



ANNUAL REPORT 2023

FOR THE YEAR ENDED 30 JUNE 2023

COMPANY REGISTRATION NO: 201011837H

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Engineering Success

ACKNOWLEDGEMENT OF COUNTRY

Civmec acknowledges the Traditional Custodians and their Ancestors of the lands across Australia where we conduct our business. We recognise and respect their continuing connection to land, waters and community. We pay respect to all Aboriginal and Torres Strait Islander peoples throughout Australia, and to their Elders past and present.

VALUES

Our vision is to grow sustainably, delivering mutually beneficial outcomes for all stakeholders. Our culture, the way we think and operate, is underpinned by our values.

Commitment

Our individual commitment facilitates our success

Innovation

Our innovative approach drives continuous improvement

Value Driven

Our performance driven culture delivers value

Make a Difference

Our ability to influence and challenge drives sustainability

Excellence

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

Collaboration

Our focus on working together drives sustainable partnerships

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ABOUT THIS REPORT

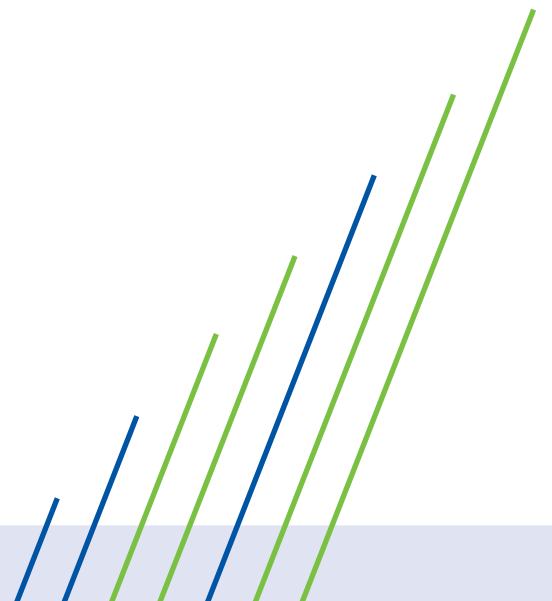
The purpose of this report is to provide stakeholders with information relating to Civec Limited's financial, operational and sustainability performance for the financial year of 1 July 2022 to 30 June 2023 (FY23). This report was approved by the Civec Limited Board of Directors, also referred to as the 'Board', on 9 October 2023.

Civec Limited (Company Registration Number 201011837H) is the ultimate holding company of the Civec group of companies. In this report, unless otherwise stated, references to 'Civec', the 'company', the 'Group', 'we', 'us' and 'our' refer to Civec Limited and its controlled entities. All references to 'Indigenous' or 'First Nations' people are intended to be inclusive of all Australian Aboriginal and Torres Strait Islander peoples. The information in this report covers all operational activities undertaken by Civec. Our share of operations from joint venture projects is reported on a proportionately consolidated basis, unless otherwise stated.

01

BUSINESS OVERVIEW

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With a diverse range of complementary capabilities, we offer clients innovative and efficient turnkey solutions

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ABOUT CIVMEC

Building and sustaining Australia’s future through construction, manufacturing and maintenance.

Since commencing operations in 2009, Civmec has grown to be Australia’s largest heavy engineering company and one of the country’s leading Tier 1 contractors, delivering world-class services to the Energy, Resources, Infrastructure, Marine and Defence sectors. Our complementary capabilities enable us to provide integrated, turnkey solutions to a wide range of clients.

Listed on both the Australian Securities Exchange (ASX) and Singapore Exchange (SGX), we operate in Australia from a number of strategically located facilities and regional sites. Our main headquarters are in Henderson, Western Australia (WA), positioned on 200,000 square metres (m²) of oceanfront land within the Australian Marine Complex (AMC). In Newcastle, New South Wales (NSW), our riverfront facility sits on 227,000m², and we also have regional facilities in Port Hedland, WA, and Gladstone, Queensland (QLD).

Construction of our new facility at Port Hedland is currently underway. When complete, it will provide additional employment and training opportunities for the local community, and enhance our service offering to clients in WA’s north-west. Practical completion is anticipated in FY24.

