cont'd)***New or Revised FRS*

As at the financial year ended 30 June 2011, the Group has adopted the new or revised FRS that are mandatory for application in the said year and which are relevant to the Group as follows:

Description	Effective for annual periods beginning on or after
Improvements to FRSs issued in 2009:	
— Amendments to FRS 7 <i>Statement of Cash Flows</i>	1 January 2010
— Amendments to FRS 17 <i>Leases</i>	1 January 2010
Improvements to FRSs issued in 2010:	
— Amendments to FRS 27 <i>Consolidated and Separate Financial Statements</i> and FRS 103 <i>Business Combinations</i>	1 July 2010
— Amendments to FRS 7 <i>Statement of Cash Flows</i>	

The amendment specifies that only expenditure that results in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

Amendments to FRS 17 Leases

The amendments remove the specific guidance on classifying land as a lease, so that only the general principles of FRS 17 remain. The amendments will be applied retrospectively.

Amendments to FRS 27 Consolidated and Separate Financial Statements and FRS 103 Business Combinations

The amendments to FRS 27 are a result of consequential amendments to FRS 103 (Revised). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The amendments to FRS27 also specify the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(a) Basis of Preparation of Group's Combined Financial Statements (cont'd)

New or Revised FRS (cont'd)

Amendments to FRS 27 Consolidated and Separate Financial Statements and FRS 103 Business Combinations (cont'd)

The amendments to FRS 103 clarify that:

- the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interests are measured at fair value unless another measurement basis is required by FRS.
- contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of revised FRS 103 are to be accounted for in accordance with the guidance in the previous version of FRS 103, at initial recognition, contingent consideration is recognised at the fair value if it is deemed to be probable of payment and can be measured reliably at the date of acquisition.

All subsequent changes in the contingent consideration are adjusted against the cost of combination. Under the revised FRS 103, at initial recognition, contingent consideration is now required to be recognised at fair value even if it is deemed not to be probable of payment at the date of acquisition. All subsequent changes in debt contingent consideration are recognised in profit or loss, rather than goodwill.

The above changes do not have any material impact on the financial position and financial performance of the Group.

New or Revised FRS Issued but Not Yet Effective

At the date of authorisation of these financial statements, the Group and the Company have not applied the following new or revised FRS that have been issued and which are relevant to the Group and the Company but are not yet effective. The Group and the Company anticipate that these changes will have no material effect on the financial statements upon adoption.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(a) Basis of Preparation of Group's Combined Financial Statements (cont'd)

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

Amendments to FRS 107 Financial Instruments: Disclosures

The amendments to FRS 107 include removal of the requirement to disclose the carrying amount of negotiated financial assets that would be past due or impaired if not for the renegotiation. Clarification that disclosure of the amount that best represents the maximum exposure to credit risk is not required when this amount is represented by the carrying amount of the financial instrument and the requirement to disclose fair value of collateral and other credit enhancements. It is effective for annual periods beginning on or after 1 January 2011. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented.

FRS 24 Related Party Disclosures (Revised)

The revised FRS 24 simplifies the definition of a related party and provides partial exemption for government-related entities. The revised FRS 24 applies retrospectively for annual periods beginning on or after 1 January 2011 but earlier application is permitted.

Amendment to FRS 1 Presentation of Items of Other Comprehensive Income

The amendment to FRS 1 *Presentation of Items of Other Comprehensive Income* requires entities to group items presented in other comprehensive income ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss. It is effective for annual periods beginning on or after 1 July 2012. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group when implemented.

FRS 110 Consolidated Financial Statements

FRS 110 *Consolidated Financial Statements* supersedes FRS 27 *Consolidated and Separate Financial Statements* and INT FRS 12 *Consolidation — Special Purpose Entities*, which is effective for annual periods beginning on or after 1 January 2013. It changes the definition of control and applies it to all investees to determine the scope of consolidation. FRS 110 requirements will apply to all types of potential subsidiary. FRS 110 requires an investor to reassess the decision on whether to consolidate an investee when events indicate that there may be a change to one of the three elements of control, i.e. power, variable returns and the ability to use power to affect returns. The Group will determine the impact of this standard when it becomes effective.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(a) Basis of Preparation of Group's Combined Financial Statements (cont'd)

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

FRS 112 Disclosure of Interests in Other Entities

FRS 112 *Disclosure of Interests in Other Entities*, which is effective from 1 January 2013 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. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group when implemented.

FRS 27 Separate Financial Statements (Revised)

FRS 27 *Separate Financial Statements (Revised)* will now solely address separate financial statements, the requirements for which are substantially unchanged. It is effective for annual periods beginning on or after 1 January 2013 and will not have any impact on the financial performance or the financial position of the Group when implemented.

FRS 28 Investments in Associates and Joint Ventures (Revised)

FRS 28 *Investments in Associates and Joint Ventures (Revised)* changes in scope as a result of the issuance of FRS 111 *Joint Arrangements*. It continues to prescribe the mechanics of equity accounting. It is effective for annual periods beginning on or after 1 January 2013. The Group will determine the impact of this standard when it becomes effective.

FRS 113 Fair Value Measurement

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

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(b) Basis of Consolidation

The combined financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets are eliminated in full.

The combined financial statements of the Group have been prepared in accordance with the pooling of interest method as the Group is a continuation of the existing subsidiaries' business. The assets and liabilities of the Company and its subsidiaries are reflected at their carrying amounts reported in the combined financial statements. Any difference between the consideration and the share capital of the subsidiary acquired is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the Company and its subsidiaries for the entire periods under review.

Consolidation of the subsidiaries in Australia is based on the subsidiaries' financial statements prepared in accordance with FRS.

(c) 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.

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

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

Revenue relating to construction activities is detailed in Note 5.

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 the amount of goods and services tax ("GST").

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(d) Income Tax

The income tax expense/(benefit) for the period/year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited outside profit and loss when the tax relates to items that are recognised outside profit and loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(e) Foreign Currency Translation

(i) 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 combined financial statements are presented in Singapore dollar ("SGD" or S\$).

(ii) Translation and balances

In preparing the financial statements of the individual entities, transactions in a currency other than the entity's functional currency ("foreign currency") are translated using the exchange rates prevailing at the dates of such transactions. Currency translation gains and losses resulting from settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(iii) Group companies

The combined 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 balance sheet presented are translated at closing rate at the date of that balance sheet;
- Income and expenses are translated at average exchange rates for the period/year (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the 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.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(f) Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Construction profits are recognised at the stage of completion basis and measured using the proportion of costs incurred to date as compared to expected actual costs.

Costs incurred during the financial year in connection with future activity on a contract are excluded from the 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 cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where the cumulative 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 the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "trade and other payables".

Retentions are amounts of progress billings which are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts. Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables". Advances received are included within "trade and other payables".

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the assets (i.e. trade accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised at cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal payments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and maturity amount calculated using the effective interest method; and
- (d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and subsequently measured at amortised cost.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of the reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in profit or loss.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as financial liabilities at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation. Where the entity gives guarantees in exchange for a fee, revenue is recognised under FRS 18.

The fair value of financial guarantee contracts has been assessed using the probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default

(h) 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.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(i) 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 4 for details of critical judgements of impairment of property, plant and equipment).

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

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the combined group commencing 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.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011****3. Significant Accounting Policies (cont'd)****(i) Property, Plant and Equipment (cont'd)***Depreciation (cont'd)*

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

<u>Class of Fixed Assets</u>		<u>Depreciation Rate</u>
Buildings	—	3.38%
Plant and equipment	—	6.88%
Leased plant and equipment	—	12.00%

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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(j) Impairment of Non-financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(k) 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.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(k) Provisions (cont'd)

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Financial Liabilities and Equity Instruments Issued by the Group

(i) *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.

(ii) *Compound instruments (convertible loans)*

The component parts of compound instruments (convertible loans) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

(iii) *Financial liabilities*

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

A 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.

Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'borrowings'.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(l) Financial Liabilities and Equity Instruments Issued by the Group (cont'd)

(iii) Financial liabilities (cont'd)

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 balance sheet date.

(iv) Derecognition of financial liabilities

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

(m) Borrowing Cost

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.

(n) 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.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

3. Significant Accounting Policies (cont'd)

(n) 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.

(o) 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.

(p) 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.

(q) 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.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011****4. 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***(i) 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. The depreciation expense for the Group for 2011 was S\$1,746,606 (2010: S\$1,177,367). If average useful lives were extended by one year then the depreciation expense would reduce by approximately 9%. If average useful lives were reduced by one year then the depreciation expense would increase by approximately 10.5%.

(ii) Determination of percentage of completion on construction contracts

Contract revenue is recognised as revenue in the income statement 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.

If the stage of completion differed by 10% from management's estimates the impact on 2011 combined profit before income tax would be approximately +/- S\$1.79 million.

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 Note 11.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

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

(b) Critical Judgements in applying Accounting Policies

(i) *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 or reversal of impairment losses on property, plant and equipment were recorded for the financial period from 22 June 2009 to 30 June 2010 and financial year ended 30 June 2011.

The combined carrying amount of property, plant and equipment at 30 June 2011 was S\$44,439,182 (2010: S\$13,462,785).

(ii) *Allowance for impairment of receivables*

The Group assesses at each balance sheet 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. The carrying value of the Group's trade and other receivables as at 30 June 2010 and 2011 is S\$6,261,729 and S\$20,402,284, respectively.

(iii) *Deferred income tax assets*

The Group recognises deferred income 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 income tax assets are S\$833,185 (2010: S\$319,590).

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

5. Revenue and Other Income

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
Sales Revenue		
Construction contract revenue	22,293,510	60,910,272
Revenue from the rendering of services	—	96,602
	<u>22,293,510</u>	<u>61,006,874</u>
Other Income		
Gain on disposal of property, plant and equipment	7,041	—
Interest income on bank balances	132,769	316,565
	<u>139,810</u>	<u>316,565</u>

6. Profit before Income Tax

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
The following items have been included in arriving at profit before tax:		
Included in cost of sales:		
— Direct Materials	4,423,825	13,573,479
— Sub-contract works	2,699,783	2,999,092
— Manufacturing and other overheads	1,152,769	3,859,066
— Employee benefits	4,605,991	17,979,672
— Depreciation	1,153,599	1,650,967
— Workshop	—	997,225
	14,035,967	41,059,501

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

6. Profit before Income Tax (cont'd)

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
Included in administrative expenses:		
— Employee benefits	1,737,707	4,215,860
— Occupancy expenses	632,893	1,263,304
— Depreciation of property, plant and equipment	23,768	95,639
— Amortisation of management fee	5,907	473,304
— Consultants	396,002	279,691
— Travel expenses	24,525	29,052
— Office costs	304,775	492,840
— Business development	62,541	209,712
— Communications	118,984	212,740
— Loss on disposal of property, plant and equipment	—	44,256
— Other administrative expenses	98,825	272,012
	<u>3,405,927</u>	<u>7,588,410</u>
	<u><u>17,441,894</u></u>	<u><u>48,647,911</u></u>

7. Employee Benefits Expenses

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
Wages and salaries	6,152,591	21,709,050
Contribution to defined contribution plans	159,982	359,477
Other employee benefits	31,125	127,005
	<u>6,343,698</u>	<u>22,195,532</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

8. Finance Costs

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
Convertible loans	10,603	786,655
Bank bills	—	151,985
Finance leases	—	303,961
Related party	155,802	314,499
	<u>166,405</u>	<u>1,557,100</u>

9. Income Tax Expense

The components of tax expense comprise:

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
Current income tax — current year	1,876,343	3,858,408
Deferred income tax — current year	(287,775)	(262,450)
	<u>1,588,568</u>	<u>3,595,958</u>

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:

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
Profit before income tax	<u>4,825,021</u>	<u>11,118,428</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

9. Income Tax Expense (cont'd)

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
Income tax at 30% (2010: 30%)	1,447,506	3,335,529
Add tax effect of:		
Other non-allowable items	2,557	34,670
Non-deductible depreciation	138,505	225,759
	<u>1,588,568</u>	<u>3,595,958</u>
Weighted average effective tax rates are as follows:	<u>32.9%</u>	<u>32.3%</u>

The tax rate used for the 2011 and 2010 reconciliations above is the corporate tax rate of 30% payable by corporate entities in Australia on taxable profits under the tax law in that jurisdiction. The Group's operations are located in Australia.

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

	Property, Plant and Equipment (Tax allowance/ Impairment)	Borrowing Costs	Total
	S\$	S\$	S\$
Deferred tax liabilities:			
Balance at 22 June 2009	—	—	—
Charged to income statement	43,358	—	43,358
Currency translation	(1,511)	—	(1,511)
Balance at 30 June 2010	<u>41,847</u>	<u>—</u>	<u>41,847</u>
Balance at 1 July 2010	41,847	—	41,847
Charged to income statement	207,379	2,273	209,652
Currency translation	9,001	56	9,057
Balance at 30 June 2011	<u>258,227</u>	<u>2,329</u>	<u>260,556</u>

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

9. Income Tax Expense (cont'd)

	Property, Plant and Equipment (Tax allowance/ Impairment)	Interest bearing Loans and Borrowings	Expenses Accrued	Other Current Assets	Provision Employee Benefits	Provision Others	Borrowing Costs	Carried Forward Tax Losses	Intangibles	Total
	S\$	S\$		S\$	S\$	S\$	S\$	S\$		S\$
Deferred tax assets:										
Balance at 22 June 2009	—	—	—	—	—	—	—	—	—	—
Charged to income statement	28,232	49,920	65,431	—	61,613	26,672	136	99,129	—	331,133
Currency translation	(984)	(1,740)	(2,281)	—	(2,148)	(929)	(5)	(3,456)	—	(11,543)
Balance at 30 June 2010	27,248	48,180	63,150	—	59,465	25,743	131	95,673	—	319,590
Balance at 1 July 2010	27,248	48,180	63,150	—	59,465	25,743	131	95,673	—	319,590
Charged to income statement	3,903	162,838	85,097	20,556	164,459	(11,803)	(141)	46,573	620	472,102
Currency translation	2,646	8,503	7,998	504	9,599	2,120	10	10,098	15	41,493
Balance at 30 June 2011	33,797	219,521	156,245	21,060	233,523	16,060	—	152,344	635	833,185

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

10. Earnings per Share

Basic earnings per share is calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial year by the pre-Invitation share capital of 450,000,000 ordinary shares which were assumed to be in issue throughout the entire financial period/year presented.

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
Profit attributable to the owners of the Company	3,236,453	7,523,210
Weighted average number of ordinary shares	450,000,000	450,000,000
Basic and diluted earnings per share (cents)	0.72	1.67

Diluted earnings per share are calculated by dividing net profit attributable to the owners of the Company by the weighted average number of ordinary shares during the year plus the weighted average number of ordinary shares that would be in issue on the conversion of all the dilutive potential ordinary shares into ordinary shares. As there is no dilutive potential ordinary share, the diluted earnings per share is the same as the basic earnings per share.

11. Trade and Other Receivables

	30.06.2010	30.06.2011
	S\$	S\$
Current:		
Trade receivables		
— Third party	5,866,629	16,700,467
— Retention on construction claims	269,284	463,745
	6,135,913	17,164,212
Amounts due from customers for construction contracts	—	3,223,747
Other receivables	33,999	14,325
Goods and services tax refundable	91,817	—
Total current trade and other receivables	6,261,729	20,402,284

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

11. Trade and Other Receivables (cont'd)

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Construction Contracts:		
Contract cost incurred	16,183,490	41,059,501
Recognised profits	8,257,543	19,947,373
	<u>24,441,033</u>	<u>61,006,874</u>
Less: Progress billings	(26,232,226)	(57,860,272)
Currency translation	62,440	77,145
	<u>(1,728,753)</u>	<u>3,223,747</u>
Amounts due (to)/from customers for construction contracts	<u>(1,728,753)</u>	<u>3,223,747</u>

Current trade receivables are non-interest bearing and generally on 30 day terms.

12. Other Current Assets

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Prepayments	<u>233,731</u>	<u>492,302</u>

13. Cash and Cash Equivalents

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Cash at bank and in hand	10,320,517	5,597,969
Short-term bank deposits	934,683	1,022,181
	<u>11,255,200</u>	<u>6,620,150</u>

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

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Cash at bank and in hand	11,255,200	6,620,150
Less: Cash in bank pledged	(934,683)	(1,022,181)
Cash and cash equivalents per combined statement of cash flows	<u>10,320,517</u>	<u>5,597,969</u>

The effective interest rate on short-term bank deposits was 5.02% per annum (2010: 4.20% per annum). These deposits have an average maturity of three months after the balance sheet date (2010: three months).

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 17 for further details.

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

14. Property, Plant and Equipment

2010

Cost

At 22 June 2009

Additions

Additions via subsidiary acquired

Disposals

Currency translation

At 30 June 2010

Accumulated depreciation

At 22 June 2009

Depreciation for the period

Disposals

Currency translation

At 30 June 2010

Net carrying amount

At 30 June 2010

	Leasehold building	Plant and equipment	Small tools	Motor vehicles	Office equipment	IT equipment	Assets under construction	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
At 22 June 2009	—	—	—	—	—	—	—	—
Additions	8,773,579	2,021,335	207,114	1,071,892	16,661	151,366	286,532	12,528,479
Additions via subsidiary acquired	—	2,677,361	—	—	—	—	—	2,677,361
Disposals	—	(61,834)	(42,608)	(217,690)	—	(203)	—	(322,335)
Currency translation	(305,844)	(5,455)	(5,735)	(29,777)	(581)	(5,269)	(9,988)	(362,649)
At 30 June 2010	8,467,735	4,631,407	158,771	824,425	16,080	145,894	276,544	14,520,856
Accumulated depreciation								
At 22 June 2009	—	—	—	—	—	—	—	—
Depreciation for the period	(3,469)	(830,187)	(52,370)	(267,575)	(1,178)	(22,588)	—	(1,177,367)
Disposals	—	17,388	10,509	53,182	—	—	—	81,079
Currency translation	121	28,334	1,459	7,474	42	787	—	38,217
At 30 June 2010	(3,348)	(784,465)	(40,402)	(206,919)	(1,136)	(21,801)	—	(1,058,071)
Net carrying amount								
At 30 June 2010	8,464,387	3,846,942	118,369	617,506	14,944	124,093	276,544	13,462,785

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011**

14. Property, Plant and Equipment (cont'd)

	Leasehold building	Plant and equipment	Small tools	Motor vehicles	Office equipment	IT equipment	Assets under construction	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
2011								
Cost								
At 01 July 2010	8,467,735	4,631,407	158,771	824,425	16,080	145,894	276,544	14,520,856
Additions	12,367,962	10,845,044	625,545	1,450,549	117,627	313,477	5,089,076	30,809,280
Disposals	—	(66,323)	(3,131)	(6,390)	—	—	—	(75,844)
Currency translation	1,095,915	697,821	30,123	112,583	4,389	21,344	150,656	2,112,831
At 30 June 2011	21,931,612	16,107,949	811,308	2,381,167	138,096	480,715	5,516,276	47,367,123
Accumulated Depreciation								
At 01 July 2010	(3,348)	(784,465)	(40,402)	(206,919)	(1,136)	(21,801)	—	(1,058,071)
Depreciation for the year	(150,108)	(1,143,142)	(87,485)	(271,186)	(5,807)	(88,878)	—	(1,746,606)
Disposals	—	14,177	1,500	3,434	—	—	—	19,111
Currency translation	(3,017)	(102,088)	(5,890)	(25,936)	(1,224)	(4,220)	—	(142,375)
At 30 June 2011	(156,473)	(2,015,518)	(132,277)	(500,607)	(8,167)	(114,899)	—	(2,927,941)
Net carrying amount								
At 30 June 2011	21,775,139	14,092,431	679,031	1,880,560	129,929	365,816	5,516,276	44,439,182

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

14. Property, Plant and Equipment (cont'd)

- (a) The total value of purchased assets that were refinanced via finance leases for the year was S\$7,839,397 and had a carrying amount of S\$6,850,706 as at 30 June 2011.
- (b) At 30 June 2011, the carrying amount of property, plant and equipment that are pledged for security is follows:

<u>Property, plant and equipment</u>	<u>Borrowings</u>	<u>Carrying amount S\$</u>
Leasehold building	Bank bills and multi-option facility	21,775,139
Leased plant and equipment	Finance leases	6,850,706
Remaining property, plant and equipment	Floating charge on multi-option facility	15,813,337

At 30 June 2010, the carrying amount of property, plant and equipment that was pledged for security was as follows:

<u>Property, plant and equipment</u>	<u>Borrowings</u>	<u>Carrying amount S\$</u>
Leasehold building	Bank bills and multi-option facility	8,464,387
Remaining property, plant and equipment	Floating charge on multi-option facility	4,998,398

Refer to Note 17 for further information on Borrowings.

15. Intangible Assets

	<u>30.06.2010</u>	<u>30.06.2011</u>
	<u>S\$</u>	<u>S\$</u>
Goodwill	<u>11,972</u>	<u>13,092</u>

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 2012. 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 3.5% per annum on direct costs and overhead costs.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

15. Intangible Assets (cont'd)

Movement in goodwill during the period/year is follows:

	30.06.2010	30.06.2011
	S\$	S\$
Balance at the beginning of period/year	—	11,972
Additions	11,697	—
Currency translation	275	1,120
Balance at the end of period/year	<u>11,972</u>	<u>13,092</u>

16. Trade and Other Payables

	30.06.2010	30.06.2011
	S\$	S\$
Trade payables	3,062,932	6,920,493
Amounts due to customers for construction contracts (Note 11)	1,728,753	—
Sundry payables and accrued expenses:		
— Accrued expenses	1,616,625	1,822,932
— Interest payable to a director	150,368	—
— Interest payable on convertible loans	10,233	731,734
Goods and services tax payable	—	776,153
Other taxes payable	341,443	1,036,251
	<u>6,910,354</u>	<u>11,287,563</u>

Trade and other payables are carried at cost and are not discounted due to their short term nature. These represent liabilities for goods and services provided to the Group. The amounts are unsecured and are usually paid within 30 days of recognition.

17. Borrowings

	30.06.2010	30.06.2011
	S\$	S\$
Current borrowings		
Finance lease liabilities — secured - Note 17 (a)	<u>—</u>	<u>1,584,909</u>
	<u>—</u>	<u>1,584,909</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

17. Borrowings (cont'd)

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Non-current borrowing		
Finance lease liabilities — secured — Note 17 (a)	—	5,592,097
Bank bills — secured — Note 17 (b)	—	8,792,033
Convertible loans (Note 18)	5,913,280	19,472,103
Loan from a director	4,305,288	—
	<u>10,218,568</u>	<u>33,856,233</u>

The loan from a director was unsecured and interest was payable ranging from rates of 9.08% to 11.50% per annum. The loan and interest have been discharged on 4 February 2011.

(a) Finance lease liabilities

The Group (the lessee) leases motor vehicles and workshop equipment 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 7.99% to 9.59% per annum.

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

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Plant and equipment	—	6,850,706

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

	Minimum lease payments due	Future finance charges	Net present value of minimum lease payments
	S\$	S\$	S\$
2011			
Less than one year	2,143,885	(558,976)	1,584,909
Between one and two years	2,777,094	(680,134)	2,096,960
Between two and five years	3,607,636	(112,499)	3,495,137
	<u>8,528,615</u>	<u>(1,351,609)</u>	<u>7,177,006</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

17. Borrowings (cont'd)

(b) Bank bills

As at 30 June 2011, the Group has a commercial bank facility amounting to S\$8,792,033 which was fully utilised as at 30 June 2011 (30 June 2010: Nil). Interest rates are variable and ranged between 7.19% and 7.47% per annum during the financial year ended 30 June 2011 (30 June 2010: Nil). Repayment of the bank bill facility is on an interest only basis until 14 June 2016 and the terms of the bank bill will then be renegotiated.

(c) Other financing facilities available

The Group has a multi-option facility available for a limit of A\$10,030,000 (approximately S\$13,131,500). This is secured by:

- A registered fixed and floating charge over the assets and undertakings of the Group.
- A first registered real property mortgage over the leasehold interest in the Commercial property located at Lot 804 (16) Nautical Drive, Henderson Western Australia and a guarantee and indemnity given by the Directors.