We recently sourced a portion of land in Gladstone, subject to conditions, with the intention of developing a permanent Civmec-owned facility in the region to target future growth opportunities, particularly across the maintenance sector.

We continuously strive for excellence in all aspects of our operations. Whether undertaking end-to-end site construction, complex manufacturing and assembly from our own facilities, or maintaining our clients’ valued assets on site, our team has a common goal to deliver superior quality outcomes on every project we undertake.

Employing over 3,400 people, we take great pride in our commitment to health and safety – both physical and mental. We endeavour to attract and retain the best talent available, providing many varied opportunities across our wide range of sectors.

We are making continuous efforts to become more green, investing in additional resources and prioritising sustainability, so that our long-term strategy delivers long-term value for all.

Furthermore, we are engineering success. Success for our stakeholders. Success in sustainability. Success built upon a solid foundation of diverse and talented people, true innovation, and a genuine desire to be the best.

3,400
people employed
by Civmec
in FY23

129
apprentices, trainees,
graduates and
undergraduates



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SABR Project Berth Replacement, Civmec Henderson

150
projects completed or
underway in FY23





EXECUTIVE CHAIRMAN'S STATEMENT

It is with great pleasure that I present the Civec Annual Report for the financial year 2023 (FY23). In what has been a stellar year, I am pleased to report increased revenue, profit, and operating cash flow. Our order book was bolstered by significant contract wins, ending FY23 with a value close to A\$1.15 billion.

I am particularly proud this year of the collective efforts of our people, including the strong leadership team that has evolved and developed in recent times. Over the years, through the refinement and cultivation of our strategy, the company has matured and grown tremendously. As we continue our journey, I am confident that we are well positioned to deliver long-term, sustainable success for generations to come.

This year marks the first that we have integrated our Sustainability Report into our Annual Report, a move that has streamlined both documents and affords our stakeholders a comprehensive view of our overall performance in a single report. Additionally, we have introduced our approach to the Task Force on Climate-related Financial Disclosures (TCFD) framework, a crucial step towards ensuring investor confidence in the area of climate change.

Financial Performance

From a financial standpoint, I am delighted to report a FY23 revenue of A\$830.9 million, increasing from FY22 by more than A\$21 million. We achieved a record earnings before interest, depreciation and tax (EBITDA) of A\$109.1 million, as well as our highest net profit after tax (NPAT), which increased to A\$57.7 million.

The Resources sector remained our biggest earner, as we continued to deliver some highly complex, high-quality projects on an impressive scale by Australian and, often global, standards. Energy, Infrastructure, Marine and Defence also delivered excellent results. Our resolute commitment to targeting maintenance opportunities saw us secure several long-term agreements and extensions of existing contracts, paving the way for future growth and exciting opportunities. We secured many new clients, completed major shutdowns and added new disciplines to our scope, such as rope access.

In total, the value of all new and extended contracts in FY23 amounted to A\$941 million.

Through proactive management of our debt, meticulous project control, and astute cash flow management, we have significantly improved our balance sheet. We have also witnessed an increase in the value of assets and property, plant, and equipment (PPE) to A\$476 million, instilling confidence in the long-term sustainability of our business.

Dividends

In a reflection of our robust financial position and order book, we improved shareholder return, doubling our interim dividend for the first half of FY23. This not only demonstrates our advancing maturity, but, with most of our major capital expenditures now complete, it accurately represents our confidence in our forward growth trajectory.

The Board of Directors has recommended a final cash dividend of A\$0.03 per share, subject to shareholders' approval at our Annual General Meeting on 31 October 2023. This is a 50 per cent increase on the FY22 final dividend, and will bring the full-year FY23 dividend payment to A\$0.05

per share, representing a 44% payout ratio. If approved, the dividend will be paid to shareholders on 14 December 2023.

People

I take great pride in knowing we are a significant Australian employer and training provider. Throughout FY23, over 3,400 people across the country were employed at Civmec. We also continued to invest in the training and development of our people by delivering approximately 1,700 units of training through our in-house Registered Training Organisation (RTO), which has continued to expand its training capabilities and certifications.

As always, we remain steadfast in our commitment to the future of our business, and indeed Australia's future, by investing in the nation's developing talent. This year, we employed more than 120 apprentices, graduates and trainees, providing them with unparalleled opportunities to gain technical skills and experience across the variety of industry sectors we operate in. Our continued commitment to our workforce goes beyond the technical skills being taught and gives each of our people the ability to grow within our organisation, to fulfil their career aspirations, whilst developing our future leaders.

Underscoring our dedication to diversity and inclusivity, we made headway in Indigenous engagement, particularly onsite, where Indigenous representation has improved. During a particular maintenance shutdown in November, ten per cent of Civmec's personnel were First Nations. While I acknowledge we still have some way to go, I am pleased that we are creating genuine, tangible opportunities for our First Nations employees, their families and communities.



In recent years, we have committed to effective succession planning and nurturing the next generation of leaders, ensuring our business is sustainable and prepared for the long-term future. The results of these continued efforts were demonstrated when, for example, our Executive Group Manager – Proposals Rod Bowes retired last financial year and Peter Ricciardello transitioned into the role. It confirmed our belief that developing organic growth within the organisation is an extremely valuable approach, while also highlighting to our people that Cvmec is a company of opportunity.

Sustainability

Our commitment to delivering sustainable value remains one of our key drivers as we endeavour to manage ESG (Environmental, Social, and Governance) risks and opportunities optimally. This year, we expanded our Sustainability team, appointing a dedicated ESG Lead to further integrate sustainable business practices throughout our operations.

I am reassured that in the past year, particularly, we made significant progress towards our goal of integrating sustainable practices holistically into everything we do. We understand that we have a responsibility across all areas of the business to work effectively and efficiently. By delivering with precision and first-rate quality, we play our role in building Australia's future, taking care to avoid the oversights that could lead to future energy and resource wastage.

Governance

Responsible governance is of paramount importance for us, and we take our responsibilities in this area seriously. Our commitment to transparency and accountability is evident in the findings of the Australian Taxation Office (ATO) audit, as well as a federal safety audit by Lloyds Register on our ISO certifications, conducted this year. On Cvmec's taxation practices, the ATO found our level of assurance to be 'high', a testament to the framework, policies, procedures and auditing practices we have put in place over a number of years. We also had positive outcomes from the federal safety audit, which led to our certifications being extended for the maximum available six-year period, a substantial achievement for all involved.

In the ever-evolving cybersecurity landscape, we have bolstered our internal team and are now aligned with the Australian Signals Directorate (ASD) 'Essential Eight' security controls, emphasising our commitment to employing robust security measures across the business.

I am also pleased to report that we increased our Defence Industry Security Program (DISP) assurance rating, reflecting our elevated security protocols and stronger protective measures.

While I acknowledge what we have achieved, we nevertheless remain vigilant, constantly learning, adapting, and improving to safeguard our business and maintain the trust of our stakeholders.


Future

Looking ahead, we anticipate sustained and increasing demand for local manufacturing, boosted by ongoing public and private sector spend. An increasing number of our clients recognise the benefits of local production and the assurance this provides, particularly in light of global events, movement restrictions, and their associated costs over the past few years.

We will persist in targeting recurring and sustainable revenue streams that deliver consistent growth to our top and bottom lines. With our current market position, we have an opportunity to be more strategic in our tendering processes, focusing on opportunities with established clients that require our multidisciplinary capabilities in proven delivery models. It is worth noting, the opportunity pipeline we are exposed to has depth across all of our operating sectors.

Moreover, we continue to explore opportunities surrounding Australia's clean energy transition and I am excited for us to contribute to developments in the green energy sector, particularly in the fields of hydrogen and lithium. With extensive exposure and experience already gained on lithium projects, combined with an increasing demand for battery-powered energy, I believe we are very well positioned to capitalise on emerging opportunities.

In conclusion, I would like to take the opportunity to extend my sincere gratitude to the dedicated Cvmec team, our valued suppliers, contractors, clients, investors, our loyal leadership team, and my trusted fellow Directors. It is through our combined efforts that we have achieved remarkable success in FY23, and I am confident that, together, we will continue to be successful in the future.