18. Convertible Loans

The Company issued convertible loans of A\$5,000,000 (approximately S\$5,936,380) and A\$10,000,000 (approximately S\$12,982,800) on 11 June 2010 and 15 December 2010, respectively which bears interest at 6% per annum. Each convertible loan entitles the holders to convert a loan of A\$1 to 11.312 conversion shares and 5.7002 conversion shares, respectively for a total of 56,560,000 conversion shares and 57,002,000 conversion shares respectively. Conversion may occur on or at any time immediately after the borrower has delivered to each of the lenders a conversion notice on 15 July 2012. In the event that the conversion notice is not issued by the maturity date, each of the lenders shall give notice to the Company requesting for repayment of its respective portion of the loan to the conversion shares as agreed by the Company and the lenders. If loans have not been converted, it will be redeemed including the interest accrued thereon.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

18. Convertible Loans (cont'd)

The net proceeds received from the issue of the convertible loans have been split between the financial liability element and equity component, representing the residual attributable to the option to convert the financial liability into equity of the Company, as follows:

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
	Convertible	Convertible
	Loan 1	Loan 2
Proceeds of issue	5,936,380	12,982,800
Liability component at the date of issue	(5,854,310)	(12,825,399)
Currency translation	682	1,329
Equity component at the date of issue	<u>82,752</u>	<u>158,730</u>

The equity component of S\$158,730 (2010: S\$82,752) has been credited to equity under "Option Premium on Convertible Loans" (Note 21) during the financial year ended 30 June 2011.

The liability component is measured at amortised cost. The interest expense for the period/year ended 30 June 2010 and 30 June 2011 amounted to S\$10,603 and S\$786,655 respectively and are calculated by applying an effective interest rate of 6.45% per annum and 6.70% per annum respectively to the liability component since the loans were issued.

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Repayable after one year	—	18,679,709
Repayable within 2–5 years	5,913,280	—
Currency translation	—	792,394
	<u>5,913,280</u>	<u>19,472,103</u>

19. Provisions

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Current		
Provision for employee benefits	252,877	620,871
Non-current		
Provision for employee benefits	31,149	211,071
	<u>284,026</u>	<u>831,942</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

19. Provisions (cont'd)

(a) Movements in provisions are as follows:

	30.06.2010	30.06.2011
	S\$	S\$
Current:		
Opening balance at the beginning of period/year	—	252,877
Provisions made during the period/year	521,177	771,362
Provisions utilised during the period/year	(309,946)	(427,039)
Currency translation	41,646	23,671
Closing balance at the end of period/year	<u>252,877</u>	<u>620,871</u>
Non-current:		
Opening balance at the beginning of period/year	—	31,149
Provisions made during the period/year	38,190	215,748
Provisions utilised during the period/year	(12,171)	(38,741)
Currency translation	5,130	2,915
Closing balance at the end of period/year	<u>31,149</u>	<u>211,071</u>

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.

20. Share Capital

	22.06.2009 to 30.06.2010	1.07.2010 to 30.06.2011
	S\$	S\$
Share capital of Civmec Construction & Engineering Pty Ltd		
At beginning of period/year	4	9,010,041
Additional paid-in-capital by existing shareholders	9,010,037	217
At end of period/year	<u>9,010,041</u>	<u>9,010,258</u>
Share capital of the Company		
At beginning of period/year	—	1
Issuance of shares of the Company on 3 June 2010	1	—
At end of period/year	<u>1</u>	<u>1</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

20. Share Capital (cont'd)

	22.06.2009 to 30.06.2010	1.07.2010 to 30.06.2011
	S\$	S\$
Combined balance sheets		
Share capital of Civmec Construction & Engineering Pty Ltd	9,010,041	9,010,258
Share capital of the Company	1	1
Adjustment pursuant to restructuring exercise	—	(9,010,258)
	<u>9,010,042</u>	<u>1</u>

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.

Pursuant to the completion of the acquisition as disclosed in Note 2 in 2010, the share capital of Civmec Construction & Engineering Pty Ltd is adjusted to a merger reserve under the "other reserves" account based on the "pooling of interest method".

21. Other Reserves

	30.06.2010	30.06.2011
	S\$	S\$
Option premium on convertible loans	82,752	241,482
Foreign currency translation reserve	(49,968)	1,284,003
Merger reserve	—	9,010,258
	<u>32,784</u>	<u>10,535,743</u>

Option premium on convertible loans

The option premium on convertible loans represents the equity component (conversion rights) of the A\$5,000,000 6% and A\$10,000,000 6% convertible loans issued on 11 June 2010 and 15 December 2010 respectively (See Note 18).

The movement in the option premium on convertible loans is shown in the combined statement of changes in equity.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

21. Other Reserves (cont'd)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 in the foreign currency translation reserve is shown in the combined statement of changes in equity.

Merger reserve

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

22. Commitments**(a) Operating lease**

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

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Not later than 12 months	531,090	1,152,473
Between 12 months and five years	3,063,981	5,004,321
More than five years	<u>23,694,789</u>	<u>24,993,515</u>
	<u>27,289,860</u>	<u>31,150,309</u>

The Group has two commercial operating leases:

- The Kwinana property lease at 10 Ocean Street, Kwinana, Western Australia is for a three-year period from January 2010 with an option to renew for a further two years. Rent increases are per the CPI Index.
- 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 are per the CPI Index.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

22. Commitments (cont'd)**(b) Capital Expenditure Commitments**

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

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Plant and equipment purchases	1,905,221	3,665,844
New office building	8,590,013	13,092,300
	<u>10,495,234</u>	<u>16,758,144</u>
Not later than 12 months	10,495,235	3,665,844
Between 12 months and five years	—	13,092,300
	<u>10,495,235</u>	<u>16,758,144</u>

23. Guarantees

The Group has provided guarantees pursuant to a surety bond facility for the provision of performance bonds to clients to the value of A\$728,780 (equivalent to S\$954,138) as at 30 June 2011. The surety bond facility has a limit of A\$7.5 million (equivalent to S\$9.8 million) as at 30 June 2011 and an application has been subsequently submitted to increase to A\$17 million (equivalent to S\$22.3 million). Kariong Investment Trust, JF & OT Fitzgerald Family Trust, our Executive Chairman and CEO, being Shareholders of the Company, have provided guarantees and indemnities in relation to the surety bond facility.

24. 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) (33.6%) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust) (33.6%).

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.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

24. Related Party Transactions (cont'd)

Remuneration paid to key management personnel is as follows:

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
Short-term employee benefits	406,470	958,425
Post-employment benefits	32,924	77,632
	<u>439,394</u>	<u>1,036,057</u>

Other Related Parties

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

Transactions with Related Parties

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

The following transactions occurred with related parties:

	22.06.2009 to 30.06.2010	01.07.2010 to 30.06.2011
	S\$	S\$
(a) Purchases of goods and services:		
Other Related Parties:		
— Rental paid to a related party (who is a spouse of one of the directors)	(89,596)	(184,305)
— Management fee paid to a related party who is a convertible loan holder	(248,080)	(638,950)
(b) Finance cost		
— On convertible loans held by directors of the Company who are also pre-IPO investors	(3,181)	(102,265)
— Loan from a director	(155,802)	(314,499)
(c) Loans receivable		
— Loans to directors	(2,480,800)	—
(d) Borrowings		
Other Related Parties:		
— Proceeds from loans from related parties	9,936,394	31,948
— Repayment of loans from related parties	(930,300)	(4,627,597)
— Advances from related parties	—	21,352
— Convertible loans held by directors of the Company who are also pre-IPO investors	<u>1,795,740</u>	<u>638,950</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

24. Related Party Transactions (cont'd)

The advances from related parties represent amounts due from a director and Clarendon Pacific Ventures Pte. Ltd. These advances are non-trade in nature, interest-free and repayable in cash/on demand.

Personal guarantees

Certain of the Directors have provided personal guarantees as follows:

- (i) James Finbarr Fitzgerald and Patrick John Tallon, and Civmec Holdings, have provided guarantees in favour of the Australian and New Zealand Banking Group Ltd in relation to a vehicle mortgage of CCE.
- (ii) James Finbarr Fitzgerald and Patrick John Tallon, have provided personal guarantees in favour of National Australia Bank Ltd in relation to an equipment loan and goods mortgage over plant and equipment.
- (iii) James Finbarr Fitzgerald and Patrick John Tallon, have provided personal guarantees in favour of St George Finance Ltd and St George Bank Ltd in relation to the hire purchase of equipment.
- (iv) James Finbarr Fitzgerald and Patrick John Tallon, have provided guarantees and indemnities in relation to the surety bond facility for the provision of performance bonds.
- (v) James Finbarr Fitzgerald and Patrick John Tallon, have provided guarantees and indemnities in relation to a multi-option facility entered into by CCE with St George Bank for banking facilities, including bank guarantees, letters of credit and commercial overdrafts.

25. 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 comprised of the Chief Executive Officer, Chief Operation Officer, Chief Financial Officer, Finance Manager and the department heads of each operating segment.

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

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

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

25. Financial Information by Segments (cont'd)

- 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 Purposes of Reporting by Operating Segments

(a) Accounting Policies Adopted

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

(b) Inter-segment Transactions

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

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

(c) Segment Assets and Liabilities

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

Geographical Segments (Secondary Reporting)

The Group operates within Australia.

Major Customers

The Group has a number of customers to whom it provides both products and services. The Group supplies to a single external customer in the Oil and Gas segment who accounts for 42% (2010: 0%) of external revenue. The next most significant client accounts for 19% (2010: 27%) of external revenue.

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

25. Financial Information by Segments (cont'd)

	30.06.2010		30.06.2011	
	Oil and Gas	Mining and Others	Total	
	S\$	S\$	S\$	
Revenue — external sales	11,624,299	10,669,211	22,293,510	S\$ 61,006,874
Segment results	4,159,848	4,097,695	8,257,543	
Unallocated costs			(3,405,927)	19,947,373
Other income			139,810	(7,588,410)
Finance costs			(166,405)	316,565
Profit before income tax			4,825,021	(1,557,100)
Income tax expenses			(1,588,568)	
Net profit for the year			3,236,453	11,118,428
				(3,595,958)
				7,522,470
Segment assets:				
Intangible assets		11,972	11,972	
Unallocated assets:				13,092
— Assets	—			
— Other current assets			30,979,714	71,461,616
— Deferred income tax assets			233,731	492,302
			319,590	833,185
Total assets			31,545,007	72,800,195

AND ITS SUBSIDIARIES

25. Financial Information by Segments (cont'd)

A-49

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

26. Financial Risk Management

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

(a) Market risk**(i) 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 2011, approximately 59% (30 June 2010: 35%) of the Group's debt is fixed. Variable interest rate borrowings (i.e., unhedged debt) which exposes the Group to interest rate changes amounted to approximately S\$8,792,033 as at 30 June 2011.

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

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 at 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		Non-Interest bearing	Total
	Within 1 Year	Between 2 to 5 Years	Within 1 Year	Between 2 to 5 Years		
	S\$	S\$	S\$	S\$	S\$	S\$
30.06.2010						
Financial Assets						
Cash and bank balances	11,255,200	—	—	—	—	11,255,200
Trade and other receivables	—	—	—	—	6,169,912	6,169,912
	<u>11,255,200</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,169,912</u>	<u>17,425,112</u>
Financial Liabilities						
Trade and other payables	—	—	—	—	6,568,911	6,568,911
Loan from a director	—	4,305,288	—	—	—	4,305,288
Convertible loans	—	—	—	5,913,280	—	5,913,280
	<u>—</u>	<u>4,305,288</u>	<u>—</u>	<u>5,913,280</u>	<u>6,568,911</u>	<u>16,787,479</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND FINANCIAL YEAR ENDED 30 JUNE 2011

26. Financial Risk Management (cont'd)

(a) Market risk (cont'd)

(i) Interest rate risk (cont'd)

	Variable rates		Fixed rates		Non-Interest bearing	Total
	Within 1 Year	Between 2 to 5 Years	Within 1 Year	Between 2 to 5 Years		
	S\$	S\$	S\$	S\$	S\$	S\$
30.06.2011						
<u>Financial Assets</u>						
Cash and bank balances	6,620,150	—	—	—	—	6,620,150
Trade and other receivables	—	—	—	—	20,402,284	20,402,284
	<u>6,620,150</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>20,402,284</u>	<u>27,022,434</u>
<u>Financial Liabilities</u>						
Trade and other payables	—	—	—	—	9,475,159	9,475,159
Borrowings — Bank bills	—	8,792,033	—	—	—	8,792,033
Borrowings — Finance lease liabilities	—	—	1,584,909	5,592,097	—	7,177,006
Payable to related parties	—	—	—	—	21,352	21,352
Convertible loans	—	—	—	19,472,103	—	19,472,103
	<u>—</u>	<u>8,792,033</u>	<u>1,584,909</u>	<u>25,064,200</u>	<u>9,496,511</u>	<u>44,937,653</u>

If variable interest rates increase/decrease by 2% with all other variables including the tax rate being held constant, the Group's profit after tax will be lower/higher by approximately S\$30,000 (30 June 2010: higher/lower by approximately S\$97,000) as a result of higher/lower net interest expense (30 June 2010: higher/lower net interest income).

(ii) Foreign Currency Risk

There are no significant exchange rate risks 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.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

26. Financial Risk Management (cont'd)**(b) 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.

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, credit terms are generally 30 days from the date of invoice.

The Group has a concentration of credit risk with one counterparty accounting for 83% of trade receivables as at 30 June 2011. The main source of credit risk to the Group is considered to relate to the class of assets described as "Trade and other receivables".

The following table details the Group's 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 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.

	Gross amount	Within initial trade terms	Past due but not impaired			Past due and impaired
		<30 days	31-60 days	61-90 days	>90 days	
	S\$	S\$	S\$	S\$	S\$	S\$
30.06.2010						
Trade receivables	6,135,913	4,364,332	1,032,711	708,525	30,345	—
Other receivables	33,999	33,999	—	—	—	—
Total	6,169,912	4,398,331	1,032,711	708,525	30,345	—
30.06.2011						
Trade receivables	17,164,212	9,568,142	7,306,041	77,938	212,091	—
Other receivables	3,238,072	3,238,072	—	—	—	—
Total	20,402,284	12,806,214	7,306,041	77,938	212,091	—

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

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

26. Financial Risk Management (cont'd)**(b) Credit risk (cont'd)**

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

	<u>30.06.2010</u>	<u>30.06.2011</u>
	S\$	S\$
Cash and cash equivalents:		
AA Rated	<u>11,255,200</u>	<u>6,620,150</u>

(c) Liquidity risk

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

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

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the Group 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 amounts as the impact of discounting is not significant.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

26. Financial Risk Management (cont'd)**(c) Liquidity risk (cont'd)**

	Carrying Amount S\$	Contractual Undiscounted Cash Flows		
		Within 1 year S\$	Between 2 to 5 years S\$	Total S\$
30.06.2010				
Financial liabilities:				
Trade and other payables	6,568,911	6,568,911	—	6,568,911
Borrowings:				
— Convertible loans	5,913,280	359,148	6,361,675	6,720,823
— From a director	4,305,288	4,305,288	—	4,305,288
Total financial liabilities	16,787,479	11,233,347	6,361,675	17,595,022
30.06.2011				
Financial liabilities:				
Trade and other payables	9,475,159	9,475,159	—	9,475,159
Borrowings:				
— Finance lease liabilities	7,177,006	2,143,885	6,384,730	8,528,615
— Bank bills	8,792,033	480,924	10,715,730	11,196,654
— Convertible loans	19,472,103	1,181,535	19,690,102	20,871,637
Payable to related parties	21,352	21,352	—	21,352
Total financial liabilities	44,937,653	13,302,855	36,790,562	50,093,417

(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, distributions to shareholders and share issues.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

26. Financial Risk Management (cont'd)**(d) Capital management (cont'd)**

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.

	30.06.2010	30.06.2011
	S\$	S\$
Net debt	5,532,279	38,317,503
Total equity	12,279,279	21,294,667
Net debt-to-equity ratio	<u>0.45</u>	<u>1.80</u>

(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 4 to the combined 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.

The fair values of non-current 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 balance sheet date. As at the balance sheet date the fair values of the non-current convertible loans approximate their carrying amounts.

27. Subsequent Events

On 8 November 2011, the Company issued 124,999 new ordinary shares for a total consideration of S\$124,999. The newly issued fully paid-up ordinary shares rank pari passu in all respects with the previously issued share. On that date, the issued and paid-up capital of the Company increased from S\$1 to S\$125,000.

The Group funded an amount of A\$750,000 for the Civmec Cape Insulation joint venture in December 2011.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

27. Subsequent Events (cont'd)

Subsequent to the year end, pursuant to the completion of the Restructuring Exercise on 27 March 2012, the Company's issued and paid-up share capital was increased to S\$19,044,180 comprising 450,000,000 ordinary shares.

28. Cash Flow Information**(a) Proceeds from issuance of shares of subsidiary**

	30.06.2010	30.06.2011
	S\$	S\$
Balance at beginning of period/year	4	9,010,041
Issuance of shares of subsidiary during the period/year	9,010,037	217
Balance at end of period/year	9,010,041	9,010,258
<u>Movement in share capital during the period/year:</u>		
Issuance of shares of subsidiary during the period/year	9,010,041	217
Purchase consideration for acquisition of an entity [Note 28(b)]	(2,677,361)	—
Conversion of loans to equity	(1,991,280)	—
Proceeds from issue of shares of subsidiary	4,341,400	217

(b) Acquisition of entities

	30.06.2010	30.06.2011
	S\$	S\$
With effect from 1 July 2009, the Group acquired 100% of the issued capital of Ballymount Holdings Pty Ltd.		
Details of the transactions are:		
Purchase consideration		
— Issue of ordinary shares	2,677,361	—
Total consideration	2,677,361	—
Assets and liabilities held at acquisition date, at fair value:		
— Plant and equipment	2,677,361	—

29. Comparatives

The combined financial statements for the year ended 30 June 2011 cover a 12-month period from 1 July 2010 to 30 June 2011 while the comparative figures cover a period from 22 June 2009 to 30 June 2010.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**STATEMENT BY THE DIRECTORS
FOR THE FINANCIAL PERIOD FROM 22 JUNE 2009 TO 30 JUNE 2010 AND
FINANCIAL YEAR ENDED 30 JUNE 2011**

In the opinion of the directors,

- (a) the combined financial statements as set out on pages A-3 to A-56 are drawn up so as to give a true and fair view of the financial position of Civmec Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2010 and 2011 and of the results of the business, changes in equity and cash flows of the Group for the financial period/year ended on those dates; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

James Finbarr Fitzgerald
Executive Chairman

Patrick John Tallon
Chief Executive Officer

Singapore
5 April 2012

This page has been intentionally left blank.

**APPENDIX B — INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS OF CIVMEC
LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL PERIOD FROM
1 JULY 2011 TO 30 SEPTEMBER 2011.**

The Board of Directors
Civmec Limited
c/o 9 Temasek Boulevard
#08-01 Suntec Tower Two
Singapore 038989

Dear Sirs,

This report has been prepared solely for inclusion in the Offer Document of Civmec Limited in connection with the invitation in respect of the initial public offering of shares and listing on the Singapore Exchange Securities Trading Limited.

We have reviewed the accompanying unaudited interim condensed combined financial statements of Civmec Limited (the “Company”) and its subsidiary companies (collectively referred to as the “Group”), as set out on pages B-2 to B-37, which comprise the interim combined statement of financial position of the Group as at 30 September 2011 and the related interim combined statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed combined financial statements in accordance with Singapore Financial Reporting Standard FRS 34 *Interim Financial Reporting* (“FRS 34”). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited interim condensed combined financial statements of the Group are not prepared, in all material respects, in accordance with FRS 34.

Moore Stephens LLP
Public Accountants and
Certified Public Accountants

Singapore
5 April 2012

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

UNAUDITED INTERIM COMBINED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011

	Note	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
		S\$	S\$
Sales revenue	4	10,419,310	43,698,511
Cost of sales	5	(7,277,739)	(32,088,799)
Gross profit		3,141,571	11,609,712
Other income	4	83,287	88,974
Administrative expenses	5	(1,596,185)	(3,556,034)
Finance costs	7	(246,592)	(712,378)
Profit before tax		1,382,081	7,430,274
Income tax expense	8	(405,541)	(2,240,929)
Profit for the period		976,540	5,189,345
Other comprehensive income:			
Exchange differences on re-translation from functional currency to presentation currency		522,476	(732,169)
Total comprehensive income for the period		1,499,016	4,457,176
Profit attributable to:			
Equity holders of the Company		976,540	5,189,350
Non-controlling interest		—	(5)
		976,540	5,189,345
Total comprehensive income attributable to:			
Equity holders of the Company		1,499,016	4,457,181
Non-controlling interest		—	(5)
		1,499,016	4,457,176
Earnings per share attributable to equity holders of the Company (cents per share):			
— Basic	9	0.22	1.15
— Diluted	9	0.22	1.15

The accompanying notes form an integral part of these unaudited interim condensed combined financial statements

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**UNAUDITED INTERIM COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011**

	Note	Audited 30.06.2011	Unaudited 30.09.2011
		S\$	S\$
ASSETS			
Current Assets			
Trade and other receivables	10	20,402,284	34,491,015
Other current assets	11	492,302	2,705,238
Cash and cash equivalents	12	6,620,150	10,607,668
		<u>27,514,736</u>	<u>47,803,921</u>
Non-Current Assets			
Property, plant and equipment	13	44,439,182	47,635,636
Intangible assets	14	13,092	12,688
Deferred income tax assets	8	833,185	1,536,390
		<u>45,285,459</u>	<u>49,184,714</u>
TOTAL ASSETS		<u>72,800,195</u>	<u>96,988,635</u>
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	15	11,287,563	23,739,178
Borrowings	16	1,584,909	21,421,152
Payable to related parties		21,352	20,693
Current income tax liabilities		3,662,973	6,184,681
Provisions	18	620,871	1,063,560
		<u>17,177,668</u>	<u>52,429,264</u>
Non-Current Liabilities			
Borrowings	16	33,856,233	18,075,225
Deferred income tax liabilities	8	260,556	425,293
Provisions	18	211,071	307,010
		<u>34,327,860</u>	<u>18,807,528</u>
Total Liabilities		<u>51,505,528</u>	<u>71,236,792</u>
Capital and Reserves			
Share capital	19	1	1
Other reserves	20	10,535,743	9,803,574
Retained earnings		10,759,663	15,949,013
Total Equity Attributable to Equity Holders of the Company		<u>21,295,407</u>	<u>25,752,588</u>
Non-controlling interest		(740)	(745)
Total Equity		<u>21,294,667</u>	<u>25,751,843</u>
TOTAL LIABILITIES AND EQUITY		<u>72,800,195</u>	<u>96,988,635</u>

The accompanying notes form an integral part of
these unaudited interim condensed combined financial statements

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**UNAUDITED INTERIM COMBINED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011**

	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
	S\$	S\$
Cash Flows from Operating Activities		
Profit before income tax	1,382,081	7,430,274
Adjustments for:		
Depreciation of property, plant and equipment	293,987	828,178
Amortisation of management fee	41,259	229,011
(Gain)/Loss on disposal of property, plant and equipment	(5,509)	(13,270)
Finance cost	246,592	712,378
Interest income	(77,778)	(75,704)
Operating cash flow before working capital changes	1,880,632	9,110,867
Changes in working capital:		
Increase in trade and other receivables	(3,996,571)	(14,655,973)
Increase in other current assets	(958)	(2,414,601)
Increase in trade and other payables	2,388,845	12,410,312
Increase in payable to related parties	32,501	—
Increase in provisions	243,345	564,319
Cash generated from operations	547,794	5,014,924
Interest received	77,778	75,704
Finance cost paid	(148,061)	(395,560)
Income taxes paid	—	(131,950)
Net cash generated by operating activities	477,511	4,563,118
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	5,509	131,948
Purchase of property, plant and equipment	(8,881,332)	(5,582,239)
Net cash used in investing activities	(8,875,823)	(5,450,291)
Cash Flows from Financing Activities		
Amounts received from related parties	20,535	—
Proceeds from borrowings	2,601,638	5,376,880
Repayment of borrowings	(33,962)	(615,340)
Proceeds from loans from director	30,608	—
Repayment of loans from director	(30,608)	—
Interest paid on loan from a director	(207,215)	—
Deposits pledged	(62,256)	31,565
Net cash generated by financing activities	2,318,740	4,793,105
Net (decrease)/increase in cash and cash equivalents	(6,079,572)	3,905,932
Effects of currency translation on cash and cash equivalents	548,421	113,152
Cash and cash equivalents at the beginning of the financial period	10,320,517	5,597,968
Cash and cash equivalents at the end of the financial period	4,789,366	9,617,052
Analysis of cash and cash equivalents:		
Cash on hand and in banks	5,786,306	10,607,668
Less: Deposits pledged	(996,940)	(990,616)
	4,789,366	9,617,052

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011**

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

1. Introduction

The unaudited interim condensed combined financial statements of Civmec Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the three-month period ended 30 September 2011 and 2010 have been prepared for inclusion in the Offer Document of the Company in connection with the invitation (the “Invitation”) by the Company in respect of the initial public offering of shares and listing on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

2. Corporate Information

(a) The Company

The Company was incorporated in Singapore on 3 June 2010 as an investment holding company for the purpose of acquiring the subsidiary companies pursuant to the Restructuring Exercise described in Note 2(b) below.