James Fitzgerald
Executive Chairman
Cvmec Limited



Iron Bridge Magnetite Project



CHIEF EXECUTIVE OFFICER'S REPORT

I am extremely proud of our entire Civmec team for their achievements in FY23. In addition to our solid financial results, we performed to a high standard within all operational areas, continuing to deliver spectacular projects throughout the year.

With extensions to existing contracts and new contract awards, we grew. With intelligent thinking, enhanced processes and teamwork, we improved. While doing this, we gave back – not just to our stakeholders, but to the wider Australian community, driving long-term sustainability.

Overall, I feel the future is bright for Civmec across multiple fronts. Construction of our new Port Hedland facility is well underway and on track for occupancy in FY24. We have made inroads into establishing a stronger presence at our Queensland maintenance hub, with impending developments for an owned facility and operational growth plans in Gladstone. These developments will open up a range of opportunities for us in the maintenance and, potentially, construction sectors, and to a lesser extent within heavy engineering.

They will also give us stronger local presence and demonstrate our commitment to the community.

Through commitment and ongoing development, our culture is now evident in everything we do. It is what drives us and makes us a successful team, and I see it embraced across our offices, workshops and sites. I truly believe that our strong culture is what sets us apart from our competitors and leads us to be so well recognised as a value-driven company, consistently seeking and delivering value for all we work with, and for.

Business Performance

Throughout FY23, we delivered and were awarded numerous contracts across our operating sectors, including significant maintenance awards of longer-term service agreements, all with growth potential. These awards and extensions are a testament to our past successes and the solid reputation we have as a Tier 1 contractor.

Our Newcastle facility has again proven itself to be a highly successful section of the business, delivering major manufacturing projects, while also assisting our Henderson operations, thereby supporting our construction activities. Our east coast team consistently demonstrates their commitment to innovation, developing systems and processes for the utmost efficiency, and I am excited to see this part of the business flourish.

In the maintenance space, we successfully delivered an increased number of large scale shutdowns, whilst continuing to enhance our service offering to clients requiring fast, cost-effective maintenance solutions. We continually refine our capabilities and team composition, which I believe has better placed us to secure long-term, recurring revenue streams in the sector.

Our plan to grow our market share in public infrastructure works, predominantly roads and bridges, is also progressing in line with our ongoing growth strategy. In recognition of the accreditation requirements for this strategy, we continue our journey in gaining higher accreditation through the successful delivery of major infrastructure projects. This will give us future access to the larger scopes.

People

Our people are our greatest strength, and I firmly believe in the training, development and mentoring of those who demonstrate the correct attitudes. We have implemented retention strategies such as leadership development programs, general professional development programs, upskilling across all disciplines, a sensible approach to workplace flexibility, and visibility on succession planning and opportunities at all organisation levels. These efforts have helped us to retain senior leaders in critical roles, allowing us to prepare them for the next steps in their careers with Civmec.

During the year, we contributed to the development of apprentices, trainees and graduates, while offering opportunities for career advancement to all of our employees through our various leadership and LEAD programs.

In fact, many of the employees who attended development programs have since progressed from their initial appointments to higher roles within the business.

There have been many effective re-organisation events in the year, and the restructuring of HSEQ under one manager has helped streamline some areas of auditing and general processes and procedures, proving beneficial to date. I am confident that we now have a strong group of leaders with invaluable experience and expertise in the way Civmec operates, including our well-structured executive team.

In FY23, we made greater progress in achieving gender balance in our corporate office, achieving a ratio of approximately 50:50. While the disciplines we deliver have traditionally been male dominant, we continue to seek improvements in blue-collar gender ratios by promoting and celebrating gender diversity in construction, and the value it adds to our business overall.

Sustainability

During FY23, our Sustainability Committee led various initiatives, such as the installation of solar panels at one of our existing workshops, and the progressive changeout of handling equipment and lighting towers from diesel to electric.

We recently commenced our fifth lithium project, a commodity that is critical to the battery industry. It is reassuring to know that, by having an extensive role in the development of these lithium mines and refineries, we are directly playing a part in supporting the future decarbonisation of the world's energy supplies.

With great buy-in from our divisional leads, we continued to make substantial progress in our sustainable growth strategy. Over the course of the year, each division identified areas for improvement to existing processes and opportunities for growth. One such area identified was equipment and technology. As a result, we are making renewed efforts to consistently replenish older equipment with newer technology, ensuring we remain current and at the cutting edge of efficiency from a plant and equipment perspective.

We have continued our focus on corporate social responsibility to make a difference in our community. A personal highlight for me this year was participating in the CEO Sleepout for the fifth time, this time alongside two of my work colleagues.

Seeking support from our larger suppliers and with a structured marketing campaign, our aim was to generate optimal awareness of the extent and significance of the plight of homelessness in Australia, particularly throughout the city of Perth. I am extremely grateful for everyone's support, which led to us surpassing our fundraising target and raising A\$120,615 for Vinnies, who organise the entire event. On the night, we were officially commended for raising funds that led us to be the highest group and individual fundraisers in the state of Western Australia

We remain committed to operating sustainably, with careful consideration given to ESG factors in everything we do.

Vinnies CEO Sleepout 2023



Future Focus

I am enthused to witness our investment into Port Hedland with the ongoing development of our workshop facilities, and I am confident that, over time, we will see solid returns for the capital invested. I believe this project will greatly benefit our north-west WA clients and create enduring value for the Port Hedland community, including local Indigenous and non-Indigenous people, as well as generate employment and training opportunities for the local residents.

In addition to building the Port Hedland workshop facilities, we purchased established suitable housing in the area, providing our workforce with stable, fixed residences. It's an investment that not only mitigates the availability risks of camp-style accommodation, it also demonstrates our true commitment to the town.

We will continue to target projects that involve a variety of our disciplines in a single contract, allowing us to have greater control over the supply line, schedule, and ultimately, the project outcomes across safety, quality, schedule, and budget.

Our sustainability journey will continue, and we are proud of the advancements we have made in this area to date, with much more to come going forward.

Our goal, as always, remains to be the contractor of choice for clients, and the employer of choice for people.

In conclusion, I would like to extend my genuine thanks to our people, everyone who wore the Civmec brand with pride, our delivery partners, clients, shareholders, the community, my fellow Board members, and the executive team for their unwavering support. I look forward to continuing our growth with all of you as we progress sustainably into the future.

Patrick Tallon
Chief Executive Officer
Civmec Limited

Through commitment and ongoing development, our culture is now evident in everything we do

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Civmec Port Hedland groundbreaking ceremony

FY23 HIGHLIGHTS

Jul 22

- NAIDOC week celebrated across the company
- Continued in the construction of major lithium refinery projects in support of Australia's greener future



Covalent Lithium Refinery

Sep 22

- 'Blue Arm Band' initiative introduced in conjunction with R U OK? Day, in support of mental health

Oct 22

- 'Know The Line' workplace behaviour program rolled out across the business
- Continued participation in the Containers for Change recycling exchange program, with all proceeds donated to St Patrick's Community Support Centre
- Awarded Runner Up in the SIAS (Securities Investors Association Singapore) Singapore Corporate Governance Award (SCGA) 2022, Mid Cap Category for outstanding efforts in improving corporate governance and sustainability practices



Aug 22

- Jeans for Genes Day fundraiser held to support the Children's Medical Research Institute
- Launch of our new Civmec website, designed with all stakeholders in mind
- Maintenance division gained IRATA (rope access) certification, increasing our capabilities and efficiency in maintenance



Nov 22

- First sod turned at our new Port Hedland facility in an event attended by Port Hedland Mayor Peter Carter, with a traditional smoking ceremony conducted by Alfred Barker
- Joint winner of the Construction Technique/Equipment Award at the 2022 Master Builders Association of NSW Excellence in Construction awards night



Dec 22

- Made and donated water filtration tanks to the Sione Foundation, assisting in ensuring fresh water is available to the people of Tonga
- 2,000-tonne Civec-made shiploader departed Henderson for Hay Point
- Financial donations made to Anglicare WA and St Patrick's Community Support Centre
- Employees generously donated more than 100 kilos of food and non-perishables in our December food drive for Foodbank