The registered office and principal place of business of the Company is at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095.

The principal activities of the subsidiaries are set out in Note 2(b).

The unaudited interim condensed combined financial statements for the three-month period ended 30 September 2011 were authorised for issue on the date of the statement by the directors.

(b) The Restructuring Exercise

The Company undertook a reorganisation of the corporate structure to streamline and rationalise the Group’s structure and business pursuant to which the Company became the holding company of the Group. The unaudited interim condensed combined financial statements of the Group were prepared based on a Restructuring Exercise (the “Restructuring Exercise”) as set out in the section entitled “Restructuring Exercise” of the Prospectus.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****2. Corporate Information (cont'd)****(b) The Restructuring Exercise (cont'd)**

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

Name of subsidiaries	Date and place of incorporation and principal place of business	Principal activities	Percentage of equity held by the Company
Civmec Construction & Engineering Pty Ltd*	22 June 2009 (Australia)	Civil construction and structural/mechanical and process piping ("SMP") services.	100%
Civmec Holdings Pty Ltd*	30 June 2009 (Australia)	Asset holding company	100%
Ballymount Holdings Pty Ltd*	17 January 2005 (Australia)	Asset holding company	100%
Civmec Pipe Products Pty Ltd*	28 June 2010 (Australia)	Asset holding company	83.5%

* Audited by Moore Stephens, Perth, Australia

In addition, the Company has the following interest in a joint venture:

Name of entity	Date and place of incorporation and principal place of business	Principal activities	Percentage of equity held by the Company
Civmec Cape Insulation Group Pty Ltd	16 September 2011 (Australia)	Insulation services	50%

3. Significant Accounting Policies**Basis of Preparation of Group's Unaudited Interim Condensed Combined Financial Statements**

These unaudited interim condensed combined financial statements have been prepared in accordance with FRS 34 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements.

These unaudited interim condensed combined financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies in the audited combined financial statements for the financial year ended 30 June 2011.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****3. Significant Accounting Policies (cont'd)****Basis of Preparation of Group's Unaudited Interim Condensed Combined Financial Statements (cont'd)**

The accounting policies adopted in the preparation of the unaudited interim condensed combined financial statements of the Group are set out in the audited combined financial statements of the Company and its subsidiaries for the financial year ended 30 June 2011 and are consistent with those followed in the preparation of the Group's combined financial statements for the financial year ended 30 June 2011, except for the adoption of revised or amended FRS as at 1 July 2011 as described below:

FRS 24 (Revised)	<i>Related Party Disclosures</i>
FRS 34 (Amendments)	<i>Interim Financial Reporting</i>
FRS 107 (Amendments)	<i>Financial Instruments: Disclosures</i>

The adoption of these revised or amended standards have had no material effect on the financial performance and financial position of the Group as reported and/or disclosures set out in these unaudited interim condensed combined financial statements for the current financial period.

As at the date of these interim condensed combined financial statements, the Group has not applied the following new or revised FRS that have been issued but are not yet effective:

Description		Effective for accounting periods beginning on or after
FRS 1 (Amendments)	<i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
FRS 27 (Revised)	<i>Separate Financial Statements</i>	1 January 2013
FRS 28 (Revised)	<i>Investments in Associates and Joint Ventures</i>	1 January 2013
FRS 110	<i>Consolidated Financial Statements</i>	1 January 2013
FRS 112	<i>Disclosure of Interests in Other Entities</i>	1 January 2013
FRS 113	<i>Fair Value Measurement</i>	1 January 2013

The directors of the Company anticipate that the application of these new and revised standards, will not have any material impact on the financial performance and the financial position of the Group.

The unaudited interim condensed combined financial statements are presented in Singapore dollar ("SGD" or "S\$").

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****4. Revenue and Other Income**

	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
	S\$	S\$
Sales Revenue		
Construction contract revenue	10,358,095	43,597,047
Revenue from the sale of goods	—	99,076
Revenue from the rendering of services	61,215	2,388
	<u>10,419,310</u>	<u>43,698,511</u>
Other Income		
Gain on disposal of property, plant and equipment	5,509	13,270
Interest income on bank balances	77,778	75,704
	<u>83,287</u>	<u>88,974</u>

5. Profit before Income Tax

	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
	S\$	S\$
The following items have been included in arriving at profit before tax:		
Included in costs of sales:		
— Direct materials	2,971,291	11,327,651
— Sub-contract works	339,738	2,903,956
— Manufacturing and other overheads	388,282	1,953,452
— Workshop	—	1,015,192
— Depreciation of property, plant and equipment	277,891	781,438
— Employee benefits	3,300,537	14,107,110
	<u>7,277,739</u>	<u>32,088,799</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****5. Profit before Income Tax (cont'd)**

	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
	S\$	S\$
Included in administrative expenses:		
— Employee benefits	1,005,844	1,760,762
— Occupancy expenses	259,864	550,153
— Depreciation of property, plant and equipment	16,096	46,740
— Amortisation of management fee	41,259	229,011
— Consultants	77,418	45,913
— Travel expenses	21,191	57,440
— Office costs	69,528	260,739
— Business development	21,661	42,972
— Communications	42,895	143,126
— Other administrative expenses	40,429	419,178
	1,596,185	3,556,034
	8,873,924	35,644,833

6. Employee benefits expenses

	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
	S\$	S\$
Wages and salaries	4,179,598	15,698,231
Contribution to defined contribution plans	100,232	162,311
Other employee benefits	26,551	7,330
	4,306,381	15,867,872

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****7. Finance Costs**

	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
	S\$	S\$
Convertible loans	98,531	314,921
Bank bills	—	160,555
Finance leases	20,791	236,902
Related party	127,270	—
	<u>246,592</u>	<u>712,378</u>

8. Income Tax Expense

The components of tax expense comprise:

	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
	S\$	S\$
Current income tax	502,826	2,805,187
Deferred income tax	(97,285)	(564,258)
	<u>405,541</u>	<u>2,240,929</u>
Profit before income tax	<u>1,382,081</u>	<u>7,430,274</u>
Income tax at 30% (2010: 30%)	414,624	2,229,082
Add tax effect of:		
— Income not subject to tax	(18,364)	—
— Other non-allowable items	9,281	8,451
— Non-deductible depreciation	—	3,396
	<u>405,541</u>	<u>2,240,929</u>
Weighted average effective tax rates are as follows:	<u>29.3%</u>	<u>30.2%</u>

The tax rate used for the 2011 and 2010 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.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****8. Income Tax Expense (cont'd)**

	Property, Plant and Equipment (Tax allowance/ Impairment)	Other Current Assets	Borrowing Costs	Total
	S\$	S\$	S\$	S\$
Deferred income tax liabilities				
Balance at 1 July 2010	41,847	—	—	41,847
Charged to income statement	207,379	—	2,273	209,652
Currency translation	9,001	—	56	9,057
Balance at 30 June 2011 (audited)	258,227	—	2,329	260,556
Balance at 1 July 2011	258,227	—	2,329	260,556
Charged to income statement	62,079	111,744	1,482	175,305
Currency translation	(8,868)	(1,606)	(94)	(10,568)
Balance at 30 September 2011 (unaudited)	311,438	110,138	3,717	425,293

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011**

8. Income Tax Expense (cont'd)

	Property, Plant and Equipment (Tax allowance/ Impairment)	Interest bearing Loans and Borrowings	Expenses Accrued	Other Current Assets	Provision Employee Benefits	Provision Others	Borrowing Costs	Carried Forward Tax Losses	Intangibles	Total
	S\$	S\$	S\$		S\$	S\$	S\$	S\$		S\$
Deferred tax assets:										
Balance at 1 July 2010	27,248	48,180	63,150	—	59,465	25,743	131	95,673	—	319,590
Charged to income statement	3,903	162,838	85,097	20,556	164,459	(11,803)	(141)	46,573	620	472,102
Currency translation	2,646	8,503	7,998	504	9,599	2,120	10	10,098	15	41,493
Balance at 30 June 2011	33,797	219,521	156,245	21,060	233,523	16,060	—	152,344	635	833,185
Balance at 1 July 2011	33,797	219,521	156,245	21,060	233,523	16,060	—	152,344	635	833,185
Charged to income statement	72,908	87,607	78,718	—	166,192	5,654	9,759	318,734	(9)	739,563
Currency translation	(2,093)	(8,039)	(5,956)	(650)	(9,599)	(577)	(140)	(9,284)	(20)	(36,358)
Balance at 30 September 2011	104,612	299,089	229,007	20,410	390,116	21,137	9,619	461,794	606	1,536,390

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****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 pre-Invitation share capital of 450,000,000 ordinary shares which were assumed to be in issue throughout the entire financial periods presented.

	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
	S\$	S\$
Profit attributable to the owners of the Company	976,540	5,189,350
Weighted average number of ordinary shares	450,000,000	450,000,000
Basic and diluted earnings per share (cents)	0.22	1.15

Diluted earnings per share are calculated by dividing net profit attributable to the owners of the Company by the weighted average number of ordinary shares during the year plus the weighted average number of ordinary shares that would be in issue on the conversion of all the dilutive potential ordinary shares into ordinary shares. As there is no dilutive potential ordinary shares, the diluted earnings per share is the same as the basic earnings per share.

10. Trade and Other Receivables

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Current:		
Trade receivables		
— Third party	16,700,467	31,169,543
— Retention on construction claims	463,745	661,415
	17,164,212	31,830,958
Amounts due from customers for construction contracts (a)	3,223,747	2,617,447
Other receivables	14,325	13,882
Goods and services tax refundable	—	28,728
Total current trade and other receivables	20,402,284	34,491,015
(a) Construction contracts:		
Contract costs incurred	41,059,501	32,088,799
Recognised profits	19,947,373	11,609,712
	61,006,874	43,698,511
Less: Progress billings	(57,860,272)	(41,042,900)
Currency translation	77,145	(38,164)
Amounts due from customers for construction contracts	3,223,747	2,617,447

Current trade receivables are non-interest bearing and generally on 30 day terms.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****11 Other Current Assets**

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Prepayments	492,302	2,705,238

12 Cash and Cash Equivalents

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Cash at bank and in hand	5,597,969	9,617,052
Short-term bank deposits	1,022,181	990,616
	6,620,150	10,607,668

For the purpose of presenting the unaudited interim combined statement of cash flows, the cash and cash equivalents comprise the following:

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Cash at bank and in hand	6,620,150	10,607,668
Less: Cash in bank pledged	(1,022,181)	(990,616)
Cash and cash equivalents per interim combined statement of cash flows	5,597,969	9,617,052

The effective interest rate on shorter-term bank deposits was 5.10% per annum (30 June 2011: 5.02% per annum.).

These deposits have an average maturity of three months after the balance sheet date (30 June 2011: three months).

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 16 for further details.

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011**

13. Property, Plant and Equipment

30.06.2011

	Leasehold building	Plant and equipment	Small tools	Motor vehicles	Office equipment	IT equipment	Assets under construction	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Cost								
At 01 July 2010	8,467,735	4,631,407	158,771	824,425	16,080	145,894	276,544	14,520,856
Additions	12,367,962	10,845,044	625,545	1,450,549	117,627	313,477	5,089,076	30,809,280
Disposals	—	(66,323)	(3,131)	(6,390)	—	—	—	(75,844)
Currency translation	1,095,915	697,821	30,123	112,583	4,389	21,344	150,656	2,112,831
At 30 June 2011	21,931,612	16,107,949	811,308	2,381,167	138,096	480,715	5,516,276	47,367,123
Accumulated Depreciation								
At 01 July 2010	(3,348)	(784,465)	(40,402)	(206,919)	(1,136)	(21,801)	—	(1,058,071)
Depreciation for the year	(150,108)	(1,143,142)	(87,485)	(271,186)	(5,807)	(88,878)	—	(1,746,606)
Disposals	—	14,177	1,500	3,434	—	—	—	19,111
Currency translation	(3,017)	(102,088)	(5,890)	(25,936)	(1,224)	(4,220)	—	(142,375)
At 30 June 2011	(156,473)	(2,015,518)	(132,277)	(500,607)	(8,167)	(114,899)	—	(2,927,941)
Net carrying amount								
At 30 June 2011 (Audited)	21,775,139	14,092,431	679,031	1,880,560	129,929	365,816	5,516,276	44,439,182

During the three-month period ended 30 September 2010, the Group acquired property, plant and equipment amounted to S\$8,881,332.

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011**

13. Property, Plant and Equipment (cont'd)

30.09.2011 (Unaudited)

	Leasehold building	Plant and equipment	Small tools	Motor vehicles	Office equipment	IT equipment	Assets under construction	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Cost								
At 01 July 2011	21,931,612	16,107,949	811,308	2,381,167	138,096	480,715	5,516,276	47,367,123
Additions	—	1,369,129	927,847	613,504	56,670	246,003	2,369,086	5,582,239
Transfer/Adjustments	—	265,690	24,347	(279,611)	(10,426)	—	—	—
Disposals	—	(240,725)	—	—	—	—	—	(240,725)
Currency translation	(677,265)	(517,460)	(38,738)	(78,331)	(4,929)	(18,380)	(204,394)	(1,539,497)
At 30 September 2011	21,254,347	16,984,583	1,724,764	2,636,729	179,411	708,338	7,680,968	51,169,140
Accumulated Depreciation								
At 01 July 2011	(156,473)	(2,015,518)	(132,277)	(500,607)	(8,167)	(114,899)	—	(2,927,941)
Depreciation for the year	(185,396)	(421,603)	(69,619)	(104,818)	(6,376)	(40,366)	—	(828,178)
Transfer/Adjustments	—	(2,766)	(607)	3,198	175	—	—	—
Disposals	—	122,049	—	—	—	—	—	122,049
Currency translation	7,496	66,588	5,093	16,920	341	4,128	—	100,566
At 30 September 2011	(334,373)	(2,251,250)	(197,410)	(585,307)	(14,027)	(151,137)	—	(3,533,504)
Net carrying amount								
At 30 September 2011 (Unaudited)	20,919,974	14,733,333	1,527,354	2,051,422	165,384	557,201	7,680,968	47,635,636

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****13. Property, Plant and Equipment (cont'd)**

- (a) The total value of assets that were purchased and refinanced via finance leases for the period was S\$5,728,585 (30 June 2011: S\$7,839,397) and had a carrying amount of S\$12,026,583 (30 June 2011: S\$6,850,706) as at 30 September 2011.
- (b) At 30 September 2011 and 30 June 2011, the carrying amounts of property, plant and equipment that are pledged for security are as follows:

<u>Property, plant and equipment</u>	<u>Borrowings</u>	<u>Audited Carrying amount 30.06.2011</u>	<u>Unaudited Carrying amount 30.09.2011</u>
		S\$	S\$
Leasehold building	Bank bills and multi-option facility	21,775,139	20,919,974
Leased plant and equipment	Finance leases	6,850,706	12,026,583
Remaining property, plant and equipment	Floating charge on multi-option facility	15,813,337	14,689,079

14. Intangible Assets

	<u>Audited 30.06.2011</u>	<u>Unaudited 30.09.2011</u>
	S\$	S\$
Goodwill	13,092	12,688

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.

The 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 2012. 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 3.5% per annum on direct costs and overhead costs.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****14. Intangible Assets (cont'd)**

Movement in goodwill during the year/period follows:

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Balance at the beginning of year/period	11,972	13,092
Currency translation	1,120	(404)
Balance at the end of year/period	13,092	12,688

15. Trade and Other Payables

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Trade payables	6,920,493	15,064,135
Sundry payables and accrued expenses:		
— Accrued expenses	1,822,932	4,719,463
— Interest payable on convertible loans	731,734	996,964
Goods and services tax payable	776,153	2,132,616
Other taxes payable	1,036,251	826,000
	11,287,563	23,739,178

Trade and other payables are carried at cost and are not discounted due to their short term nature. These represent liabilities for goods and services provided to the Group. The amounts are unsecured and are usually paid within 30 days of recognition.

16. Borrowings

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Current borrowings		
Finance lease liabilities — secured [Note 16 (a)]	1,584,909	2,525,922
Convertible loans	—	18,895,230
	1,584,909	21,421,152

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****16. Borrowings (cont'd)**

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Non-current borrowings		
Finance lease liabilities — secured [Note 16 (a)]	5,592,097	9,554,696
Bank bills — secured [Note 16 (b)]	8,792,033	8,520,529
Convertible loans (Note 17)	19,472,103	—
	<u>33,856,233</u>	<u>18,075,225</u>

(a) Finance lease liabilities

The Group (the lessee) leases motor vehicles and workshop equipment 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 for 30 June 2011 and 30 September 2011 is between 4 and 5 years at interest rates ranging from 7.99% to 9.59% per annum and 7.60% to 8.40% respectively.

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

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Plant and equipment	<u>6,850,706</u>	<u>12,026,583</u>

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

	Minimum lease payments due	Future finance charges	Net present value of minimum lease payments
	S\$	S\$	S\$
At 30.06.2011			
Less than one year	2,143,885	(558,976)	1,584,909
Between one and two years	2,777,094	(680,134)	2,096,960
Between two and five years	3,607,636	(112,499)	3,495,137
	<u>8,528,615</u>	<u>(1,351,609)</u>	<u>7,177,006</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****16. Borrowings (cont'd)****(a) Finance lease liabilities (cont'd)**

	Minimum lease payments due	Future finance charges	Net present value of minimum lease payments
	S\$	S\$	S\$
At 30.09.2011			
Less than one year	3,453,706	(927,784)	2,525,922
Between one and two years	6,907,410	(1,168,278)	5,739,132
Between two and five years	4,081,263	(265,699)	3,815,564
	<u>14,442,379</u>	<u>(2,361,761)</u>	<u>12,080,618</u>

(b) Bank bills

As at 30 September 2011, the Group has a commercial bank facility amounting to S\$8,520,529 (30 June 2011: S\$8,792,033) which was fully utilised as at 30 September 2011. Interest rates are variable and ranged between 7.19% and 7.47% per annum during the financial period ended 30 September 2011 (30 June 2011: between 7.19% and 7.47% per annum). Repayment of the bank bill facility is on an interest only basis until 14 June 2016 and the terms of the bank bill will then be renegotiated.

(c) Other financing facilities available

The Group has a multi-option facility available for a limit of A\$10,030,000 (approximately S\$13,131,500) (30 June 2011: A\$10,030,000 (approximately S\$13,131,500)). This is secured by:

- A registered fixed and floating charge over the assets and undertakings of the Group.
- A first registered real property mortgage over the leasehold interest in the Commercial property located at Lot 804 (16) Nautical Drive, Henderson Western Australia and a guarantee and indemnity given by the Directors.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****17. Convertible Loans**

The Company issued convertible loans of A\$5,000,000 (approximately S\$5,936,380) and A\$10,000,000 (approximately S\$12,982,800) on 11 June 2010 and 15 December 2010, respectively which bears interest at 6% per annum. Each convertible loan entitles the holders to convert a loan of A\$1 to 11.312 conversion shares and 5.7002 conversion shares, respectively for a total of 56,560,000 conversion shares and 57,002,000 conversion shares respectively. Conversion may occur on or at any time immediately after the borrower has delivered to each of the lenders a conversion notice on 15 July 2012. In the event that the conversion notice is not issued by the maturity date, each of the lenders shall give notice to the Company requesting for repayment of its respective portion of the loan to the conversion shares as agreed by the Company and the lenders. If loans have not been converted, it will be redeemed including the interest accrued thereon.

The net proceeds received from the issue of the convertible loans have been split between the financial liability element and equity component, representing the residual attributable to the option to convert the financial liability into equity of the Company, as follows:

	Convertible Loan 1	Convertible Loan 2
	S\$	S\$
Proceeds of issue	5,936,380	12,982,800
Liability component at the date of issue	(5,854,310)	(12,825,399)
Currency translation	682	1,329
Equity component at the date of issue	82,752	158,730

As at 30 June 2011, the equity component of S\$241,482 has been credited to equity under "Option Premium on Convertible Loans" (Note 20).

The liability component is measured at amortised cost. The amortised cost is calculated by applying an effective interest rate of 6.45% per annum and 6.70% per annum respectively to the liability component since the loans were issued.

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Repayable within one year	—	18,679,709
Repayable after one year	18,679,709	—
Currency translation	792,394	215,521
	19,472,103	18,895,230

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****18. Provisions**

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
<u>Current</u>		
Provision for employee benefits	620,871	1,063,560
<u>Non-current</u>		
Provision for employee benefits	211,071	307,010
	<u>831,942</u>	<u>1,370,570</u>

(a) Movements in provisions

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
<u>Current:</u>		
Opening balance at the beginning of year/period	252,877	620,871
Provisions made during the year/period	771,362	760,269
Provisions utilised during the year/period	(427,039)	(298,406)
Currency translation	23,671	(19,174)
Closing balance at the end of year/period	<u>620,871</u>	<u>1,063,560</u>
<u>Non-current:</u>		
Opening balance at the beginning of year/period	31,149	211,071
Provisions made during the year/period	215,748	170,734
Provisions utilised during the year/period	(38,741)	(68,277)
Currency translation	2,915	(6,518)
Closing balance at the end of year/period	<u>211,071</u>	<u>307,010</u>

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.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****19. Share Capital**

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
<u>Share Capital of Civmec Construction & Engineering Pty Ltd</u>		
At beginning of year/period	9,010,041	9,010,258
Additional paid-in-capital by existing shareholders	217	—
At end of year/period	9,010,258	9,010,258
<u>Share capital of the Company</u>		
At beginning and end of year/period	1	1
<u>Combined balance sheets</u>		
Share capital of Civmec Construction & Engineering Pty Ltd	9,010,258	9,010,258
Share capital of the Company	1	1
Adjustment pursuant to restructuring exercise	(9,010,258)	(9,010,258)
	1	1

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.

Pursuant to the completion of the acquisition as disclosed in Note 2 in 2010, the share capital of Civmec Construction & Engineering Pty Ltd is adjusted to a merger reserve under the "other reserves" account based on the "pooling of interest method".

20. Other Reserves

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Option premium on convertible loans	241,482	241,482
Foreign currency translation reserve	1,284,003	551,834
Merger reserve	9,010,258	9,010,258
	10,535,743	9,803,574

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****20. Other Reserves (cont'd)**Option premium on convertible loans

The option premium on convertible loans represents the equity component (conversion rights) of the A\$5,000,000 6% and A\$10,000,000 6% convertible loans issued on 11 June 2010 and 15 December 2010 respectively (Note 17).

The movement in the option premium on convertible loans is shown in the unaudited interim combined statement of changes in equity.

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 in the foreign currency translation reserve is shown in the unaudited interim combined statement of changes in equity.

Merger reserve

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

21. Commitments**(a) Operating Lease**

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

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Not later than 12 months	1,152,473	1,116,884
Between 12 months and five years	5,004,321	4,849,784
Greater than five years	24,993,515	24,454,597
	<u>31,150,309</u>	<u>30,421,265</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****21. Commitments (cont'd)****(a) Operating Lease (cont'd)**

The Group has two commercial operating leases:

- The Kwinana property lease at 10 Ocean Street, Kwinana, Western Australia is for a three-year period from January 2010 with an option to renew for a further two years. Rent increases are per the CPI Index.
- 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 are per the CPI Index.

(b) Capital Expenditure Commitments

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

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Plant and equipment purchases	3,665,844	2,791,360
New office building	13,092,300	12,688,000
	<u>16,758,144</u>	<u>15,479,360</u>
Not later than 12 months	3,665,844	2,791,360
Between 12 months and five years	13,092,300	12,688,000
	<u>16,758,144</u>	<u>15,479,360</u>

22. Guarantees

The Group has provided guarantees pursuant to a surety bond facility for the provision of performance bonds to clients to the value of A\$14,993,283 (equivalent to S\$19,023,478) as at 30 September 2011 and A\$728,780 (equivalent to S\$954,138) as at 30 June 2011. The surety bond facility has a limit of A\$17 million (equivalent to S\$21.6 million) as at 30 September 2011 and A\$7.5 million (equivalent to S\$9.8 million) as at 30 June 2011. Kariong Investment Trust, JF & OT Fitzgerald Family Trust, our Executive Chairman and CEO, being Shareholders of the Company, have provided guarantees and indemnities in relation to the surety bond facility. In addition, the Group has provided bank guarantees of A\$363,297 (equivalent to S\$460,951) as at 30 September 2011 (30 June 2011: Nil).

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****23. 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) (33.6%) and Goldfirm Pty Ltd (acting as trustees for the Kariang Investment Trust) (33.6%).

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:

	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
	S\$	S\$
Short-term employee benefits	183,645	308,952
Post-employment benefits	14,875	25,489
	<u>198,520</u>	<u>334,441</u>

Other Related Parties

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

Transactions with Related Parties

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

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****23. Related Party Transactions (cont'd)**

The following transactions occurred with related parties:

	Unaudited 01.07.2010 to 30.09.2010	Unaudited 01.07.2011 to 30.09.2011
	S\$	S\$
(a) Purchases of goods and services:		
Other Related Parties:		
— Rental paid to a related party (who is a spouse of one of the directors)	(43,591)	(47,003)
(b) Finance cost		
— On convertible loans held by directors of the Company who are also pre-IPO investors	(29,559)	(40,940)
— Loan from a director	(127,270)	—
(c) Borrowings		
Other Related Parties:		
— Interest paid on loan from a director	(207,215)	—
— Loans from director	30,608	—
— Repayment of loans from director	(30,608)	—
— Advances from related parties	20,535	—

The advances from related parties represent amounts due from a director and Clarendon Pacific Ventures Pte. Ltd. These advances are non-trade in nature, interest-free and repayable in cash/on demand.

Personal guarantees

Certain of the directors have provided personal guarantees as follows:

- (i) James Finbarr Fitzgerald and Patrick John Tallon, and Civmec Holdings, have provided guarantees in favour of the Australian and New Zealand Banking Group Ltd in relation to a vehicle mortgage of CCE.
- (ii) James Finbarr Fitzgerald and Patrick John Tallon, have provided personal guarantees in favour of National Australia Bank Ltd in relation to an equipment loan and goods mortgage over plant and equipment.
- (iii) James Finbarr Fitzgerald and Patrick John Tallon, have provided personal guarantees in favour of St George Finance Ltd and St George Bank Ltd in relation to the hire purchase of equipment.
- (iv) James Finbarr Fitzgerald and Patrick John Tallon, have provided guarantees and indemnities in relation to the surety bond facility for the provision of performance bonds.
- (v) James Finbarr Fitzgerald and Patrick John Tallon, have provided guarantees and indemnities in relation to a multi-option facility entered into by CCE with St George Bank for banking facilities, including bank guarantees, letters of credit and commercial overdrafts.

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011**

24. Financial Information by Segments

Operating segments are reported in a manner that is generally consistent with the internal reporting provided to the Operations Management for strategic decision making.

The Group is organised into two main business units based on the industry of the products or services provided to, being: (a) Oil and Gas and (b) Mining and Others. Any products or services that do not fit in "Oil and Gas" or "Mining" are labelled as "Others" and are considered immaterial and therefore included together with the "Mining" segment.

	Oil and Gas		Unaudited 01.07.2010 to 30.09.2010		Oil and Gas		Unaudited 01.07.2011 to 30.09.2011		Total
	S\$		S\$		S\$		S\$		Total
Revenue									
— external sales	5,348,082		5,071,228		18,619,956		25,078,555		43,698,511
Segment results	1,340,966		1,800,605		6,326,597		5,283,115		11,609,712
Unallocated Costs									(3,556,034)
Other income									88,974
Finance costs									(712,378)
Profit before income tax					1,382,081				7,430,274
Income tax expense					(405,541)				(2,240,929)
Net profit for the period					976,540				5,189,345

CIVMEC LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011**

24. Financial Information by Segments (cont'd)

	Oil and Gas		Audited 30.06.2011		Oil and Gas		Unaudited 30.09.2011		Total
	S\$		Mining and Others	S\$	S\$		Mining and Others	S\$	
Segment assets:									
Intangible assets									
Unallocated assets:									
— Assets									
— Other current assets									
— Deferred income tax assets									
Total assets									
Segment liabilities:									
Unallocated liabilities:									
— Liabilities									
— Borrowings									
— Current income tax liabilities									
— Deferred income tax liabilities									
— Provisions									
Total liabilities									
Other segment information									
Capital Expenditure									
Depreciation									

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****25. Financial Risk Management Objectives and Policies**

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

(a) Market Risk**(i) 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 September 2011, approximately 51% (30 June 2011: 59%) of the Group's debt is fixed. Variable interest rate borrowings (i.e., unhedged debt) which exposes the Group to interest rate changes amounted to approximately S\$8,520,529 (30 June 2011: S\$8,792,033) as at 30 September 2011.

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

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 at 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		Non-Interest bearing	Total
	Within 1 Year	Between 2 to 5 Years	Within 1 Year	Between 2 to 5 Years		
	S\$	S\$	S\$	S\$	S\$	S\$
30.06.2011						
Financial Assets						
Cash and bank balances	6,620,150	—	—	—	—	6,620,150
Trade and other receivables	—	—	—	—	20,402,284	20,402,284
	<u>6,620,150</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>20,402,284</u>	<u>27,022,434</u>

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011

25. Financial Risk Management Objectives and Policies (cont'd)

(a) Market Risk (cont'd)

(i) Interest rate risk (cont'd)

	Variable rates		Fixed rates		Non- Interest bearing	Total
	Within 1 Year	Between 2 to 5 Years	Within 1 Year	Between 2 to 5 Years		
	S\$	S\$	S\$	S\$	S\$	S\$
Financial Liabilities						
Trade and other payables	—	—	—	—	9,475,159	9,475,159
Borrowings — Bank bills	—	8,792,033	—	—	—	8,792,033
Borrowings — Finance leases	—	—	1,584,909	5,592,097	—	7,177,006
Payable to related parties	—	—	—	—	21,352	21,352
Convertible loans	—	—	—	19,472,103	—	19,472,103
	—	8,792,033	1,584,909	25,064,200	9,496,511	44,937,653
30.09.2011						
Financial Assets						
Cash and bank balances	10,607,668	—	—	—	—	10,607,668
Trade and other receivables	—	—	—	—	34,462,287	34,462,287
	10,607,668	—	—	—	34,462,287	45,069,955
Financial Liabilities						
Trade and other payables	—	—	—	—	20,780,561	20,780,561
Borrowings — Bank bills	—	8,520,529	—	—	—	8,520,529
Borrowings — Finance lease liabilities	—	—	2,525,922	9,554,696	—	12,080,618
Payable to related parties	—	—	—	—	20,693	20,693
Convertible loans	—	—	18,895,230	—	—	18,895,230
	—	8,520,529	21,421,152	9,554,696	20,801,254	60,297,631

If variable interest rates increase/decrease by 2% with all other variables including tax rate being held constant, the Group's after tax profit will be higher/lower by approximately S\$29,000 (30 June 2011: lower/higher by approximately S\$30,000) as a result of higher/lower net interest income (30 June 2011: higher/lower net interest expense).

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****25. Financial Risk Management Objectives and Policies (cont'd)****(a) Market Risk (cont'd)****(ii) Foreign currency risk**

There are no significant exchange rate risks 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.

(b) 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.

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, credit terms are generally 30 days from the date of invoice.

The Group has a concentration of credit risk with one counter party accounting for 42% of trade receivables as at 30 September 2011 (30 June 2011: 83%). The main source of credit risk to the Group is considered to relate to the class of assets described as "Trade and other receivables".

The following table details the Group's 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 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.

	Gross amount	Within initial trade terms < 30 days	Past due but not impaired			Past due and impaired
	S\$	S\$	31-60 days	61-90 days	> 90 days	S\$
30.06.2011						
Trade receivables	17,164,212	9,568,142	7,306,041	77,938	212,091	—
Other receivables	3,238,072	3,238,072	—	—	—	—
Total	20,402,284	12,806,214	7,306,041	77,938	212,091	—

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****25. Financial Risk Management Objectives and Policies (cont'd)****(b) Credit Risk (cont'd)**

	Gross amount	Within initial trade terms < 30 days	Past due but not impaired			Past due and impaired
			31-60 days	61-90 days	> 90 days	
	S\$	S\$	S\$	S\$	S\$	S\$
30.09.2011						
Trade receivables	31,830,958	24,746,562	6,808,153	243,982	32,261	—
Other receivables	2,660,057	2,660,057	—	—	—	—
Total	34,491,015	27,406,619	6,808,153	243,982	32,261	—

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

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 money market securities based on Standard and Poor's counterparty credit ratings.

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Cash and cash equivalents		
AA Rated	6,620,150	10,607,668

(c) Liquidity Risk

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

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

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****25. Financial Risk Management Objectives and Policies (cont'd)****(c) Liquidity Risk (cont'd)**

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 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 amounts as the impact of discounting is not significant.

	Carrying Amount	Contractual Undiscounted Cash Flows		
		Within 1 year	Between 2 to 5 years	Total
	S\$	S\$	S\$	S\$
30.09.2011				
Financial liabilities:				
Trade and other payables	20,780,561	20,780,561	—	20,780,561
Borrowings:				
— Finance lease liabilities	12,080,618	3,453,706	10,988,673	14,442,379
— Bank bills	8,520,529	466,073	10,268,303	10,734,376
— Convertible loans	18,895,230	19,939,279	—	19,939,279
Payable to related parties	20,693	20,693	—	20,693
Total financial liabilities	60,297,631	44,660,312	21,256,976	65,917,288
30.06.2011				
Financial liabilities:				
Trade and other payables	9,475,159	9,475,159	—	9,475,159
Borrowings:				
— Finance lease liabilities	7,177,006	2,143,885	6,384,730	8,528,615
— Bank bills	8,792,033	480,924	10,715,730	11,196,654
— Convertible loans	19,472,103	1,181,535	19,690,102	20,871,637
Payable to related parties	21,352	21,352	—	21,352
Total financial liabilities	44,937,653	13,302,855	36,790,562	50,093,417

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****25. Financial Risk Management Objectives and Policies (cont'd)****(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, distributions 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.

	Audited 30.06.2011	Unaudited 30.09.2011
	S\$	S\$
Net debt	38,317,503	49,689,963
Total equity	21,294,667	25,751,843
Net debt-to-equity ratio	1.80	1.93

(e) Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the following table and 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 4 to the combined financial statements for the financial year ended 30 June 2011.

The fair value of current financial assets and financial liabilities approximate the carrying value due to the liquid nature of these assets and/or the short term nature of these financial rights and obligations.

The fair values of non-current 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 balance sheet date. As at the balance sheet date the fair values of the non-current convertible loans approximate their carrying amounts.

CIVMEC LIMITED

(Incorporated in Singapore)

AND ITS SUBSIDIARIES**NOTES TO THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS — 30 SEPTEMBER 2011****26. Comments about Seasonal or Cyclical Factors**

The Group's results of operations do not vary significantly from quarter to quarter.

27. Subsequent Events

On 8 November 2011, the Company issued 124,999 new ordinary shares for a total consideration of S\$124,999. The newly issued fully paid-up ordinary shares rank pari passu in all respects with the previously issued share. On that date, the issued and paid-up share capital of the Company increased from S\$1 to S\$125,000.

The Group funded an amount of A\$750,000 for the Civmec Cape Insulation joint venture in December 2011.

Subsequent to the year end, pursuant to the completion of the Restructuring Exercise on 27 March 2012, the Company's issued and paid-up share capital was increased to S\$19,044,180 comprising 450,000,000 ordinary shares.

This page has been intentionally left blank.

**APPENDIX C — REPORT ON EXAMINATION OF UNAUDITED PRO FORMA
COMBINED FINANCIAL STATEMENTS OF CIVMEC LIMITED AND ITS
SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

The Board of Directors
Civmec Limited
c/o 9 Temasek Boulevard
#08-01 Suntec Tower Two
Singapore 038989

Dear Sirs,

We report on the unaudited pro forma combined financial statements of Civmec Limited (the "Company") and its subsidiaries (the "Group") set out in pages C-3 to C-7, which has been prepared, for illustrative purposes only and based on certain assumptions and after making certain adjustments to show what:

- (i) the financial results, changes in equity and cash flows of the Group for the financial year ended 30 June 2011 would have been if the capital structure changes had occurred since the beginning of the financial year being reported on; and
- (ii) the financial position of the Group as at 30 June 2011 would have been if the capital structure changes had occurred on that date.

The unaudited pro forma combined financial statements, because of its nature, may not give a true picture of the actual financial positions, results, changes in equity and cash flows of the Group.

The unaudited pro forma combined financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on the unaudited pro forma combined financial statements based on our work.

We carried out procedures in accordance with Singapore Statement of Auditing Practice 24 *Auditors and Public Offering Documents*. Our work, which involved no independent examination of the underlying financial statements, consisted primarily of comparing the unaudited pro forma combined financial statements to the financial statements of the Company and its subsidiaries, considering the evidence supporting the adjustments and discussing the unaudited pro forma combined financial statements with the directors of the Company.

In our opinion,

- (a) the unaudited pro forma combined financial statements has been properly prepared:
 - (i) on the basis stated in Note 2 to the unaudited pro forma combined financial statements; and
 - (ii) in a manner consistent with the format of the audited combined financial statements and the accounting policies of the Group which are in accordance with Singapore Financial Reporting Standards.

- (b) each material adjustment made to the information used in the preparation of the unaudited pro forma combined financial statements is appropriate for the purpose of preparing such pro forma financial statements.

This report has been prepared solely for inclusion in the Prospectus in connection with the proposed listing of the Company's shares on the Singapore Exchange Securities Trading Limited.

Moore Stephens LLP
Public Accountants and
Certified Public Accountants

Singapore
5 April 2012

**UNAUDITED PRO FORMA COMBINED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

The unaudited pro forma combined statement of comprehensive income of the Group for the financial year ended 30 June 2011, and the pro forma adjustments made, are set out below:

	Audited 01.07.2010 to 30.06.2011	Pro forma adjustments⁽¹⁾	Unaudited Pro forma 01.07.2010 to 30.06.2011
	S\$	S\$	S\$
Sales revenue	61,006,874	—	61,006,874
Cost of sales	(41,059,501)	—	(41,059,501)
Gross profit	19,947,373	—	19,947,373
Other income	316,565	—	316,565
Administrative expenses	(7,588,410)	—	(7,588,410)
Finance costs	(1,557,100)	786,655	(770,445)
Profit before tax	11,118,428	786,655	11,905,083
Income tax expense	(3,595,958)	—	(3,595,958)
Profit for the year	7,522,470	786,655	8,309,125
Other comprehensive income:			
Exchange differences on re-translation from functional currency to presentation currency	1,333,971	—	1,333,971
Total comprehensive income for the year	8,856,441	786,655	9,643,096
Profit attributable to:			
Owners of the Company	7,523,210	786,655	8,309,865
Non-controlling interest	(740)	—	(740)
	7,522,470	786,655	8,309,125
Total comprehensive income attributable to:			
Owners of the Company	8,857,181	786,655	9,643,836
Non-controlling interest	(740)	—	(740)
	8,856,441	786,655	9,643,096
Earnings per share attributable to equity holders of the company (cents per share):			
— Basic	1.67	0.18	1.85
— Diluted	1.67	0.18	1.85

⁽¹⁾ The pro forma adjustments relate to the conversion of the convertible loans of A\$15 million (S\$18,919,180) into equity and issued to the convertible loan holders as if it had occurred since the beginning of the financial year being reported on.

**UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

The unaudited pro forma combined statement of financial position of the Group as at 30 June 2011, and the pro forma adjustments made, are set out below:

	Audited 30.06.2011	Pro forma Adjustments ⁽¹⁾	Unaudited Pro forma 30.06.2011
	S\$	S\$	S\$
ASSETS			
Current Assets			
Trade and other receivables	20,402,284	—	20,402,284
Other current assets	492,302	—	492,302
Cash and cash equivalents	6,620,150	—	6,620,150
	27,514,736	—	27,514,736
Non-Current Assets			
Property, plant and equipment	44,439,182	—	44,439,182
Intangible assets	13,092	—	13,092
Deferred income tax assets	833,185	—	833,185
	45,285,459	—	45,285,459
TOTAL ASSETS	72,800,195	—	72,800,195
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	11,287,563	(731,734)	10,555,829
Borrowings	1,584,909		1,584,909
Payable to related parties	21,352	—	21,352
Current income tax liabilities	3,662,973	—	3,662,973
Provisions	620,871	—	620,871
	17,177,668	(731,734)	16,445,934
Non-Current Liabilities			
Borrowings	33,856,233	(19,472,103)	14,384,130
Deferred income tax liabilities	260,556	—	260,556
Provisions	211,071	—	211,071
	34,327,860	(19,472,103)	14,855,757
Total Liabilities	51,505,528	(20,203,837)	31,301,691
Capital and Reserves			
Share capital	1	18,919,180	18,919,181
Other reserves	10,535,743	498,002	11,033,745
Retained earnings	10,759,663	786,655	11,546,318
Total Equity Attributable to Owners of the Company	21,295,407	20,203,837	41,499,244
Non-controlling interest	(740)	—	(740)
TOTAL EQUITY	21,294,667	20,203,837	41,498,504
TOTAL LIABILITIES AND EQUITY	72,800,195	—	72,800,195

⁽¹⁾ The pro forma adjustments relate to the conversion of the convertible loans of A\$15 million (S\$18,919,180) into equity and issued to the convertible loan holders as if it had occurred as at 30 June 2011.

**UNAUDITED PRO FORMA COMBINED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

The unaudited pro forma combined statement of changes in equity of the Group for the financial year ended 30 June 2011, and the pro forma adjustments made, are set out below:

	Share Capital	Merger reserve	Option premium on convertible loans	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 30 June 2011 (audited)	1	9,010,258	241,482	1,284,003	10,759,663	21,295,407	(740)	21,294,667
Pro forma adjustments⁽¹⁾								
Conversion of convertible loans	18,919,180	—	(241,482)	739,484	786,655	20,203,837	—	20,203,837
Balance at 30 June 2011 (unaudited pro forma)	18,919,181	9,010,258	—	2,023,487	11,546,318	41,499,244	(740)	41,498,504

⁽¹⁾ The pro forma adjustments relate to the conversion of the convertible loans of A\$15 million (S\$18,919,180) into equity and issued to the convertible loan holders as if it had occurred since the beginning of the financial year being reported on.

**UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

The unaudited pro forma combined statement of cash flows of the Group for the financial year ended 30 June 2011, and the pro forma adjustments made, are set out below:

	Audited 01.07.2010 to 30.06.2011	Pro forma adjustments ⁽¹⁾	Unaudited Pro forma 01.07.2010 to 30.06.2011
	S\$	S\$	S\$
Cash flows from operating activities			
Profit before income tax:	11,118,428	786,655	11,905,083
Adjustments for:			
Depreciation of property, plant and equipment	1,746,606	—	1,746,606
Amortisation of management fee	473,304	—	473,304
Loss on disposal of property, plant and equipment	44,256	—	44,256
Finance cost	1,557,100	—	1,557,100
Interest income	(316,565)	—	(316,565)
Unrealised foreign exchange differences	(943)	—	(943)
Operating cash flow before working capital changes	14,622,186	786,655	15,408,841
Changes in working capital:			
Increase in trade and other receivables	(13,633,281)	—	(13,633,281)
Increase in other current assets	(66,984)	—	(66,984)
Increase in trade and other payables	2,931,180	(786,655)	2,144,525
Increase in payable to related parties	21,352	—	21,352
Increase in provisions	521,328	—	521,328
Cash generated from operations	4,395,781	—	4,395,781
Interest received	316,565	—	316,565
Finance cost paid	(780,006)	—	(780,006)
Income taxes paid	(2,216,160)	—	(2,216,160)
Net cash generated by operating activities	1,716,180	—	1,716,180
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	12,477	—	12,477
Purchase of property, plant and equipment	(30,809,280)	—	(30,809,280)
Net cash used in investing activities	(30,796,803)	—	(30,796,803)
Cash flows from financing activities			
Proceeds from issuance of shares of subsidiary company	217	—	217
Proceeds from borrowings	16,233,426	—	16,233,426
Repayment of borrowings	(646,528)	—	(646,528)
Payment of management fee	(638,950)	—	(638,950)
Proceeds from issuance of convertible loans	12,982,800	—	12,982,800
Proceeds from loans from related parties	31,948	—	31,948
Repayment of loans from related parties	(4,627,597)	—	(4,627,597)
Deposits pledged	(87,498)	—	(87,498)
Net cash generated by financing activities	23,247,818	—	23,247,818
Net decrease in cash and cash equivalents	(5,832,805)	—	(5,832,805)
Effects of currency translation on cash and cash equivalents	1,110,257	—	1,110,257
Cash and cash equivalents at the beginning of the financial period/year	10,320,517	—	10,320,517
Cash and cash equivalents at the end of the financial period/year	5,597,969	—	5,597,969
Analysis of cash and cash equivalents:			
Cash on hand and in banks	6,620,150	—	6,620,150
Less: Deposits pledged	(1,022,181)	—	(1,022,181)
	5,597,969	—	5,597,969

⁽¹⁾ The pro forma adjustments relate to the conversion of the convertible loans of A\$15 million (S\$18,919,180) into equity and issued to the convertible loan holders as if it had occurred since the beginning of the financial year being reported on.

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

1. Introduction

The unaudited pro forma combined financial statements for the financial year ended 30 June 2011 has been prepared for inclusion in the Prospectus in connection with the Invitation by Civmec Limited ("the Company") and should be read in conjunction with the audited combined financial statements for the financial year ended 30 June 2011.

Pursuant to Section 23 of Part IX of the Fifth Schedule of the Securities Futures Regulations, the unaudited pro forma combined financial statements for the financial year ended 30 June 2011 have been prepared based on the audited combined financial statements of the Group.

The unaudited pro forma combined financial statements of the Group for the financial year ended 30 June 2011 are expressed in Singapore Dollar ("SGD"), being the presentation currency of the Group. The unaudited pro forma combined financial statements of the Group for the financial year ended 30 June 2011 are prepared in accordance with Singapore Financial Reporting Standards ("FRS").

2. Basis of Presentation of Unaudited Pro Forma Combined Financial Statements

The unaudited pro forma combined financial statements, which comprises the unaudited pro forma combined statement of comprehensive income, unaudited pro forma combined statement of financial position, unaudited pro forma combined statement of changes in equity and unaudited pro forma combined statement of cash flows, set up herein have been prepared for illustrative purposes only to show what the financial position of the Group as at 30 June 2011, the financial results, changes in equity and cash flows for the financial year ended 30 June 2011 would have been based on certain assumptions and after making certain adjustments in relation to the conversion of the convertible loans of A\$15 million (S\$18,919,180) issued to the convertible loan holders ("the capital structure changes").

The unaudited pro forma combined financial statements are prepared for illustrative purposes only to show the effect on:

- (i) the financial results, changes in equity and cash flows of the Group for the financial year ended 30 June 2011 would have been if the capital structure changes had occurred since the beginning of the financial year being reported on; and
- (ii) the financial position of the Group as at 30 June 2011 would have been if the capital structure changes had occurred on that date.

The unaudited pro forma combined financial statements were based on the audited combined financial statements of the Group for the financial year ended 30 June 2011 and have been prepared for illustrative purposes only, and because of its nature, may not give a true picture of the actual results, financial position, changes in equity and cash flows of the Group. The audited combined financial statements are not subject to any qualification. For the purpose of preparing this set of unaudited pro forma combined financial statements, the directors have not considered the effects of events other than the conversion of the A\$15 million (S\$18,919,180) convertible loans.

3. Significant Accounting Policies

The unaudited pro forma combined financial statements are prepared using the same accounting policies as the audited combined financial statements of the Group for the financial year ended 30 June 2011 as disclosed in Note 3 to the audited combined financial statements of Civmec Limited and its subsidiaries for the financial year ended 30 June 2011.

This page has been intentionally left blank.