Jan 23

- Awarded A\$330 million+ Western Range contract by Rio Tinto
- Successful delivery of replacement spool pipe for John Brookes Repair Project in expedited timeline

Mar 23

- Awarded approximately A\$100 million in new contracts to carry out manufacturing, construction and maintenance activities for the Resources sector
- International Women's Day event held with guest speaker, AFLW West Coast Eagles vice-captain Dana Hooker
- Hosted Tony Shaw of Indigenous Services Australia in a moving cultural awareness presentation
- Participated in annual 'Step Up to Clean Up' for Clean Up Australia Day



May 23

- Held Civec Family Day, attended by more than 1,000 family members and friends
- Installation of solar panels at our Stuart Drive workshop facility at Henderson
- Celebrated our third recordable-injury-free month of 2023 at our Henderson facilities

Feb 23

- Opportunity pool significantly increased in maintenance and capital works with acceptance onto BHP's site engineering panel and the award of a non-exclusive Rio Tinto Aluminium 'umbrella' construction services panel agreement
- Equipment donations made to the Men's Shed to provide the underprivileged with access to technology
- Skillhire apprentice award nights saw eight Civec apprentices nominated, with two eventual winners
- Purchased properties in South Hedland to provide high-quality accommodation for our Port Hedland employees

Apr 23

- Launched fundraising campaign for the MATES Big Lap, in support of suicide prevention and mental health awareness

June 23

- Raised A\$120,615 to combat homelessness in the Vinnies CEO Sleepout
- Provided employment for more than 3,400 people, including 129 apprentices, trainees, graduates and undergraduates in FY23
- Delivered approximately 1,700 training courses in 12 months, including internal leadership and development programs
- Finished FY23 with record profits and a strong order book valued at approximately A\$1.15 billion going into FY24

FINANCIAL SUMMARY FY23

**15.4%
increase**

FY23 EBITDA
compared to
FY22

In the financial year ended 30 June 2023 (FY23), the Group's **revenue increased to A\$830.9 million**, from A\$809.3m in FY22, and **net profit after tax (NPAT) rose by 13.7 per cent to A\$57.7 million**. Profit margins rose from 6.3 per cent to 6.9 per cent.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was A\$109.1 million, an increase of A\$14.6 million from the previous year's results. Net cash generated from operating activities was A\$122.8 million, cash and cash equivalents was A\$70.4 million and borrowings finished at A\$56.5 million.

December 2022 saw the company's net cash position return to positive. This is a notable achievement given the significant capital expenditure on Civec's west and east coast facilities in previous years, and taking into consideration the new assembly hall at Henderson was completed less than three years prior.

Dividend payments made to shareholders also increased during FY23; therefore, to achieve a positive net cash position further demonstrates the strength of the business and the Group's ability to manage cash flow effectively.

The value of property, plant and equipment (PPE) rose from A\$448.1 million to A\$476.3 million and, at 30 June 2023, the Group had total assets of \$774.5 million, net assets of \$420.9 million and net asset value per share of 83.32 cents.

Bolstered by sizeable contract awards from new and current clients across all sectors, together with existing contract extensions, the Group finished the year with an order book of A\$1.149 billion.

FY23 Financial Performance

A\$ million	FY23	FY22	CHANGE
Sales revenue	830.9	809.3	2.7%
EBITDA	109.1	94.5	15.4%
NPAT	57.7	50.7	13.7%
Cash generated from operations	122.8	36.2	239.2%
Earnings per share (Australian cents)	11.42c	10.11c	13.0%
Final dividend per share (Australian cents)	3.0c	2.0	50%
Order book	1,149*	1,039 [^]	10.6%

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation

NPAT: Net Profit After Tax

*as at 30 June 2023

[^]as at 30 June 2022

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13.7% increase

FY23 NPAT compared to FY22

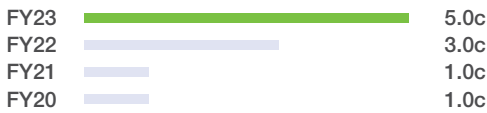
13.3% increase

FY23 Net Assets compared to FY22

50% increase

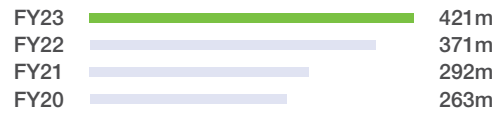
FY23 Final Dividend compared to FY22

DIVIDEND CPS (A\$)