**APPENDIX D — REPORT ON EXAMINATION OF UNAUDITED PRO FORMA
COMBINED FINANCIAL STATEMENTS OF CIVMEC LIMITED AND
ITS SUBSIDIARIES FOR THE FINANCIAL PERIOD FROM 1 JULY 2011
TO 30 SEPTEMBER 2011**

The Board of Directors
Civmec Limited
c/o 9 Temasek Boulevard
#08-01 Suntec Tower Two
Singapore 038989

Dear Sirs,

We report on the unaudited pro forma combined financial statements of Civmec Limited (the “Company”) and its subsidiaries (the “Group”) set out in pages D-3 to D-7, which has been prepared, for illustrative purposes only and based on certain assumptions and after making certain adjustments to show what:

- (i) the financial results, changes in equity and cash flows of the Group for the financial period from 1 July 2011 to 30 September 2011 would have been if the capital structure changes had occurred since the beginning of the financial period being reported on; and
- (ii) the financial position of the Group as at 30 September 2011 would have been if the capital structure changes had occurred on that date.

The unaudited pro forma combined financial statements, because of its nature, may not give a true picture of the actual financial positions, results, changes in equity and cash flows of the Group.

The unaudited pro forma combined financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on the unaudited pro forma combined financial statements based on our work.

We carried out procedures in accordance with Singapore Statement of Auditing Practice 24 *Auditors and Public Offering Documents*. Our work, which involved no independent examination of the underlying financial statements, consisted primarily of comparing the unaudited pro forma combined financial statements to the financial statements of the Company and its subsidiaries, considering the evidence supporting the adjustments and discussing the unaudited pro forma combined financial statements with the directors of the Company.

In our opinion,

- (a) the unaudited pro forma combined financial statements has been properly prepared:
 - (i) on the basis stated in Note 2 to the unaudited pro forma combined financial statements; and
 - (ii) in a manner consistent with the format of the unaudited interim condensed combined financial statements for the financial period from 1 July 2011 to 30 September 2011 and the accounting policies of the Group which are in accordance with Singapore Financial Reporting Standards.

- (b) each material adjustment made to the information used in the preparation of the unaudited pro forma combined financial statements is appropriate for the purpose of preparing such pro forma financial statements.

This report has been prepared solely for inclusion in the Prospectus in connection with the proposed listing of the Company's shares on the Singapore Exchange Securities Trading Limited.

Moore Stephens LLP
Public Accountants and
Certified Public Accountants

Singapore
5 April 2012

**UNAUDITED PRO FORMA COMBINED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011**

The unaudited pro forma combined statement of comprehensive income of the Group for the financial period from 1 July 2011 to 30 September 2011, and the pro forma adjustments made, are set out below:

	Unaudited 01.07.2011 to 30.09.2011	Pro forma adjustments ⁽¹⁾	Unaudited Pro forma 01.07.2011 to 30.09.2011
	S\$	S\$	S\$
Sales revenue	43,698,511	—	43,698,511
Cost of sales	(32,088,799)	—	(32,088,799)
Gross profit	11,609,712	—	11,609,712
Other income	88,974	—	88,974
Administrative expenses	(3,556,034)	—	(3,556,034)
Finance costs	(712,378)	314,921	(397,457)
Profit before tax	7,430,274	314,921	7,745,195
Income tax expense	(2,240,929)	—	(2,240,929)
Profit for the year	5,189,345	314,921	5,504,266
Other comprehensive income:			
Exchange differences on re-translation from functional currency to presentation currency	(732,169)	—	(732,169)
Total comprehensive income for the year	4,457,176	314,921	4,772,097
Profit attributable to:			
Equity holders of the Company	5,189,350	314,921	5,504,271
Non-controlling interest	(5)	—	(5)
	5,189,345	314,921	5,504,266
Total comprehensive income attributable to:			
Equity holders of the Company	4,457,181	314,921	4,772,102
Non-controlling interest	(5)	—	(5)
	4,457,176	314,921	4,772,097
Earnings per share attributable to equity holders of the company (cents per share):			
— Basic	1.15	0.07	1.22
— Diluted	1.15	0.07	1.22

(1) The pro forma adjustments relate to the conversion of the convertible loans of A\$15 million (S\$18,919,180) into equity and issued to the convertible loan holders as if it had occurred since the beginning of the financial period being reported on.

**UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011**

The unaudited pro forma combined statement of financial position of the Group as at 30 September 2011, and the pro forma adjustments made, are set out below:

	Unaudited 30.09.2011	Pro forma adjustments ⁽¹⁾	Unaudited Pro forma 30.09.2011
	S\$	S\$	S\$
ASSETS			
Current Assets			
Trade and other receivables	34,491,015	—	34,491,015
Other current assets	2,705,238	—	2,705,238
Cash and cash equivalents	10,607,668	—	10,607,668
	47,803,921	—	47,803,921
Non Current Assets			
Property, plant and equipment	47,635,636	—	47,635,636
Intangible assets	12,688	—	12,688
Deferred income tax assets	1,536,390	—	1,536,390
	49,184,714	—	49,184,714
TOTAL ASSETS	96,988,635	—	96,988,635
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	23,739,178	(996,964)	22,742,214
Borrowings	21,421,152	(18,895,230)	2,525,922
Payable to a related party	20,693	—	20,693
Current income tax liabilities	6,184,681	—	6,184,681
Provisions	1,063,560	—	1,063,560
	52,429,264	(19,892,194)	32,537,070
Non Current Liabilities			
Borrowings	18,075,225	—	18,075,225
Deferred income tax liabilities	425,293	—	425,293
Provisions	307,010	—	307,010
	18,807,528	—	18,807,528
Total Liabilities	71,236,792	(19,892,194)	51,344,598
Capital and Reserves			
Share capital	1	18,919,180	18,919,181
Other reserves	9,803,574	(128,562)	9,675,012
Retained earnings	15,949,013	1,101,576	17,050,589
Total Equity Attributable to Equity Holders of the Company	25,752,588	19,892,194	45,644,782
Non-controlling interest	(745)	—	(745)
TOTAL EQUITY	25,751,843	19,892,194	45,644,037
TOTAL LIABILITIES AND EQUITY	96,988,635	—	96,988,635

⁽¹⁾ The pro forma adjustments relate to the conversion of the convertible loans of A\$15 million (S\$18,919,180) into equity and issued to the convertible loan holders as if it had occurred as at 30 June 2011.

**UNAUDITED PRO FORMA COMBINED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011**

The unaudited pro forma combined statement of changes in equity of the Group for the financial period ended 30 September 2011, and the pro forma adjustments made, are set out below:

	Share Capital	Merger reserve	Option premium on convertible loans	Foreign currency translation reserve	Retained earnings	Total	Non- controlling interest	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 30 September 2011 (unaudited)	1	9,010,258	241,482	551,834	15,949,013	25,752,588	(745)	25,751,843
Pro forma adjustments⁽¹⁾								
Conversion of convertible loans	18,919,180	—	(241,482)	112,920	1,101,576	19,892,194	—	19,892,194
Balance at 30 September 2011 (unaudited pro forma)	18,919,181	9,010,258	—	664,754	17,050,589	45,644,782	(745)	45,644,037

⁽¹⁾ The pro forma adjustments relate to the conversion of the convertible loans of A\$15 million (S\$18,919,180) into equity and issued to the convertible loan holders as if it had occurred since the beginning of the financial period being reported on.

**UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011**

The unaudited pro forma combined statement of cash flows of the Group for the financial period from 1 July 2011 to 30 September 2011, and the pro forma adjustments made, are set out below:

	Unaudited 01.07.2011 to 30.09.2011	Pro forma adjustments ⁽¹⁾	Unaudited Pro forma 01.07.2011 to 30.09.2011
	S\$	S\$	S\$
Cash flows from operating activities			
Profit before income tax	7,430,274	314,921	7,745,195
Adjustments for:			
Depreciation of property, plant and equipment	828,178	—	828,178
Amortisation of management fee	229,011	—	229,011
Gain on disposal of property, plant and equipment	(13,270)	—	(13,270)
Finance cost	712,378	—	712,378
Interest income	(75,704)	—	(75,704)
Operating cash flow before working capital changes	9,110,867	314,921	9,425,788
Changes in working capital:			
Increase in trade and other receivables	(14,655,973)	—	(14,655,973)
Increase in other current assets	(2,414,601)	—	(2,414,601)
Increase in trade and other payables	12,410,312	(314,921)	12,095,391
Increase in provisions	564,319	—	564,319
Cash generated from operations	5,014,924	—	5,014,924
Interest received	75,704	—	75,704
Finance cost paid	(395,560)	—	(395,560)
Income taxes paid	(131,950)	—	(131,950)
Net cash generated by operating activities	4,563,118	—	4,563,118
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	131,948	—	131,948
Purchase of property, plant and equipment	(5,582,239)	—	(5,582,239)
Net cash used in investing activities	(5,450,291)	—	(5,450,291)
Cash flows from financing activities			
Proceeds from borrowings	5,376,880	—	5,376,880
Repayment of borrowings	(615,340)	—	(615,340)
Deposits pledged	31,565	—	31,565
Net cash generated by financing activities	4,793,105	—	4,793,105
Net increase in cash and cash equivalents	3,905,932	—	3,905,932
Effects of currency translation on cash and cash equivalents	113,152	—	113,152
Cash and cash equivalents at the beginning of the financial period	5,597,968	—	5,597,968
Cash and cash equivalents at the end of the financial period			
Analysis of cash and cash equivalents	9,617,052	—	9,617,052
Cash on hand and in banks	10,607,668	—	10,607,668
Less: Deposits pledged	(990,616)	—	(990,616)
	9,617,052	—	9,617,052

⁽¹⁾ The pro forma adjustments relate to the conversion of the convertible loans of A\$15 million (S\$18,919,180) into equity and issued to the convertible loan holders as if it had occurred since the beginning of the financial period being reported on.

**NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2011 TO 30 SEPTEMBER 2011**

1. Introduction

The unaudited pro forma combined financial statements for the financial period from 1 July 2011 to 30 September 2011 has been prepared for inclusion in the Prospectus in connection with the Invitation by Civmec Limited ("the Company") and should be read in conjunction with the unaudited interim condensed combined financial statements for the period from 1 July 2011 to 30 September 2011.

Pursuant to Section 23 of Part IX of the Fifth Schedule of the Securities Futures Regulations, the unaudited pro forma combined financial statements for the financial period ended 30 September 2011 have been prepared based on the audited combined financial statements of the Group.

The unaudited pro forma combined financial statements of the Group for the financial period ended 30 September 2011 are expressed in Singapore Dollar ("SGD"), being the presentation currency of the Group. The unaudited pro forma combined financial statements of the Group for the financial period ended 30 September 2011 are prepared in accordance with Singapore Financial Reporting Standards ("FRS").

2. Basis of Presentation of Unaudited Pro Forma Combined Financial Statements

The unaudited pro forma combined financial statements, which comprises the unaudited pro forma combined statement of comprehensive income, unaudited pro forma combined statement of financial position, unaudited pro forma combined statement of changes in equity and unaudited pro forma combined statement of cash flows, set up herein have been prepared for illustrative purposes only to show what the financial position of the Group as at 30 September 2011, the financial results, changes in equity and cash flows for the financial period from 1 July 2011 to 30 September 2011 would have been based on certain assumptions and after making certain adjustments in relation to the conversion of the convertible loans of A\$15 million (S\$18,919,180) issued to the convertible loan holders ("the capital structure changes").

The unaudited pro forma combined financial statements are prepared for illustrative purposes only to show the effect on:

- (i) the financial results, changes in equity and cash flows of the Group for the financial period from 1 July 2011 to 30 September 2011 would have been if the capital structure changes had occurred since the beginning of the financial period being reported on; and
- (ii) the financial position of the Group as at 30 September 2011 would have been if the capital structure changes had occurred on that date.

The unaudited pro forma combined financial statements were based on the unaudited interim condensed combined financial statements of the Group for the financial period from 1 July 2011 to 30 September 2011 and have been prepared for illustrative purposes only, and because of its nature, may not give a true picture of the actual results, financial position, changes in equity and cash flows of the Group. For the purpose of preparing this set of unaudited pro forma combined financial statements, the directors have not considered the effects of events other than the conversion of the A\$15 million (S\$18,919,180) convertible loans.

3. Significant Accounting Policies

The unaudited pro forma combined financial statements are prepared using the same accounting policies as the audited combined financial statements of the Group for the financial year ended 30 June 2011 as disclosed in Note 3 to the audited combined financial statements of Civmec Limited and its subsidiaries for the financial year ended 30 June 2011.

This page has been intentionally left blank.

APPENDIX E — TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for and/or purchase the Invitation Shares at the Invitation Price for each Offer Share and each Placement Share subject to the following terms and conditions:

- 1. YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 INVITATION SHARES AND INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF INVITATION SHARES WILL BE REJECTED.**
- 2. Your application for Offer Shares may be made by way of printed Offer Shares Application Forms or by way of Electronic Applications through ATMs of the Participating Banks (“ATM Electronic Applications”) or through Internet Banking (“IB”) websites of the relevant Participating Banks (“Internet Electronic Applications”) or through the DBS mobile banking platform (“mBanking Application” which, together with ATM Electronic Applications and Internet Electronic Applications, shall be referred to as “Electronic Applications”). Your application for the Placement Shares may only be made by way of Placement Shares Application Forms. **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE INVITATION SHARES.****
- 3. You (not being an approved nominee company) are allowed to submit only one application in your own name for the Offer Shares or the Placement Shares. If you submit an application for Offer Shares by way of an Offer Shares Application Form, you MAY NOT submit another application for Offer Shares by way of an Electronic Application and vice versa. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion, in consultation with the Issue Manager, Underwriter and Placement Agent.**

If you submit an application for Offer Shares by way of Internet Electronic Application, you MAY NOT submit another application for Offer Shares by way of ATM Electronic Application or mBanking Application and vice versa. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion, in consultation with the Issue Manager, Underwriter and Placement Agent.

If you have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of an Offer Shares Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion, in consultation with the Issue Manager, Underwriter and Placement Agent.

If you have made an application for Placement Shares, you should not make any application for Offer Shares either by way of an Offer Shares Application Form or by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion, in consultation with the Issue Manager, Underwriter and Placement Agent.

Conversely, if you have made an application for Offer Shares either by way of an Electronic Application or by way of an Offer Shares Application Form, you may not make any application for Placement Shares. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at our discretion, in consultation with the Issue Manager, Underwriter and Placement Agent.

Joint applications shall be rejected. Multiple applications for Invitation Shares will be liable to be rejected at our discretion, in consultation with the Issue Manager, Underwriter and Placement Agent. If you submit or procure submissions of multiple share applications for Offer Shares, Placement Shares or both Offer Shares and Placement Shares, you may be

deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, Chapter 289 of Singapore, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications will be liable to be rejected at our discretion, in consultation with the Issue Manager, Underwriter and Placement Agent.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased name at the time of application.
5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/their own name(s) and without qualification or, where the application is made by way of an Application Form, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.
6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT A NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars, such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form or in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.
8. **If your address as stated in the Application Form or, in the case of an Electronic Application, in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.**
9. **We reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Prospectus or which does not comply with the instructions for an Electronic Application or with the terms and conditions of this Prospectus or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or an improper form of remittance. We further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Form or the instructions for an Electronic Application or the terms and conditions of this Prospectus and also to present**

for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

10. We reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefore, and we will not entertain any enquiry and/or correspondence on our decision. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment, we will give due consideration to the desirability of allotting or allocating the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
11. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Invitation Shares allotted and/or allocated to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by us. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Invitation Shares allotted and/or allocated to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.

12. In the event of an under-subscription or under-purchase of Offer Shares as at the close of the Application List, we will make available that number of Offer Shares not subscribed for or purchased to satisfy applications for Placement Shares to the extent that there is an over-subscription for or over-purchase of Placement Shares as at the close of the Application List.

In the event of an under-subscription for or under-purchase of Placement Shares as at the close of the Application List, we will make available that number of Placement Shares not subscribed for or purchased to satisfy applications for Offer Shares to the extent that there is an over-subscription for or over-purchase of Offer Shares as at the close of the Application List.

In the event of an over-subscription for Offer Shares as at the close of the Application List and/or Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for Offer Shares will be determined by ballot or otherwise as determined by our Directors and the Vendors and approved by the SGX-ST.

In all of the above instances, the basis of allotment of the Offer Shares as may be decided upon by our Company and the Vendors in ensuring a reasonable spread of our Shareholders, shall be made public, as soon as is practicable, via an announcement through the SGX-ST and through a paid advertisement in a local newspaper.

13. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Offer Shares allotted and/or allocated to you pursuant to your application, to our Company, the Issue Manager, Underwriter and Placement Agent and any other parties so authorised by CDP, our Company, the Vendors, the Issue Manager, Underwriter and Placement Agent.
14. Any reference to the “you” in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of an Offer Shares Application Form or by way of an Electronic Application and/or an individual, a corporation, an approval nominee and trustee applying for the Placement Shares through the Placement Agent by way of a Placement Shares Application Form.
15. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application or mBanking Application) clicking “Submit” or “Continue” or “Yes” or “Confirm” or any

other relevant button on the IB website screen or the mobile banking interface (as the case may be) in accordance with the provisions of this Prospectus, you:

- (a) irrevocably offer to subscribe for and/or purchase the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price and agree that you will accept such Invitation Shares as may be allotted and/or allocated to you, in each case on the terms of this Prospectus and on the terms of the conditions set out in, this Prospectus and our Memorandum of Association and Articles of Association;
 - (b) agree that in the event of any inconsistency between the terms and conditions for application set out in this Prospectus, or the IB websites, ATMs or the mobile banking interface of the Participating Banks, the terms and conditions set out in this Prospectus shall prevail;
 - (c) agree that the aggregate Invitation Price for the Invitation Shares applied for is due and payable to our Company and the Vendors forthwith;
 - (d) warrant the truth and accuracy of the information contained, and representations and declarations made, provided in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Vendors in determining whether to accept your application and/or whether to allot or sell any Invitation Shares to you; and
 - (e) agree and warrant that if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Vendors, the Issue Manager, Underwriter and Placement Agent will infringe any such laws as a result of the acceptance of your application.
16. Our acceptance of applications will be conditional upon, *inter alia*, we being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares (including the Vendor Shares) and the New Shares;
 - (b) no Stop Order which directs that no further Shares to which this Prospectus be allotted and/or allocated has been issued by the Authority under the Securities and Futures Act; and
 - (c) the Management and the Underwriting and Placement Agreement referred to in the section entitled "Management, Underwriting and Placement Arrangements" have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine.
17. In the event that a Stop Order in respect of the New Shares is served by the Authority or other competent authority and applications to subscribe for the New Shares have been made prior to the Stop Order, then
- (a) in the case where the New Shares have not been issued, all applications shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days of the date of the stop order, pay to you all monies on account of your application for the New Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk); or
 - (b) in the case where the New Shares have already been issued, the issue of the New Shares shall be deemed to be void and our Company shall, within 14 days from the date of stop order, pay to you all monies paid on account of your application for the New Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk).

This shall not apply where only an interim stop order has been served.

18. In the event that an interim Stop Order in respect of the New Shares is served by the Authority or other competent authority, no New Shares shall be issued to you during the time when the interim stop order is in force. The Authority shall not serve a stop order in respect of the New Shares if the New Shares have been issued, listed for quotation on a securities exchange and trading in the New Shares has commenced.
19. We will not hold any applications in reserve.
20. We will not allot and/or allocate Shares on the basis of this Prospectus later than six months after the date of registration of this Prospectus.
21. Additional terms and conditions for applications by way of Application Forms are set out on pages E5 to E8.
22. Additional terms and conditions for applications by way of Electronic Applications are set out on pages E8 to E17.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING PRINTED APPLICATION FORMS

You shall make an application by way of Application Forms made on and subject to the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below as well as those set out under the section on “**TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION**” on pages E1 to E16, as well as our Memorandum of Association and Articles of Association.

1. Your application must be made using the **WHITE** Application Forms for Offer Shares and the **BLUE** Application Forms for Placement Shares accompanying and forming part of this Prospectus. We draw your attention to the detailed instructions contained in the respective Application Forms and this Prospectus for the completion of the Application Forms which must be carefully followed. **We reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**
2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full names appearing in your identity cards (if applicants have such identification documents) or in your passports and, in the case of corporations, in your full names as registered with a competent authority. If you are a non-individual completing the Application Form under the hand of an official, you must state the name and capacity in which that official signs. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or

equivalent constitutive documents must be lodged with our Share Registrar and Share Transfer Office. We reserve the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete page 1 and Sections A and B of the Application Forms.
- (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Forms. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Forms with particulars of the beneficial owner(s).
- (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Forms, your application is liable to be rejected.
6. You (whether you are an individual and corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted), will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Invitation Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation.
7. Each application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Invitation Shares applied for, in the form of a BANKER'S DRAFT and CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of "**CIVMEC LIMITED SHARE ISSUE ACCOUNT**" crossed "A/C PAYEE ONLY", and with the name and address of the applicant written clearly on the reverse side. Applications not accompanied by any payment or accompanied by ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED. Remittances bearing the "Not Transferable" or "Non Transferable" crossings will be rejected. No acknowledgement of receipt will be issued by us or the Issue Manager for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of the balloting after the close of the Application List at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List. In the event that the Invitation is cancelled by us following the termination of the Management & Underwriting Agreement and/or the Placement Agreement, the application monies received will be refunded or paid back to you (as the case may be) (without interest or any share of revenue or other benefit arising therefrom) by ordinary post at your own risk within five days of the termination of the Invitation.
9. Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.
10. By completing and delivering the Application Form, you agree that:
 - (a) in consideration of us having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 11 April 2012** or such other time or date as our

Directors and the Vendors may, in consultation with the Issue Manager, decide and by completing and delivering the Application Form, you agree that:

- (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
- (b) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (c) in respect of the New Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on our behalf; you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (d) in making your application, reliance is placed solely on the information contained in this Prospectus and none of our Company, the Vendors, the Issue Manager, Underwriter and Placement Agent for the offer or any other person involved in the Invitation shall have any liability for any information not so contained;
- (e) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number and share application amount to our Share Registrar, the SGX-ST, CDP, Securities Clearing & Computer Science (Pte) Ltd ("**SCCS**"), our Company, the Vendors and the Issue Manager, Underwriter and Placement Agent; and
- (f) you irrevocably agree and undertake to subscribe for the number of New Shares applied for as stated in the Application Form or any smaller number of such New Shares that may be allocated to you in respect of your application. In the event that our Company decides to allocate or allot any smaller number of New Shares or not to allocate or allot any New Shares to you, you agree to accept such decision as final.

Applications For Offer Shares

1. Your applications for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes "A" and "B". **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. You must:
 - (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with your remittance in the **WHITE** envelope "A" provided;
 - (b) in the appropriate spaces on **WHITE** envelope "A":
 - (i) write your name and address;
 - (ii) state the number of Offer Shares applied for; and
 - (iii) affix adequate Singapore postage;
 - (c) SEAL **WHITE** ENVELOPE "A"; and

- (d) write, in the special box provided on the larger **WHITE** envelope “B” addressed to Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd), 80 Robinson Road, #02-00, Singapore 068898, the number of Offer Shares you have applied for; and insert **WHITE** envelope “A” into **WHITE** envelope “B”, seal **WHITE** envelope “B” and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** at your own risk to Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd), 80 Robinson Road, #02-00, Singapore 068898, to arrive by **12.00 noon on 11 April 2012 or such other time as we may, in consultation with the Issue Manager, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances are liable to be rejected.

Applications For Placement Shares

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed **BLUE** Placement Shares Application Form and your remittance with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. The sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd), 80 Robinson Road, #02-00, Singapore 068898, to arrive by **12.00 noon on 11 April 2012 or such other time as we may, in consultation with the Issue Manager, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications at ATMs are set out on the ATM screens (in the case on ATM Electronic Applications), the IB website screens (in the case of Internet Electronic Applications) and the mobile banking interface (in the case of mBanking Applications) of the relevant Participating Banks. Currently, Internet Electronic Applications can be made through any of the Participating Banks, and DBS Bank is the only Participating Bank through which mBanking Applications may be made. For illustration purposes, the procedures for Electronic Applications through ATMs of DBS Bank, the IB website of DBS Bank and the mobile banking interface of DBS Bank are set out respectively in the “Steps for an Electronic Application for Invitation Shares through ATMs of DBS Bank (including POSB)”, the “Steps for an Internet Electronic Application through the IB website of DBS Bank” and “Steps for an mBanking Application through the mobile banking interface of DBS Bank” (“**Steps**”) appearing on pages E13 to E17.

The Steps set out the actions that you must take at an ATM, IB website or mobile banking interface of DBS Bank to complete an Electronic Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” in the additional terms and conditions for Electronic Applications and the Steps shall refer to you making an application for Invitation Shares through an ATM, the IB website or mobile banking interface of a relevant Participating Bank.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one Participating Bank cannot be used to apply for Invitation Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application or an mBanking Application, you must have an existing bank account with and a User Identification (“**User ID**”) and a Personal Identification Number/Password given by a relevant Participating Bank. The Steps set out the actions that you must

take at ATMs of DBS Bank, the IB website of DBS Bank or the mobile banking interface of DBS Bank to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of your ATM Electronic Application. Upon completion of your Internet Electronic Application or your mBanking Application, there will be an on-screen confirmation ("**Confirmation Screen**") of the application which you can print out for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

You must ensure, when making an Internet Electronic Application or an mBanking Application that:

- (a) you are currently in Singapore at the time of making such application;
- (b) the mailing address of your account with the relevant Participating Bank for the application is in Singapore;
- (c) you are not a US person⁽¹⁾ (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended from time to time);

and you will be asked to declare accordingly. Otherwise, your application is liable to be rejected.

Note:

- (1) For details, please refer to definition of "US person" on the IB websites.

You shall make an Electronic Application on the terms and subject to the conditions of this Prospectus including but not limited to the terms and conditions appearing below and those set out under the section on "**TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**" on pages E1 to E16 as well as our Memorandum of Association and Articles of Association.

1. In connection with your Electronic Application for Invitation Shares, you are required to confirm statements to the following effect in the course of activating the ATM for your Electronic Application:
 - (a) **that you have received a copy of this Prospectus and have read, understood and agreed to all the terms and conditions of application for Invitation Shares and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;**
 - (b) **that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount ("Relevant Particulars") from your account with that Participating Bank to the Share Registrar, CDP, SCCS, the Company, the Vendors, the Issue Manager, the Underwriter and Placement Agent ("Relevant Parties"); and**
 - (c) **that this is your only application and it is made in your own name and at your own risk.**

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless you press the “Enter” or “OK” or “Confirm” or “Yes” key. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(4) of the Banking Act (Chapter 19) of Singapore to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS BENEFICIAL OWNER.**

YOU SHOULD MAKE ONLY ONE ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER SHARES, WHETHER AT THE ATM, THE IB WEBSITES OR THE MOBILE BANKING INTERFACE OF ANY PARTICIPATING BANK OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER SHARES ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES AND VICE VERSA.

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed. **Any Electronic Application which does not conform strictly to the instructions set out on the screens of the ATM, IB website or mobile banking interface through which your Electronic Application is being made shall be rejected.**
4. You irrevocably agree and undertake to subscribe for and to accept the number of Invitation Shares applied for as stated on the Transaction Record or any lesser number of Invitation Shares that may be allotted or allocated to you in respect of your Electronic Application. In the event that we decide to allot or allocate any lesser number of such Invitation Shares or not to allot any Invitation Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM or clicking “Confirm” or “OK” on the IB website screen or mobile banking interface) of the number of Invitation Shares applied for shall signify and shall be treated as your acceptance of the number of Invitation Shares that may be allotted or allocated to you and your agreement to be bound by our Memorandum of Association and Articles of Association.
5. **We will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours balloting. **Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 14 Market Days after the close of the Application List.

Responsibility for timely refund of application monies arising from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful

Electronic Application, to determine the exact number of Invitation Shares allotted to you before trading the Invitation Shares on the SGX-ST. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, our Company, the Vendors, the Issue Manager, Underwriter nor Placement Agent assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Banks.

If your Internet Electronic Application made through the IB websites of DBS Bank, UOB Group or OCBC Bank or your mBanking Application made through the mobile banking interface of DBS Bank is unsuccessful, no notification will be sent by such Participating Bank.

If you make Electronic Applications through the ATMs of the following banks, you may check the results of your Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating hours	Service expected from
UOB Group	1800 222 2121	ATM (Other Transactions — “IPO Enquiry”)/Internet Banking/Phone Banking http://www.uobgroup.com ⁽¹⁾	24 hours a day	Evening of the balloting day
DBS Bank	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)	Internet Banking http://www.dbs.com ⁽²⁾	24 hours a day	Evening of the balloting day
OCBC Bank	1800 363 3333	ATM/Internet Banking http://www.ocbc.com ⁽³⁾	24 hours a day	Evening of the balloting day

Notes:

- (1) Applicants who have made Electronic Applications through the ATMs or IB website of UOB Group may check the results of their applications through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking Services.
- (2) Applicants who have made Internet Electronic Applications through the IB website of DBS Bank or mBanking Applications through the mobile banking interface of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to the ATM Electronic Applications made at the ATMs of DBS Bank.
- (3) Applicants who have made Electronic Applications through the ATMs or IB website of OCBC Bank may check the results of their applications through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking Services.

6. **Electronic Applications shall close at 12.00 noon on 11 April 2012 or such other time as we may, in consultation with the Issue Manager, decide. All Internet Electronic Applications and mBanking Applications must be received by 12.00 noon on 11 April 2012.** Subject to paragraph 9 below, an Internet Electronic Application and an mBanking Application are deemed to be received when they enter the designated information system of the relevant Participating Bank.
7. You are deemed to have requested and authorised us to:
 - (a) register the Invitation Shares allotted to you in the name of CDP for deposit into your Securities Account;
 - (b) send the relevant Share certificate(s) to CDP;

- (c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be rejected, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours after balloting; and
 - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the full amount or balance of the application monies, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 Market Days after the close of the Application List.
8. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks and if, in any such event, we, the Issue Manager and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against us, the Issue Manager and/or the relevant Participating Bank for Invitation Shares applied for or for any compensation, loss or damage.
 9. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. We will reject any application by any person acting as nominee.
 10. All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you shall promptly notify your Participating Bank.
 11. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.
 12. By making and completing an Electronic Application, you are deemed to have agreed that:
 - (a) in consideration of us making available the Electronic Application facility, through the Participating Banks acting as our agents, at the ATMs, the IB websites and the mobile banking interface (if any):
 - (i) your Electronic Application is irrevocable; and
 - (ii) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (b) none of our Company, the Issue Manager or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;

- (c) in respect of Invitation Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on our behalf and not otherwise, notwithstanding any payment received by or on our behalf;
- (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application; and
- (e) reliance is placed solely on information contained in this Prospectus and that none of our Company, the Vendors, the Issue Manager, Underwriter and Placement Agent nor any other person involved in the Invitation shall have any liability for any information not so contained.

The instructions for Electronic Applications will appear on the ATM screens, the IB website screens and the mobile banking interface. For illustration purposes, the steps for making an Electronic Application through an ATM belonging to DBS Bank, through the IB website of DBS Bank or through the mobile banking interface of DBS Bank are shown below. Instructions for Electronic Applications on the ATM screens and the IB websites screens (if any) of the Participating Banks, other than DBS Bank, may differ from those represented below.

Steps for an Electronic Application for Invitation Shares through DBS Bank ATMs (including POSB ATMs)

Instructions for ATM Electronic Applications will appear on the ATM screens of the Participating Banks. For illustration purposes, the steps for making an ATM Electronic Application through a DBS Bank ATM (including POSB ATM) are shown below. Certain words appearing on the screen are in abbreviated form ("A/c", "amt", "appln", "&", "I/C", "SGX" and "No." refer to "Account", "amount", "application", "and", "NRIC", "SGX-ST" and "Number" respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS Bank (including POSB ATMs)), may differ slightly from those represented below.

- Step 1: Insert your personal DBS Bank or POSB ATM Card.
- 2: Enter your Personal Identification Number.
- 3: Select "MORE SERVICES".
- 4: Select "LANGUAGE" (FOR CUSTOMERS USING MULTI-LANGUAGE CARD).
- 5: Select "ESA-IPO SHARE".
- 6: Select "ELECTRONIC SECURITY APPLICATION (IPOS/BOND/ST-NOTES/SECURITIES)".
- 7: Read and understand the following statements which will appear on the screen:
- THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.

- (IN THE CASE OF SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.
 - PRESS THE “ENTER” KEY TO CONFIRM THAT YOU HAVE READ AND UNDERSTOOD.
- 8: Select “CIVMEC” to display details.
- 9: Press the “Enter” key to acknowledge:
- YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.
 - YOU CONSENT TO DISCLOSE YOUR NAME, NRIC/PASSPORT NO., ADDRESS, NATIONALITY, CDP SECURITIES A/C NO., CPF INVESTMENT A/C NO. AND SECURITY APPLICATION AMOUNT FROM YOUR BANK A/C(S) TO SHARE REGISTRARS, SGX, SCCS, CDP, CPF AND THE ISSUER/VENDOR(S).
 - FOR FIXED AND MAX PRICE SECURITY APPLICATIONS, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
 - THE MAXIMUM PRICE FOR EACH SHARE IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.
 - FOR TENDER SECURITY APPLICATIONS, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
 - YOU ARE NOT A US PERSON AS REFERRED TO IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.
 - THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR SUBJECT TO AVAILABILITY, YOU MAY BE ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR OR (IN THE CASE OF AN EARLIER CLOSURE UPON FULL SUBSCRIPTION) YOUR APPLICATION MAY BE REJECTED IF ALL THE AVAILABLE SECURITIES HAVE BEEN FULLY ALLOCATED TO EARLIER APPLICANTS.
- 10: Select your nationality.

- 11: Select your payment method (i.e. by cash, CPF Funds, or a combination of cash and CPF Funds).
- 12: Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.
- 13: Enter the number of securities you wish to apply for using cash.
- 14: Enter the number of securities you wish to apply for using CPF Funds (if applicable).
- 15: Enter or confirm (if your CDP Securities Account number has already been stored in DBS Bank's records) your own 12-digit CDP Securities Account number. (Note: This step will be omitted automatically if your Securities Account number has already been stored in DBS Bank's records).
- 16: Check the details of your share application, your NRIC or Passport Number and CDP Securities Account Number and number of securities on the screen and press the "ENTER" key to confirm application.
- 17: Remove the Transaction Record for your reference and retention only.

Steps for an Internet Electronic Application through the IB Website of DBS Bank

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS Bank IB website are shown below. Certain words appearing on the screen are in abbreviated form ("A/c", "amt", "&", "I/C", "SGX" and "No." refer to "Account", "amount", "and", "NRIC", "SGX-ST" and "Number" respectively).

- Step 1: Click on to DBS Bank website www.dbs.com.
- 2: Login to Internet Banking.
 - 3: Enter your User ID and PIN.
 - 4: Select "Electronic Security Application (ESA)".
 - 5: Click "Yes" to proceed and to warrant, *inter alia*, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a US person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended ("Registration S")).
 - 6: Select your country of residence and click "I confirm".
 - 7: Click on "CIVMEC" and click the "Submit" button.
 - 8: Click "I Confirm" to confirm, *inter alia*:
 - (a) You have read, understood and agreed to all terms of application and the Prospectus/ Document or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement;
 - (b) You consent to disclose your name, IC or passport number, address, nationality, CDP Securities Account number, CPF Investment account number (if applicable) and securities application amount from your DBS/POSB Account(s) to registrars of securities, SGX, SCCS, CDP, CPF Board and issuer/vendor(s);
 - (c) You are not a US person (as such term is defined in Regulation S);

- (d) You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933 as amended or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any "US person" (as defined in Regulation S) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the United States Securities Act of 1933 and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws;
 - (e) This application is made in your name and at your own risk; and
 - (f) For FIXED/MAX price share applications, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.
- 9: Fill in details for share application and click "Submit".
 - 10: Check details of your share application, your I/C/passport No. and click "OK" to confirm your application.
 - 11: Print Confirmation Screen (optional) for your reference & retention only.

Steps for an mBanking Application through the mobile banking interface of DBS Bank

For illustrative purposes, the steps for making an mBanking Application are shown below. Certain words appearing on the screen are in abbreviated form ("A/c", "amt", "&", "I/C", "SGX" and "No." refer to "Account", "amount", "and", "NRIC", "SGX-ST" and "Number" respectively).

- Step 1: Login to DBS Bank mBanking application using your User ID and PIN.
- 2: Select "Investment Services".
- 3: Select "Electronic Securities Application".
- 4: Select "Yes" to proceed and to warrant, *inter alia*, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S).
- 5: Select your country of residence.
- 6: Select "CIVMEC".
- 7: Select "Yes" to confirm, *inter alia*:
 - (a) You have read, understood and agreed to all terms of application and the Prospectus/ Document or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement.
 - (b) You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable) and securities application amount from your DBS/POSB Account(s) to registrars of securities, SGX, SCCS, CDP, CPF Board and issuer/vendor(s).
 - (c) You are not a U.S. Person (as such term is defined in Regulation S).

- (d) You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933 as amended or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any "U.S. person" (as defined in Regulation S) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the United States Securities Act of 1933 and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
- (e) This application is made in your own name and at your own risk.
- (f) For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.
- (g) FOR FOREIGN CURRENCY Securities, subject to the terms of the issue, please note the following: the application monies will be debited from your bank account in S\$, based on the Bank's prevailing board rates at the time of application. Any refund monies will be credited in S\$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and the time of refund of application monies may result in either a foreign exchange profit or loss or application monies may be debited and refund credited in S\$ at the same exchange rate.

FOR 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.

- 8: Fill in details for share application and select "Submit".
- 9: Check the details of your share application, your IC/Passport No. and select "Confirm" to confirm your application.
- 10: Where applicable, capture Confirmation Screen (optional) for your reference and retention only.

This page has been intentionally left blank.

APPENDIX F — SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

The discussion below provides information about certain provisions of our Memorandum and Articles of Association and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Articles.

The instruments that constitute and define our Company are our Memorandum and Articles of Association.

Memorandum of Association

The registration number with which our Company was incorporated is 201011837H. Our Memorandum of Association sets out the objects for which our Company was formed, including carrying on business as, *inter alia*, an investment holding company.

Summary of our Articles of Association

1. Directors

(a) Ability of interested directors to vote

A Director shall not vote in respect of any contract, proposed contract or arrangement or any other proposal in which he has, directly or indirectly, any personal material interest and he shall not be counted in the quorum present at the meeting.

(b) Remuneration

Fees payable to non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of our Company) as shall from time to time be determined by our Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who holds any executive office, or who serves on any committee of the Directors, or who performs services which in the opinion of the Directors are outside the ordinary duties of a Director, may be paid extra remuneration by way of salary or otherwise (not being a commission on or a percentage of turnover of our Company), as the Directors may determine.

The remuneration of a Managing Director shall be fixed by the directors and may be by way of salary or commission or participation in profits or by any or all of these modes but shall not be by a commission on or a percentage of turnover.

The Directors shall have power to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits, to contribute to any scheme or fund or to pay premiums.

(c) Borrowing

Subject to the Companies Act and every other statute for the time being in force concerning companies and affecting our Company, our Directors may exercise all the powers of our Company to raise or borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities for any debt, liability or obligation of our Company.

(d) Retirement Age Limit

There is no retirement age limit for Directors under our Articles of Association. Section 153(1) of the Act however, provides that no person of or over the age of 70 years shall be appointed a director of a public company, unless he is appointed or re-appointed as a director of the company or authorised to continue in office as a director of the company by way of an ordinary resolution passed at an annual general meeting of the company.

(e) Shareholding Qualification

There is no shareholding qualification for Directors in our Memorandum and Articles of Association.

2. Share rights and restrictions

Our Company currently has one class of shares, namely, ordinary shares. Only persons who are registered on our register of Shareholders and in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register, are recognised as our Shareholders.

(a) Dividends and distribution

Our Company may, by ordinary resolution, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. We must pay all dividends out of our profits. However, we may capitalise any sum standing to the credit of any of our Company's reserve accounts or other distributable reserve or any sum standing to the credit of the profit and loss account and apply it to pay dividends, if such dividends are satisfied by the issue of Shares to our Shareholders. All dividends are paid pro-rata amongst our Shareholders in proportion to the amount paid-up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

The payment by the Directors of any unclaimed dividends or other monies payable on or in respect of a Share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by our Directors for the benefit of our Company. Any dividend unclaimed after a period of six years after having been declared may be forfeited and shall revert to our Company but our Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled prior to the forfeiture.

Our Directors may retain any dividends or other moneys payable on or in respect of a Share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

A holder of our Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register 48 hours before the general meeting.

Except as otherwise provided in our Articles of Association, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles of Association, on a show of hands, every Shareholder present in person and by proxy shall have one vote and on a poll, every Shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or presents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or not less than two Shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

3. Change in capital

Changes in the capital structure of our Company (for example, an increase, consolidation, cancellation, sub-division or conversion of our share capital) require Shareholders to pass an ordinary resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. However, we are required to obtain our Shareholders' approval by way of a special resolution for any reduction of our share capital or other undistributable reserve, subject to the conditions prescribed by law.

4. Variation of rights of existing shares or classes of shares

Subject to the Companies Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the total voting rights of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of our Articles of Association relating to general meetings of our Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the total voting rights of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the total voting rights of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

5. Limitations on foreign or non-resident shareholders

There are no limitations imposed under our Articles of Association on the rights of our Shareholders who are regarded as non-residents of Singapore, to hold or vote on their Shares.

This page has been intentionally left blank.

APPENDIX G — DESCRIPTION OF RELEVANT AUSTRALIAN LAWS AND REGULATIONS

THE LEGAL SYSTEM

Australia has a federal system of government that is based on the Westminster parliamentary model. There are three tiers of government: Federal, State (or Territory) and Local. Australia is divided by a written Constitution into a federation of six States (New South Wales, Victoria, Queensland, Western Australia, South Australia and Tasmania) and two Territories (Australian Capital Territory and Northern Territory).

The Australian Constitution confers jurisdiction on the Federal Parliament to make laws with respect to certain matters, such as foreign affairs, immigration, social security, workplace relations, communications, taxation, defence, trade practices, bankruptcy, copyright, trade marks and patents. The jurisdiction of the Federal Parliament on these subjects is concurrent with State and Territory jurisdiction, but in the event of inconsistency, Federal law prevails.

Australian law is derived not only from legislation passed by the three tiers of government but also from common law derived from the English common law and developed by the Australian courts. The Australian court system is also tiered into Federal and State levels. The Federal court system is headed by the High Court of Australia, which has jurisdiction to decide constitutional matters and is the country's highest court of appeal. The State court systems are headed by State supreme courts, which generally have jurisdiction to hear matters on State law.

BUSINESS STRUCTURES — CORPORATIONS

The Corporations Act and the ASIC

All corporations in Australia must comply with the provisions of the Corporations Act. The Government body primarily responsible for the administration and enforcement of the Corporations Act is the Australian Securities and Investments Commission ("**ASIC**").

The ASIC regulates the registration of companies and foreign companies in Australia and maintains a publicly available database on every registered entity.

Compliance and Reporting Requirements

Australian Company Number/Australian Registered Body Number

Both Australian companies and registered foreign companies are required to display their name and Australian Company Number or Australian Registered Body Number on all public documents and negotiable instruments. Registered foreign companies are also required to specify their jurisdiction of registration on these documents.

Registered Office

Every public company must have a registered office in Australia, which must be open to the public for not less than three hours a day during normal business hours (i.e. 9 a.m. to 5 p.m. on weekdays). A proprietary company must have a registered office for service of documents but need not keep that office open at specified times. A proprietary company must, however, provide access to its minute book and registers upon request.

Company Statement

Companies receive from ASIC a company statement once a year, generally on the anniversary of when the company started. Companies must inform ASIC of any changes and pay the annual review fee.

Financial Reporting and Audit

The reporting requirements for companies differ between public companies and small and large proprietary companies. A small proprietary company is a company that satisfies at least two of the following tests:

- the consolidated gross operating revenue for the financial year of the company and the entities it controls (if any) is less than A\$25 million;
- the value of the consolidated gross assets at the end of the financial year of the company and the entities it controls (if any) is less than A\$12.5 million; and/or
- the company and the entities it controls (if any) have fewer than 50 employees at the end of the financial year.

Large proprietary companies and public companies must prepare and lodge audited financial statements with the ASIC. Small proprietary companies do not have to prepare an annual financial report or have it audited unless:

- they are requested to do so by the ASIC; or
- they are controlled by a foreign company (except where the foreign company lodges a financial report covering the Australian subsidiaries).

All companies that are required to prepare and lodge financial statements must prepare those statements in accordance with Australian Accounting Standards.

Internal Governance

Rules relating to the internal governance of a company (such as the procedure for convening directors' meetings, voting rights, appointment of company officers, rules relating to dividends and rules relating to the transfer of shares) will be set out in:

- the company's constitution (if the company has adopted or retained one); or
- the replaceable rules set out in the Corporations Act; or
- a combination of the replaceable rules and a constitution.

Public companies must lodge a copy of their constitution and any amendments to that constitution with the ASIC.

Meetings

Public companies must hold annual general meetings at least once every calendar year and within five months of the end of its financial year. A proprietary company is not required to hold annual general meetings unless required by its constitution.

Records

All companies must maintain registers of members, office holders, option holders, debenture holders and charges. The ASIC must be notified of any changes to the company name, officers, registered office, and share capital of a company, as well as of certain other matters concerning the business of the company.

BUSINESS STRUCTURES — SUPERANNUATION FUNDS AND DISCRETIONARY TRUSTS

Superannuation Funds

Superannuation funds are a system of saving money for a person's retirement. Under the superannuation guarantee law, an employer must pay superannuation contributions for eligible employees, at a minimum rate of 9% of their ordinary time earnings, so they can enjoy the benefits of superannuation in their retirement. The retirement age in Australia is 65.5 years old, although a person may, in certain circumstances, be able to access their superannuation before then.

Generally, an employer has to pay superannuation for an employee if they are between 18 and 69 years old (inclusive) and if the employee is paid A\$450 or more (before tax) in salary or wages in a month. A superannuation fund will then invest the funds on behalf of its members (the employees). Like other superannuation funds, self managed superannuation funds ("**SMSF**") are a way of saving for retirement. The difference between an SMSF and other types of funds is, generally, that members of an SMSF are the trustees and are responsible for managing the SMSF. The SMSF is run for the purpose of providing retirement benefits to its members. An SMSF consists of one to four members and all members must participate in the decision making process of the fund.

Discretionary Trusts

In Australia, discretionary trusts are commonly used by business proprietors engaged in on-going business enterprises.

Business proprietors often own their interests in a business through a discretionary family trust, in part as an asset protection strategy (to safeguard their personal and family assets from the trading risks associated with running a business) and in part as a tax minimisation strategy (the tax burden associated with a progressive tax rating system, such as the one which applies in Australia, can be reduced if the income earned from a business is shared between the business proprietor and his or her family, rather than taxed solely in the hands of the family's principal income-earner).

A discretionary family trust is also usually created by deed, and is a trust in which the assets of the trust are legally owned and managed by a trustee for the benefit of a class of beneficiaries (usually family members of a business proprietor) pursuant to the terms of a trust deed. The trust deed usually sets out the provisions governing the rights, powers and obligations of the trustee and the beneficiaries.

However, unlike unit holders in a unit trust, beneficiaries of a discretionary trust do not have any entitlement to any specific part of the trust property unless and until nominated by the trustee. Beneficiaries of a trust, where the trustee has the discretion as to whether a beneficiary is to receive anything under the trust, have no proprietary interest in the trust assets. In fact, no single beneficiary of such a discretionary trust has a right to require that the trustee pay money or transfer trust property to him or her. This is because the trustee of a discretionary trust has the discretion as to the manner in which the trust property (usually both the income and capital of the trust fund) will be distributed, which means that the trustee determines the proportions in which the income and capital of the trust fund will be distributed amongst the beneficiaries.

Accordingly, unless the trustee makes a determination to make an in specie distribution of any of the shares to a beneficiary, none of the beneficiaries of the discretionary trust would have any interest in the assets of the trust, including in respect of any shares held by the trusts.

The class of beneficiaries is usually very broad, and can include companies and trusts in which any of the beneficiaries have an interest. Default beneficiaries are also usually nominated as the persons who will be ultimately entitled to the income and capital of the trust at the time it is terminated, should the trustee not nominate who is to take the income and capital of the trust at termination. The rights of the beneficiaries are restricted to a right to be considered for nomination by the trustee, and to compel the trustee to properly administer the trust.

Like the trustee of a unit trust, a trustee of a discretionary trust has very broad powers under the trust deed to deal with the assets of the trust, although it is usual for there to be a number of restricted powers, which, if there is a guardian or appointor in office (usually the business proprietor is the guardian and appointor of the trust), the trustee cannot exercise these restricted powers without the consent of the guardian and appointor. The trustee is also entitled to be indemnified out of the assets of the trust in respect of all liabilities incurred by the trustee in connection with the due execution of its duties under the trust. However, where there is a deficiency in the assets of the trust, the beneficiaries are not personally liable to make up that shortfall. The trustee can usually be removed and replaced with a new trustee by the appointor of the trust.

A discretionary trust may be wound up by the trustee, usually with the consent of the guardian and appointor, but must in any event be terminated within 80 years after the date of its creation.

BUSINESS STRUCTURES — JOINT VENTURES

There is no legislation in Australia directly regulating participation in joint ventures. The joint venture will be governed by the terms of the joint venture agreement between the parties.

TAXATION

General

Both Australian Federal and State Governments levy direct and indirect taxes, the main taxes being as follows:

Federal taxes include:

- income tax (including capital gains tax);
- fringe benefits tax;
- superannuation guarantee charge;
- withholding taxes;
- goods and services tax;
- customs and excise duties; and
- resource rent tax.

State taxes include:

- duties tax;
- payroll tax; and
- land tax.

Income Tax

The principal tax in Australia is income tax which is governed by the Australian Income Tax Assessment Acts. The income tax regime imposes liability to pay tax on:

- (a) the assessable income of all Australian residents derived from all sources, whether within or outside Australia; and
- (b) the assessable income of non-residents of Australia derived from Australian sources and on capital gains made in respect of assets having a connection with Australia.

Australia is party to over 40 Double Taxation Agreements (“**DTA**”) with other countries that in principle adopt the form of the 1977 Organisation for Economic Co-operation and Development (OECD) model treaty. If a non-resident subject to Australian income tax is resident of a country having a DTA with Australia, relief from double taxation may be available. The rates of income tax vary depending upon the structure of the Australian operations. The Australian Taxation Office is the authority responsible for administering Australia’s income tax system.

Companies

An Australian resident company is liable to pay Australian income tax on income and capital gains derived from all sources, within or outside Australia. The payment of tax on income and gains derived from non-Australian sources is subject to certain accruals, taxation and foreign tax credit provisions. The rate of company tax on income is 30% and there is an imputation system for dividends paid from taxed profits.

In addition to tax on income, companies are required to pay tax on fringe benefits paid to employees. The fringe benefits tax rate is 46.5%.

Although companies can generally utilise carried-forward losses in any future income year, losses must be utilised in the order in which they were incurred, and special rules apply in relation to net exempt income and franked dividend income. Before 1 July 2008, deductions relating to foreign income were ‘quarantined’ and could not be deducted against Australian income. Foreign income was sorted into four classes, and a foreign tax loss of a particular class would arise separately from another tax loss in an income year, with the foreign loss only able to be carried forward and offset against foreign income of the same class. For the 2008-09 and later income years, foreign deductions and losses are no longer quarantined, and are treated in the same way as other deductions and losses.

An income tax consolidation regime has been introduced that allows a group of Australian entities with a common parent holding 100% of the beneficial interest in each of the entities to form a consolidated group. Where a consolidated group is formed, only the parent company will be subject to tax as each of the subsidiary companies are treated as part of the parent company, rather than as separate income tax entities.

Trusts

Trusts are not treated as separate legal entities under the Australian income tax system. Accordingly, a trust is not liable to pay tax, although the trustee of a trust must lodge an income tax return on behalf of the trust. The tax on beneficiaries of a trust will be assessed based on their share of the net income of the trust if they are presently entitled to the income of the trust.

Tax losses incurred in any year can be carried forward and offset against the future income of the trust but cannot be distributed to or otherwise made available to beneficiaries in their personal capacity.

Capital Gains Tax

Capital gains arising from the disposal of assets acquired after 19 September 1985 are treated as income and are taxable. Any capital losses that are realised on disposal of an asset can be offset against capital gains. Net capital losses can be applied against future capital gains. Certain capital gains tax relief is available where capital assets are transferred between commonly owned corporations.

Goods and Services Tax

A goods and services tax ("**Australian GST**") has been in operation in Australia since 1 July 2000. Australian GST is charged at a flat rate of 10% and is levied on the supply of goods and services, and on dealings in real property and other property rights, by business entities.

An entity is required to pay Australian GST when it is registered or required to be registered for Australian GST purposes. An entity is required to be registered for Australian GST if its annual turnover is A\$75,000 or more. A recipient of goods or services that is a registered business entity will be able to claim an input tax credit for the amount of Australian GST that it has paid. The input tax credit is offset against any Australian GST on goods or services that the recipient pays on supplies to its own customers.

Duty

Duty is a State/Territory tax levied on a wide range of transactions, such as transfers of property, dealings in certain shares and unit trusts, and financing transactions, either at a fixed rate or in proportion to the value of the transaction. Obligations in relation to dutiable transactions and the rates of duty vary from jurisdiction to jurisdiction.

TRADE PRACTICES

The Consumer and Competition Act 2010 ("**CCA**") is Federal legislation which encourages competition and the performance of a free market. The government regulatory body responsible for administering and enforcing the CCA is the Australian Competition and Consumer Commission ("**ACCC**"). The CCA addresses, prohibits or restricts:

- certain types of exclusive dealing arrangements (such as arrangements that restrict the free trade of goods or services);
- various restrictive or anti-competitive trade practices (for example, collusive tenders or contracts in restraint of trade);
- agreements between competitors to fix or control prices;
- agreements between competitors in relation to the division of markets between them;
- resale price maintenance (i.e. supplying goods or services on the condition that any resupply will not be below a specified price);
- country of origin labelling;
- abuse of a position of market power; and
- mergers or acquisitions that result in a substantial lessening of competition in Australian markets (including takeovers and the merger or acquisition of assets affected outside Australia which have an effect on competition in Australia).

The ACCC may authorise some types of restrictive trade practices and mergers or acquisitions when the public benefit to result from the practice outweighs any resulting lessening of competition in the market. The CCA also contains prohibitions aimed at protecting consumers against misleading and deceptive conduct, misrepresentation and unconscionable or unfair business dealings. In addition, the CCA provides for a product liability and product recall regime.

INTELLECTUAL PROPERTY

General

The principal forms of intellectual property protection available in Australia are trade marks, patents, copyright and designs. All these forms of protection are governed by Federal legislation. Domain names and business/trade names are also used to protect intellectual property and are governed by a legislative regime.

Trade Marks

Trade Marks are registrable with IP Australia pursuant to the Australian Trade Marks Act and can be registered for an initial term of 10 years, renewable for successive 10-year terms. IP Australia is the Australian government agency responsible for granting rights in patents, trade marks and designs. The Australian Trade Marks Act affords greater protection and available remedies to the holders of registered trade marks than would be available to unregistered trade mark owners under the common law and Australia's consumer protection laws.

Domain Names

Domains available in Australia include ".com.au", ".asn.au", ".net.au" and ".org.au". The most relevant domain name available to businesses in Australia is the ".com.au" domain name which is only allocated to commercial entities with a "close and substantial connection" to the domain name. Domain names are managed by, and issued by accredited registrars of ".au" Domain Administration Ltd ("**auDA**"). auDA is the Australian Government endorsed policy authority and industry self-regulatory body for the ".au" domain space.

Registrants of ".au" domain names do not own the domain name, but acquire a licence to use the domain name for a specified period of time, subject to the licence terms and conditions of the applicable registrar of the domain name.

Business Names

Any company or entity carrying on business under a name other than the company's or individual's own name must register that name as a business name in the Australian State or Territory in which the business trades.

Although the Australian State and Territory bodies responsible for registration of business names implement a policy of rejecting applications for registration of business names that are identical or similar to already registered business names or company names, thereby affording some protection for registered business names. Registration itself does not afford any specific protection or remedies to the proprietors of registered business names in the way that registration of a trade mark does.

The system of registering business names in Australia will change by mid-2012 due to the introduction of the Business Names Registration Act 2011. This Act introduces a national system for the registration of business names for all Australian States and mainland territories. The Australian Securities and Investment Commission will manage and administer a new national business name registration service. The new national business name registration service will mean that businesses no longer have to register their business name in every State and Territory they want to trade in and it will replace the current State and Territory systems.

PERSONAL PROPERTY SECURITIES

The Personal Properties Securities Act (2009) (Cth) (“**PPSA**”) is a Federal Government legislative reform which came into full force on 31 January 2012. The PPSA governs interests in personal property which includes virtually all forms of property other than land and fixtures and some statutory licences (such as water rights). Specifically, it includes for example, plant and equipment, household goods, motor vehicles, intellectual property, crops, contractual rights and live stock.

The PPSA introduces a new national regime governing all types of security interests in personal property and is a significant departure from the current law. The new regime replaces a complex system of state, territory and national laws and registers with a single online register called the National Personal Property Securities Register.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Employment and industrial relations standards in Australia are governed by Federal, State and Territory legislation. The constitution of the employer (i.e. a constitutional corporation, a sole trader or, local government and so on) will affect which legislation the employer and the employee are subject to.

National Employment Standards

All employees who are subject to the Fair Work Act 2009 are entitled to the minimum conditions set out in the National Employment Standards (“**NES**”). The NES creates 10 minimum workplace entitlements for employees, which include standardised hours of work (being 38 hours per week plus reasonable additional hours), leave entitlements and rights at termination of employment.

Awards

For certain classes of workers, Australian Federal or State Awards apply. Most non-management employees in Australia who earn less than a specified maximum wage are covered by either a new Federal award known as a “Modern Award” or by continuing State awards. For all employees not covered by enterprise or individual agreements, Modern Awards, together with the NES, constitute the minimum terms and conditions of employment.

Enterprise Level and Individual Agreements

Legislation also accommodates agreements between employers and groups of employees at an enterprise level. These enterprise agreements are generally specific to a particular group of employees at a particular workplace and are enforceable as if they were Awards. Subject to the requirements of any applicable Awards, employers can negotiate individual employment contracts with their employees, which are known as “Individual Flexibility Arrangements” that vary some award provisions. Any agreement entered into with an individual employee must ensure that the employee is “better off overall” than if there was no Individual Flexibility Arrangement.

Statutory Obligations

In addition to the various Awards, there is a diversity of Australian Federal and State legislation dealing with employment matters, including:

- leave entitlements;
- long service leave;
- compulsory superannuation contributions by employers;

- workers' compensation;
- workplace discrimination and equal opportunity matters;
- occupational health and safety;
- redundancies;
- unfair contracts; and
- unfair dismissals.

EXCHANGE CONTROLS

The transfer of physical currency and e-currency from 12 December 2008 and onwards is governed by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Under this Act, it is an offence not to report to the Australian Transaction Reports Analysis Centre ("**AUSTRAC**") or a customs officer a transfer of Australian or foreign currency (coin or printed money designated as legal tender for a country or electronic form of currency backed by precious metal or bullion), in the amount of A\$10,000 or more, into or out of Australia and a transaction in the amount of A\$10,000 or more is known as a "threshold transaction". A threshold transaction report must be submitted to AUSTRAC within 10 business days of the threshold transaction taking place.

If a reporting entity sends or receives instructions to or from a foreign country (either electronically or through a remittance arrangement) to transfer money of property they must submit an international funds transfer instruction within 10 business days of the international funds transfer instruction being sent or received. Reporting entities under the Act can be an individual, a company or other entity that provides a "designated service". A designated service is broadly defined in the Act and includes, for example, providing a bank account, allowing a bet to be placed and buying bullion. Reporting entities also include banks, non-bank financial services, remittance (money transfer) services, bullion dealers and gambling businesses.

This page has been intentionally left blank.

APPENDIX H — DESCRIPTION OF SINGAPORE COMPANY LAW RELATING TO SHARES

The following statements are brief summaries of the rights and privileges of Shareholders conferred by the laws of Singapore and our Articles of Association (“Articles”).

These statements summarise the material provisions of the Articles but are qualified in entirety by reference to the Articles.

ORDINARY SHARES

All the Shares are in registered form. Our Company may, subject to the provisions of the Companies Act and the rules of the Listing Manual, purchase its own Shares. However, it may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of its own Shares.

NEW ORDINARY SHARES

New Shares may only be issued with the prior approval in a general meeting of Shareholders. The aggregate number of Shares to be issued pursuant to such approval may not exceed 50% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital at the time of grant of such approval, of which the aggregate number of Shares to be issued other than on a pro-rata basis to our Shareholders may not exceed 20% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital at the time of grant of such approval. The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board who may allot and issue the same with such rights and restrictions as it may think fit.

SHAREHOLDERS

Only persons who are registered in the register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the depositors in the Depository Register, are recognised as Shareholders. Our Company will not, except as required by law, recognise any equitable, contingent, future or partial interest in any ordinary share or other rights for any ordinary share other than the absolute right thereto of the registered holder of that ordinary share or of the person whose name is entered in the Depository Register for that ordinary share. Our Company may close the register of Shareholders for any time or times if it provides the Singapore Registry of Companies and Businesses at least 14 days’ notice and the SGX-ST at least 10 clear market days’ notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. Our Company typically closes the register to determine shareholders’ entitlement to receive dividends and other distributions.

TRANSFER OF ORDINARY SHARES

There is no restriction on the transfer of fully paid Shares except where required by law or the listing rules or the rules or by-laws of any stock exchange on which our Company is listed. Our Board may decline to register any transfer of Shares which are not fully paid Shares or Shares on which our Company has a lien. Shares may be transferred by a duly signed instrument of transfer in a form approved by any stock exchange on which our Company is listed. Our Board may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they

may require. Our Company will replace lost or destroyed certificates for Shares if it is properly notified and if the applicant pays a fee which will not exceed S\$2 and furnishes any evidence and indemnity that our Board may require.

GENERAL MEETINGS OF SHAREHOLDERS

Our Company is required to hold an annual general meeting every year. Our Board may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two or more Shareholders holding not less than 10% of our issued share capital may call a meeting. Unless otherwise required by law or by the Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to the Memorandum of Association and the Articles, a change of the corporate name and a reduction in the share capital. Our Company must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to every Shareholder who has supplied our Company with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

VOTING RIGHTS

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a shareholder if his name appears on the Depository Register no less than 48 hours before the general meeting.

Except as otherwise provided in the Articles, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under the Articles, on a show of hands, every Shareholder present in person and by proxy shall have one vote (provided that in the case of a shareholder who is represented by two proxies, only one of the two proxies as determined by that shareholder or, failing such determination, by the chairman of the meeting in his sole discretion shall be entitled to vote on a show of hands), and on a poll, every shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two Shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

DIVIDENDS

Our Company may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. Our Company must pay all dividends out of its profits. Our Board may also declare an interim dividend without the approval of the Shareholders. All dividends are paid pro-rata among the Shareholders in proportion to the amount paid-up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

CAPITALISATION AND RIGHTS ISSUES

Our Board may, with approval by our Shareholders at a general meeting, capitalise any profits and distribute the same as Shares credited as paid-up to the Shareholders in proportion to their shareholdings. Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which our Company is listed.

TAKEOVERS

The Securities and Futures Act (Chapter 289) of Singapore and the Singapore Code on Takeovers and Mergers regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent a future takeover or change in control of our Company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting shares must extend a takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Code on Takeovers and Mergers. "Parties acting in concert" include a company and its related and associated companies, a company and its directors (including their relatives), a company and its pension funds, a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, and a financial advisor and its client in respect of shares held by the financial advisor and shares in the client held by funds managed by the financial advisor on a discretionary basis. An offer for consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the preceding six months. A mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30% and 50% of the voting rights acquires additional voting shares representing more than 1% of the voting shares in any six month period.

LIQUIDATION OR OTHER RETURN OF CAPITAL

If our Company liquidates or in the event of any other return of capital, holders of Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

INDEMNITY

As permitted by Singapore law, the Articles provide that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified by our Company against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgment is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. Our Company may not indemnify directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to our Company.

LIMITATIONS ON RIGHTS TO HOLD OR VOTE SHARES

Except as described in "Voting Rights" and "Takeovers" above, there are no limitations imposed by Singapore law or by the Articles on the rights of non-resident Shareholders to hold or vote on Shares.

MINORITY RIGHTS

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any Shareholder, as they think fit to remedy any of the following situations:

- (a) our affairs are being conducted or the powers of our Board are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders; or
- (b) our Company takes an action, or threatens to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in the name of, or on behalf of, our Company by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by our Company and, in the case of a purchase of Shares by our Company, a corresponding reduction of its share capital;
- (e) provide that the Memorandum of Association or the Articles be amended; or
- (f) provide that our Company be wound up.

EXCHANGE CONTROLS

There are no Singapore governmental laws, decrees, regulations or other legislation that may affect the following:

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

APPENDIX I — DESCRIPTION OF SINGAPORE LAW RELATING TO TAXATION

The following is a discussion of certain tax matters arising under the current tax laws in Singapore and is not intended to be and does not constitute legal or tax advice. While this discussion is considered to be a correct interpretation of existing laws in force as at the Latest Practicable Date, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of our Shares by Singapore investors, and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to purchase our Shares. Prospective investors should consult their tax advisors regarding Singapore tax and other tax consequences of owning and disposing our Shares. It is emphasised that neither our Company, our Directors nor any other persons involved in the Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of our Shares.

SINGAPORE INCOME TAX

General

Singapore tax residents, both corporate and individuals, are subject to Singapore income tax on income that is accrued in or derived from Singapore and, subject to certain exceptions, on foreign income received or deemed to be received in Singapore.

Foreign-sourced income in the form of dividends, branch profits and services income received or deemed to be received in Singapore by all tax resident taxpayers on or after 1 June 2003 will be exempt from tax if certain prescribed conditions are met.

All foreign-sourced income received in Singapore by Singapore tax resident individuals are exempt from tax with effect from the Year of Assessment 2005. In addition, certain Singapore sourced investment income derived by individuals on or after 1 January 2004 is also exempt from tax.

Non-resident corporate taxpayers are subject to income tax on income that is accrued in or derived from Singapore, and subject to certain exceptions, on foreign income received in Singapore. Non-resident individuals, subject to certain exceptions, are subject to income tax on the income accrued in or derived from Singapore.

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore. An individual is tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

The prevailing corporate tax rate in Singapore is currently 17% with certain exemptions for the first \$300,000 of normal chargeable income. Normal chargeable income refers to income to be taxed at the prevailing corporate tax rate.

For a Singapore tax resident individual, the rate of tax will vary according to the individual's circumstances but is subject to a maximum rate of 20%.

Dividend Distributions

Singapore moved to the one-tier corporate tax system with effect from 1 January 2008. Under this system, the tax payable on normal chargeable income by Singapore companies which are tax resident in Singapore would constitute a final tax. As such, dividends payable by companies on the one-tier corporate tax system would be exempt from tax in the hands of its shareholders (referred hereinafter as **“one-tier tax exempt dividends”**).

There is no withholding tax on dividends paid to non-Singapore tax resident shareholders.

Foreign shareholders are advised to consult their own tax advisors in respect of the tax laws of their respective countries of residence and the applicability of any double taxation agreement that their country of residence may have with Singapore.

Gains on Disposal of our Shares

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains may be construed to be of an income nature and subject to tax especially if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade in Singapore.

Any profits from the disposal of our Shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature, in which case, the disposal profits would be taxable.

Stamp Duty

There is no stamp duty payable on the subscription of our Shares. Stamp duty is payable on the instrument of transfer of our Shares at the rate of S\$0.20 for every S\$100 or any part thereof, computed on the consideration of the transfer, or market value, of our Shares registered in Singapore, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is received in Singapore.

The above stamp duty is not applicable to electronic transfers of our Shares through the CDP system.

Estate Duty

The Singapore government announced on 15 February 2008 that the estate duty will be abolished with immediate effect.

Goods and Services Tax ("GST")

The sale of our Shares by an investor belonging in Singapore through a SGX-ST member or to another person belonging in Singapore is an exempt sale not subject to GST. Generally, any GST directly or indirectly incurred by the GST-registered investor in respect of this exempt sale will become an additional cost to the investor.

Where our Shares are sold by a GST registered investor to a person belonging outside Singapore, the sale is a taxable sale subject to GST at zero-rate if certain conditions are met.

Any GST incurred by a GST-registered investor in the making of this taxable supply in the course or furtherance of a business may be recovered from the Comptroller of GST.

Services such as brokerage, handling and clearing charges rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale, holding of shares will be subject to GST at the standard rate currently at 7%. Similar services rendered to an investor belonging outside Singapore may be zero-rated if certain conditions are met.

APPENDIX J — RULES OF THE CIVMEC EMPLOYEE SHARE OPTION SCHEME

1. Name of the Scheme

The Scheme shall be called the “**Civmec Employee Share Option Scheme**”.

2. Definitions

In this Scheme, except where the context otherwise requires, the following words and expressions shall have the following meanings:

“Acceptance Period”	:	The period within which an Option may be accepted, as described in Rule 7.1
“Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Adoption Date”	:	The date on which the CESOS is adopted by the Shareholders at a general meeting
“Aggregate Subscription Cost”	:	The total amount payable for the Shares to be subscribed for on the exercise of an Option
“Associate”	:	(a) in relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Associated Company”	:	A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries and over which the Company has Control
“Associated Company Employee”	:	An executive director of an Associated Company or a full-time employee of an Associated Company selected by the Committee to participate in the CESOS in accordance with the CESOS

“Auditors”	:	The auditors for the time being of the Company
“Board”	:	The board of Directors for the time being of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	A committee comprising directors of the Company, duly authorised and appointed by the Board to administer the CESOS from time to time
“Company”	:	Civmec Limited
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company being controlled
“Controlling Shareholder”	:	A person who (a) has an interest in the voting Shares of an aggregate of not less than 15% of the total votes attached to all voting Shares; or (b) in fact exercises Control over the Company
“CPF”	:	Central Provident Fund
“CPF Approved Nominees”	:	Agent banks included under the CPFIS
“Date of Grant”	:	In relation to an Option, the date on which an Option is granted
“Director”	:	A person holding office as a director for the time being of a Group Company
“Employee”	:	A full-time employee of a Group Company
“Entity”	:	Includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust
“Executive Director”	:	A director of the Company and/or its subsidiaries or Associated Companies, as the case may be, who performs an executive function
“Exercise Period”	:	The period during which an Option is exercisable, being: (a) in the case of a Market Price Option which is granted to an Executive Director or an Employee, a period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee), or such other period which may from time to time be prescribed under any relevant law, regulation or rule of the SGX-ST, subject as provided in Rules 9 and 10 of the CESOS and any other conditions as may be introduced by the Committee from time to time; and

- (b) in the case of an Incentive Option which is granted to an Executive Director or an Employee, a period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee), or such other period which may from time to time be prescribed under the relevant law, regulation or rule of the SGX-ST subject as provided in Rules 9 and 10 of the CESOS and any other conditions as may be introduced by the Committee from time to time

“Group”	:	The Company and its subsidiaries, and “Group Company” shall mean any one of such companies
“Group Employee”	:	Any Director of the Company or full-time employees of the Group who is of the age of 18 years and above
“Incentive Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the CESOS and for the time being subsisting, and in respect of which the Subscription Price is determined in accordance with Rule 8 of the CESOS
“Letter of Offer”	:	The forms found in Schedules A-1 and A-2 of the CESOS
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	The average of the last dealt prices for a Share, as determined by reference to the daily official list published by the SGX-ST for a period of 3 consecutive Market Days immediately prior to the relevant Date of Grant of the Option, provided always that in the case of a Market Day on which the Shares were not traded on the SGX-ST, the last dealt price for a Share on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
“Market Price Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the CESOS and for the time being subsisting, and in respect of which the Subscription Price is determined in accordance with Rule 8 of the CESOS
“Non-Executive Director”	:	A director (other than an executive director) from time to time of the Company
“Offer Date”	:	The date on which an Option is granted pursuant to Rule 6
“Option”	:	The right to subscribe for new Shares granted or to be granted pursuant to the CESOS, which may be a Market Price Option and/or an Incentive Option, as the case may be
“Option Period”	:	The period for the exercise of an Option as set out in Rule 9
“Participant”	:	Any eligible person who is selected by the Committee to participate in the CESOS in accordance with the Rules

“Rules”	:	The rules of the CESOS, as the same may be amended from time to time
“Scheme” or “CESOS”	:	The Civmec Employee Share Option Scheme, as modified or altered from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders for the time being of the Shares
“Shares”	:	Fully-paid ordinary shares each in the capital of the Company
“Subscription Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option as determined in accordance with Rule 8 of the CESOS
“Substantial Shareholder”	:	Shall bear the meaning set out in Section 81 of the Act
“Vesting Schedule”	:	In relation to an Option, a schedule for the vesting and the exercise of the Shares comprised in the Option during the Exercise Period in relation to that Option as determined by the Committee on the Date of Grant of that Option
“S\$”	:	Singapore dollars
“%”	:	Per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Act.

Any reference in the CESOS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in these Rules shall have the meaning assigned to it under the Act.

Words importing the singular number shall include the plural number where the context so admits and *vice versa*. Words importing the masculine gender shall include the feminine and neuter genders where the context so admits.

Any reference to a time of day shall be a reference to Singapore time.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

3. Objectives of the CESOS

The CESOS is a share incentive scheme. The purpose of the CESOS is to provide an opportunity for directors and employees of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed to the success of the Company and the Group. The CESOS is proposed on the basis that it is important to acknowledge the contribution made by these directors and employees. The Company, by adopting the CESOS, will give Participants a stake in the Company with a view to achieving the following objectives:

- (i) align the interests of the Participants with those of the Shareholders so as to motivate them to contribute towards future growth and profitability of the Group, and hence the maximisation of Shareholders value in the longer term;

- (ii) provide additional means for the Group to attract, retain and motivate talented individuals and key employees whose contributions are essential to the long-term growth and profitability of the Group;
- (iii) promote greater dedication, long-term commitment, loyalty and a sense of identification with the Group;
- (iv) motivate and incentivise Participants to achieve performance targets;
- (v) encourage Participants to aspire towards higher standards of performance and efficiency; and
- (vi) promote cohesiveness and team spirit through common ownership of equity in the Company.

4. Eligible Participants

4.1 The following persons are eligible to participate in the CESOS at the absolute discretion of the Committee:

- (i) full-time employees of the Group who are of the age of 18 years and above;
- (ii) directors of the Company and its subsidiaries (including Non-Executive Directors); and
- (iii) Associated Company Employees who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

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 independent Shareholders of the Company who are not beneficiaries of the grant in a general meeting in separate resolutions for each such Controlling Shareholder or Associate; 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.

4.2 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any of the other companies within the Group.

4.3 Subject to any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted and the Rules of the CESOS, the terms of eligibility for participation in the CESOS may be amended from time to time at the absolute discretion of the Committee.

5. Limitations on the Size of the CESOS

5.1 The aggregate number of Shares over which Options may be granted, when added to the number of Shares issued and issuable in respect of all Options granted under the CESOS or other share-based incentive schemes of the Company, shall not exceed 15% of the issued share capital of the Company on the date preceding the Offer Date of an Option.

- 5.2 With regard to Controlling Shareholders and their Associates, the aggregate number of new Shares which may be granted to them will not exceed 25% of all the new Shares available under the CESOS and such other share based incentive schemes of the Company, and the number of new Shares issued and issuable to each of the Controlling Shareholders or their Associates shall not exceed 10% of all the new Shares available under the CESOS and such other share based incentive schemes of the Company.
- 5.3 The number of Shares in respect of which Options may be offered to any employee for subscription in accordance with the CESOS shall be determined at the absolute discretion of the Committee which shall take into account (where applicable) criteria such as rank, responsibilities, past performance, years of service, contributions to the Group and potential for future development of that employee.

6. Offer Date

- 6.1 The Committee may, subject to Rule 4, Rule 5 and Rule 12, grant Options at any time during the period when the CESOS is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the second Market Day from the date on which such announcement is released.
- 6.2 The Letter of Offer to grant the Option shall be in, or substantially in, the form set out in Schedule A-1, subject to such modifications as the Committee may from time to time determine.

7. Acceptance of Options

- 7.1 The grant of an Option under this Rule 7 shall be accepted within 30 days from the Offer Date of that Option, and in any event, not later than 5.00 pm on the 30th day from such Offer Date by completing, signing and returning the Acceptance Form in, or substantially in, the form set out in Schedule B-1, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration. The Option is deemed not accepted until actual receipt by the Company of the Acceptance Form.
- 7.2 The Company shall be entitled at its absolute discretion to reject any purported acceptance of the grant of an Option made pursuant to this Rule 7 which does not comply strictly with the terms and conditions of the CESOS.
- 7.3 An Option shall be personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior written approval of the Committee.
- 7.4 In the event that the grant of an Option results in a contravention of any applicable law, subsidiary legislation or other regulation, such grant shall be null, void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 7.5 Unless the Committee determines otherwise, the grant of an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (i) it is not accepted in the manner as provided in Rule 7 within the Acceptance Period; or
 - (ii) the Participant dies prior to his acceptance of the Option; or
 - (iii) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or

- (iv) the Participant ceases to be in the employment of the Group or Associated Company (as the case may be) or ceases to be a director of the Group or Associated Company (as the case may be), in each case, for any reason whatsoever, prior to his acceptance of the Option; or
- (v) the Company is liquidated or wound up prior to the Participant's acceptance of the Option.

8. Subscription Price

8.1 Subject to any adjustment pursuant to Rule 12, the Subscription Price for each Share in respect of which an Option is exercisable shall be fixed by the Committee at:

- (i) the Market Price; or
- (ii) a price which is set at a discount to the Market Price, provided that:
 - (a) the maximum discount shall not exceed 20% of the Market Price; and
 - (b) the prior approval of the Shareholders of the Company in the general meeting shall have been obtained for the making of offers and grants of Options under the CESOS at a discount not exceeding the maximum discount as aforesaid in a separate resolution.

9. Exercise of Options

9.1 Subject as provided in this Rule 9 and Rule 10 and any other conditions as may be introduced by the Committee from time to time, each Option shall be exercisable, in whole or in part, as follows:

- (i) in the case of a Market Price Option, during the period commencing after the first anniversary of the Offer Date and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee); and
- (ii) in the case of an Incentive Option, during the period commencing after the second anniversary of the Offer Date and expiring on the tenth anniversary of such Date of Grant (or such other shorter period if so determined by the Committee).

9.2 In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the CESOS until such time as it shall lapse in accordance with the CESOS.

9.3 Unless otherwise decided by the Committee at its absolute discretion, an Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:

- (i) subject to Rules 9.4 and 9.5, upon the Participant ceasing to be in the full-time employment of the Group or Associated Company (as the case may be) due to any reason whatsoever other than the reasons covered in Rule 9.4, or in the case of a Participant who is a Non-Executive Director, ceasing to be a director of the Company, for any reason whatsoever other than due to the reasons covered in Rule 9.4. For the purpose of the foregoing, the Participant shall be deemed to have ceased to be so employed as of the date of the notice of termination or resignation, as the case may be, unless such notice shall be withdrawn prior to its effective date;
- (ii) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option;

- (iii) in the event of any misconduct on the part of the Participant as determined by the Committee in its sole and absolute discretion or any breach of any regulation of the Group, such breach being regarded as serious by the Committee in its absolute discretion; or
- (iv) upon the company by which the Participant is employed ceasing to be a company within the Group or an Associated Company (as the case may be), or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group.

9.4 If a Participant ceases to be employed by the Group by reason of his:

- (i) ill health, injury, death or disability (in each case, evidenced to the satisfaction of the Committee);
- (ii) redundancy;
- (iii) retirement at or after the legal retirement age;
- (iv) retirement before the legal retirement age with the consent of the Committee; or
- (v) completion of the term of his service contract,

or any other reason approved in writing by the Committee, he may, exercise any unexercised Option within the relevant Option Period and such unexercised Option shall continue to be exercisable by the Participant in the manner provided in the CESOS (unless otherwise decided by the Committee at its absolute discretion), and upon the expiry of such period, the Option shall immediately lapse and become null and void.

9.5 If a Participant dies and at the date of his death holds any unexercised Option, such Option may be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and such unexercised Option shall continue to be exercisable by the Participant in the manner provided in the CESOS (unless otherwise decided by the Committee at its absolute discretion), and upon the expiry of such period, the Option shall immediately lapse and become null and void.

10. Take-over and winding up

10.1 Notwithstanding Rule 9 but subject to Rule 10.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (i) the expiry of six months thereafter, unless prior to the expiry of such six-month period at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Option Period relating thereto); or
- (ii) the date of expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall lapse and become null and void.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 9, remain exercisable until the expiry of the Option Period relating thereto.

- 10.2 If: (a) under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, or an order being made or a resolution being passed for the winding-up of the Company on the basis or by reason of its insolvency, or (b) there is a change of Control of the Company, each Participant shall be entitled, notwithstanding Rule 9 but subject to Rule 10.5, to exercise any Option then held by him, in respect of such number of Shares comprised in that Option, during the period: (i) in the case of scenario (a) above, commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later, or (ii) in the case of scenario (b) above, commencing on the date upon which the change of Control becomes effective and ending on the expiry of 60 days thereafter (but in either case, not after the expiry of the Option Period relating thereto), whereupon the Option shall lapse and become null and void.
- 10.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 10.4 In the event that a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 10.4) and thereupon, each Participant (or his legal personal representative) shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the Aggregate Subscription Cost whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.
- 10.5 If in connection with the making of a general offer referred to in Rule 10.1 or an event referred to in Rule 10.2 or a winding-up referred to in Rule 10.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not be permitted to exercise that Option as provided for in this Rule 10.
- 10.6 To the extent that an Option is not exercised within the periods referred to in this Rule 10, it shall lapse and become null and void.

11. Manner of Exercise

- 11.1 Subject to Rule 9.1, an Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in, or substantially in, the form set out in Schedule C-1 and Schedule C-2, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by payment in cash for the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, the relevant documentation required by the Committee and the Aggregate Subscription Cost.
- 11.2 All payments shall be made by cheque, cashier's order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Committee.
- 11.3 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the CESOS and the Memorandum and Articles of Association of the Company, the Company shall, within 10 Market Days after the exercise of an Option, allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.
- 11.4 The Company shall, as soon as practicable after such allotment, apply to the SGX-ST (and any other stock exchange on which the Shares are quoted or listed) for permission to deal in and for quotation of such Shares, if necessary.
- 11.5 Shares which are allotted on the exercise of an Option by a Participant shall be issued in the name of CDP to the credit of the securities account of that Participant maintained with CDP, the securities sub-account of that Participant maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.
- 11.6 Shares allotted and issued on the exercise of an Option shall be subject to all the provisions of the Act and the Memorandum and Articles of Association of the Company, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or after the relevant exercise date of the Option, and shall in all other respects rank *pari passu* with other existing Shares then in issue. "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

12. Variation of Capital

- 12.1 If a variation in the issued ordinary share capital of the Company (whether by way of rights issue, capitalisation of profits or reserves, reduction of capital, subdivision, consolidation or distribution of Shares or otherwise) shall take place:
- (i) the Subscription Price for the Shares, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
 - (ii) the class and/or number of Shares over which additional Options may be granted under the CESOS, shall be adjusted in such manner as the Committee may deem to be appropriate.
- 12.2 The following shall not be regarded as a circumstance requiring adjustment:
- (i) the issue of securities as consideration for an acquisition or a private placement of securities; or

- (ii) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force.

12.3 Notwithstanding the provisions of Rule 12.1:

- (i) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable; and
- (ii) no adjustment shall be made in such a way that any Participant receives a benefit that a Shareholder does not receive.

12.4 Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the Subscription Price thereafter in effect and the class and/or number of Shares thereafter to be issued on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

13. Administration

13.1 The CESOS shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him.

13.2 The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the CESOS) for the implementation and administration of the CESOS as they think fit. Any matter pertaining to the CESOS and any dispute and uncertainty as to the interpretation of the CESOS, any rule, regulation or procedure thereunder or any rights under the CESOS shall be determined by the Committee.

13.3 Neither the CESOS nor the grant of Options under the CESOS shall impose on the Company or the Committee any liability whatsoever in connection with:

- (i) the lapsing or early expiry of any Options pursuant to any provision of the CESOS;
- (ii) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the CESOS; and/or
- (iii) any decision or determination of the Committee made pursuant to any provision of the CESOS.

13.4 Any decision or determination of the Committee made pursuant to any provision of the CESOS (other than a matter to be certified by the Auditors) shall be final, binding and conclusive.

14. Notices and Annual Report

14.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

- 14.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 14.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 14.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.
- 14.4 The Company shall disclose the following (as applicable) in its annual report for so long as the CESOS continues in operation:
- (i) the names of the members of the Committee administering the CESOS;
 - (ii) the information required in the table below for the following Participants:
 - (a) directors of the Company;
 - (b) a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder; and
 - (c) Participants, other than those in (a) and (b) above, who receive 5.0% or more of the total number of Shares available under the CESOS; and

Name of Participant	Number of Shares comprised in Options granted during financial year under review (including terms)	Aggregate number of Shares comprised in Options granted since commencement of Scheme to end of financial year under review	Aggregate number of Shares comprised in Options exercised since commencement of Scheme to end of financial year under review	Aggregate number of Shares comprised in Options outstanding as at end of financial year under review

- (iii) in respect of Incentive Options, the following disclosure shall be made:
 - (a) the number of Incentive Options granted at a discount of 10% or less and proportion to Market Price Options during the financial year under review; and
 - (b) the number of Incentive Options granted at a discount of more than 10% and proportion to Market Price Options during the financial year under review.

If any of the above requirements is not applicable, an appropriate negative statement shall be included therein.

15. Modifications to the CESOS

- 15.1 Any or all the provisions of the CESOS may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (i) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in the number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;
 - (ii) any modification or alteration which would be to the advantage of Participants under the CESOS shall be subject to the prior approval of the Shareholders in general meeting; and
 - (iii) no modification or alteration shall be made without the prior approval of such regulatory authorities as may be necessary, and any modification or alteration shall comply with the Listing Manual.
- 15.2 Notwithstanding anything to the contrary contained in Rule 15.1, the Committee may at any time by resolution (and without other formality) amend or alter the CESOS in any way to the extent necessary to cause the CESOS to comply with any statutory provision or the provisions or regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 15.3 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants.

16. Terms of employment unaffected

The terms of employment of a Participant shall not be affected by his participation in the CESOS, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

17. Duration of the CESOS

- 17.1 The CESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the CESOS may continue beyond the above stipulated period with the approval of the Shareholders by way of an ordinary resolution passed at a general meeting and of any relevant authorities which may then be required.
- 17.2 The CESOS may be terminated at any time by the Committee or, at the discretion of the Committee, by an ordinary resolution passed by the Shareholders at a general meeting, subject to all relevant approvals which may be required and if the CESOS is so terminated, no further Options shall be offered by the Company hereunder.
- 17.3 The termination, discontinuance or expiry of the CESOS shall not affect Options which have been granted and accepted as provided in Rule 7.1, whether such Options have been exercised (whether fully or partially) or not.

18. Taxes

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the CESOS shall be borne by that Participant.

19. Costs and expenses

- 19.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank.
- 19.2 Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the CESOS to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the CESOS including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

20. Disclaimer of liability

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or applying for or procuring the listing of and quotation for the Shares on the SGX-ST in accordance with Rule 11.4 (and any other stock exchange on which the Shares are quoted or listed).

21. Abstention from voting

Shareholders who are eligible to participate in the CESOS shall abstain from voting on any resolution relating to the CESOS.

22. Disputes

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

23. Condition of Option

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction.

24. Governing law

The CESOS shall be governed by, and construed in accordance with, the laws of Singapore. The Participants, by accepting Options in accordance with the CESOS, and the Company submit to the exclusive jurisdiction of the courts of Singapore.

CIVMEC EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER (MARKET PRICE OPTION)

Serial No:

Date:

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

We have the pleasure of informing you that you have been nominated to participate in the Civmec Employee Share Option Scheme ("**Scheme**") by the Committee appointed by the Board of Directors of Civmec Limited ("**Company**") to administer the CESOS.

The offer contained herein shall be subject to the terms and conditions of the CESOS. Terms as defined in the CESOS shall have the same meaning when used in this letter.

Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you a Market Price Option ("**Option**") to subscribe for and be allotted _____ Shares at the price of S\$ _____ for each Share.

The Option shall be exercisable after _____. The right of exercise will terminate on _____, being the tenth anniversary of the date of grant of the Option.

The Option is personal to you and shall not be sold, mortgaged, transferred, charged, pledged, assigned or otherwise disposed of or encumbered by you, in whole or in part, except with the prior approval of the Committee duly authorised and appointed to administer the CESOS.

The Option shall be subject to the terms and conditions of this Letter of Offer and the CESOS (as the same may be amended from time to time pursuant to the terms and conditions of the CESOS), a copy of which is enclosed herewith.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will forthwith lapse.

Yours faithfully

For and on behalf of
CIVMEC LIMITED

Name:
Designation:

CIVMEC EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER (INCENTIVE OPTION)

Serial No:

Date:

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

We have the pleasure of informing you that you have been nominated to participate in the Civmec Employee Share Option Scheme ("**Scheme**") by the Committee appointed by the Board of Directors of Civmec Limited ("**Company**") to administer the CESOS.

The offer contained herein shall be subject to the terms and conditions of the CESOS. Terms as defined in the CESOS shall have the same meaning when used in this letter.

Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an Incentive Option ("**Option**") to subscribe for and be allotted _____ Shares at the discounted price of S\$ _____ for each Share (being the subscription price of S\$ _____ less a discount of _____ %).

The Option shall be exercisable after _____. The right of exercise will terminate on _____, being the tenth anniversary of the date of grant of the Option.

The Option is personal to you and shall not be sold, mortgaged, transferred, charged, pledged, assigned or otherwise disposed of or encumbered by you, in whole or in part, except with the prior approval of the Committee duly authorised and appointed to administer the CESOS.

The Option shall be subject to the terms and conditions of this Letter of Offer and the CESOS (as the same may be amended from time to time pursuant to the terms and conditions of the CESOS), a copy of which is enclosed herewith.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will forthwith lapse.

Yours faithfully

For and on behalf of
CIVMEC LIMITED

Name:
Designation:

CIVMEC EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM (MARKET PRICE OPTION)

Serial No: _____

Date: _____

To: The Committee
Civmec Employee Share Option Scheme

Closing Date for Acceptance of Offer : _____

Number of Shares Offered : _____

Subscription Price for each Share : S\$ _____

Total Amount Payable : S\$ _____
(exclusive of the relevant CDP charges)

1. I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the CESOS referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.
2. I hereby accept the Market Price Option to subscribe for _____ Shares at S\$ _____ for each Share and enclose cash for S\$1.00 in payment for the purchase of the Option.
3. I understand that I am not obliged to exercise the Option. I also understand that I shall be responsible for all the fees of CDP (if applicable) relating to or in connection with the issue and allotment of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP, or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, "**CDP charges**").
4. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of the Shares or options to subscribe for such Shares.
5. I agree to keep all information pertaining to the grant of the Option to me strictly confidential. I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

Identification/Passport No. : _____

Signature : _____

Date : _____

CIVMEC EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM (INCENTIVE OPTION)

Serial No:

Date:

To: The Committee
Civmec Employee Share Option Scheme

Closing Date for Acceptance of Offer : _____

Number of Shares Offered : _____

Subscription Price for each Share : S\$ _____

Total Amount Payable : S\$ _____
(exclusive of the relevant CDP charges)

1. I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the CESOS referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.
2. I hereby accept the Market Price Option to subscribe for _____ Shares at a discounted price of S\$ _____ for each Share and enclose cash for S\$1.00 in payment for the purchase of the Option.
3. I understand that I am not obliged to exercise the Option. I also understand that I shall be responsible for all the fees of CDP (if applicable) relating to or in connection with the issue and allotment of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP, or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, "**CDP charges**").
4. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of the Shares or options to subscribe for such Shares.
5. I agree to keep all information pertaining to the grant of the Option to me strictly confidential. I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

Identification/Passport No. : _____

Signature : _____

Date : _____

CIVMEC EMPLOYEE SHARE OPTION SCHEME

FORM OF EXERCISE OF OPTION (MARKET PRICE OPTION)

Date: _____

To: The Committee
Civmec Employee Share Option Scheme

Total number of ordinary shares ("**Shares**") offered at S\$ for each Share under the CESOS on (Offer Date): _____

Number of Shares previously allotted under my Market Price Options: _____

Outstanding balance of Shares to be allotted under my Market Price Options: _____

Number of Shares to be subscribed now pursuant to my exercise of my Market Price Options:

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Market Price Option to subscribe for _____ Shares in Civmec Limited ("**Company**") at S\$ _____ for each Share.

2. I hereby request the Company to allot and issue the said Shares in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and to deliver the share certificate(s) relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP and any stamp duty payable in respect thereof:

(i) Direct Securities Account No.: _____

(ii) Securities Sub-Account No.: _____

Name of Depository Agent: _____

(iii) CPF Investment Account No.: _____

Name of Agent Bank: _____

3. Payment methods

I enclose a *cheque/cashier's order/banker's draft/postal order no. _____ for S\$ _____ in payment for the subscription for the total number of the said Shares.

OR

I wish to pay the total subscription price of S\$ _____ ("**Aggregate Subscription Cost**") for the said Shares by utilising CPF monies standing to the credit of my CPF investment account specified below. I enclose herewith the CPF withdrawal form and irrevocably and unconditionally authorise the Company to obtain or disclose all necessary information from or to the agent bank named below, to submit the above-mentioned form to the said agent bank and to request such agent bank to forward the cashier's order or cheque for an amount equal to the Aggregate Subscription Cost in payment for the said Shares to the Company. I agree that the Company shall not in any way be liable if for any reason whatsoever the cashier's order or cheque is not issued or is not received by the Company. I request the Company to allot and issue the said Shares referred to in paragraph 1 above in the name of CDP and to deliver to CDP the certificate(s) for

the Shares for credit to the securities account of such nominee of the agent bank as shall have been notified by the agent bank to the Company and I hereby agree to bear such fees or other charges as may be imposed by CDP and any stamp duty payable in respect thereof.

CPF Investment Account No.: _____

Name of Agent Bank: _____

4. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Civmec Employee Share Option Scheme (as the same may be amended pursuant to the terms thereof from time to time) and the Memorandum and Articles of Association of the Company.
5. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

Identification/Passport No. : _____

Signature : _____

Date : _____

CIVMEC EMPLOYEE SHARE OPTION SCHEME
FORM OF EXERCISE OF OPTION (INCENTIVE OPTION)

Date: _____

To: The Committee
 Civmec Employee Share Option Scheme

Total number of ordinary shares ("**Shares**") offered at S\$ for each Share under the CESOS on (Offer Date): _____

Number of Shares previously allotted under my Market Price Options: _____

Outstanding balance of Shares to be allotted under my Market Price Options: _____

Number of Shares to be subscribed now pursuant to my exercise of my Market Price Options: _____

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Market Price Option to subscribe for _____ Shares in Civmec Limited ("**Company**") at the discounted price of S\$ _____ for each Share.

2. I hereby request the Company to allot and issue the said Shares in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and to deliver the share certificate(s) relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP and any stamp duty payable in respect thereof:

(i) Direct Securities Account No.: _____

(ii) Securities Sub-Account No.: _____

Name of Depository Agent: _____

(iii) CPF Investment Account No.: _____

Name of Agent Bank: _____

3. Payment methods

I enclose a *cheque/cashier's order/banker's draft/postal order no. _____ for S\$ _____ in payment for the subscription for the total number of the said Shares.

OR

I wish to pay the total subscription price of S\$ _____ ("**Aggregate Subscription Cost**") for the said Shares by utilising CPF monies standing to the credit of my CPF investment account specified below. I enclose herewith the CPF withdrawal form and irrevocably and unconditionally authorise the Company to obtain or disclose all necessary information from or to the agent bank named below, to submit the above-mentioned form to the said agent bank and to request such agent bank to forward the cashier's order or cheque for an amount equal to the Aggregate Subscription Cost in payment for the said Shares to the Company. I agree that the Company shall not in any way be liable if for any reason whatsoever the cashier's order or cheque is not issued

or is not received by the Company. I request the Company to allot and issue the said Shares referred to in paragraph 1 above in the name of CDP and to deliver to CDP the certificate(s) for the Shares for credit to the securities account of such nominee of the agent bank as shall have been notified by the agent bank to the Company and I hereby agree to bear such fees or other charges as may be imposed by CDP and any stamp duty payable in respect thereof.

CPF Investment Account No.: _____

Name of Agent Bank: _____

4. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Civmec Employee Share Option Scheme (as the same may be amended pursuant to the terms thereof from time to time) and the Memorandum and Articles of Association of the Company.
5. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

PLEASE PRINT IN BLOCK LETTERS

Name in full	:	_____
Designation	:	_____
Address	:	_____
Nationality	:	_____
Identification/Passport No.	:	_____
Signature	:	_____
Date	:	_____

This page has been intentionally left blank.

This page has been intentionally left blank.



80 Robinson Road
#02-00
Singapore 068898

Tel: 6236 3333
Fax: 6236 4399

www.civmec.com.au