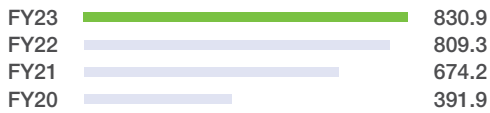
CPS: Cents Per Share

NET ASSET VALUE (A\$)

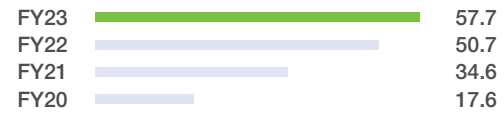


Operating Currency (A\$)

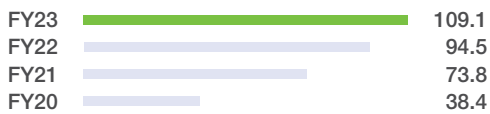
REVENUE (A\$m)



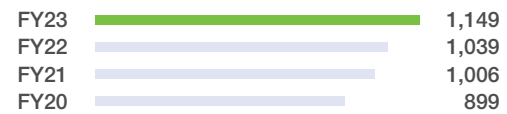
NPAT (A\$m)



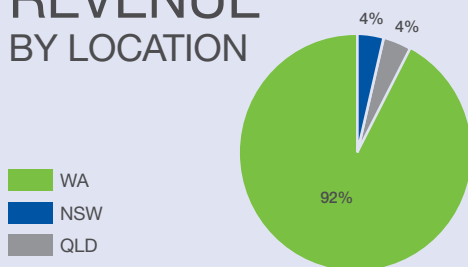
EBITDA (A\$m)



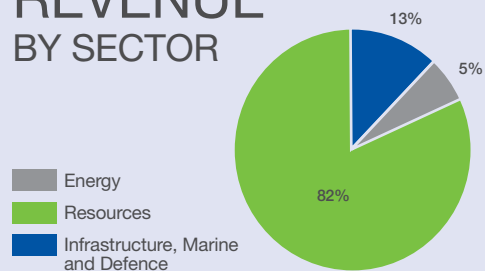
ORDER BOOK (A\$m)



REVENUE BY LOCATION



REVENUE BY SECTOR



BOARD OF DIRECTORS



James Finbarr Fitzgerald

EXECUTIVE CHAIRMAN

James Finbarr Fitzgerald joined the Civmec Limited Board on 27 March 2012, bringing over 35 years of industry experience. In his role, he provides leadership to the Board, guides the company's corporate direction, and ensures compliance with corporate governance procedures.

James has been a Board member of the Centre for Defence Industry Capability (CDIC), a Defence Industry Policy initiative supporting Australian businesses in the Defence industry and enhancing sector-wide projects. He has also served as a Defence Panel Expert for the AusIndustry Modern Manufacturing Initiative.

James is dedicated to philanthropy, particularly in youth training and development, which he considers a key aspect of the company's growth and success. As an innovative leader, he actively engages in and encourages business improvement initiatives and enhancements to work methodology, aiming to enhance safety, quality, and overall business performance.



Patrick John Tallon

CHIEF EXECUTIVE OFFICER

Patrick John Tallon was appointed to the Board on 27 March 2012 and is responsible for the establishment and implementation of strategic plans for the long-term sustainability of the overall business. He promotes a positive safety culture, focusing efforts toward individual wellbeing, both physical and mental. He supports a diverse workplace where everyone feels supported and safe, and has a strong advocacy towards those less fortunate in the community, from a personal and company perspective. He strives for and drives Civmec to continuously improve through many channels, including training and personal development, team building, demonstrating and encouraging leadership, operational innovation, improving productivity, and waste elimination programs to ensure a sustainable tomorrow within the business.

Over the past 14 years, Pat has continuously sharpened his expertise across all of Civmec's operating sectors, developing a keen understanding of stakeholder requirements at all levels. Pat actively contributes to the development of professional programs for employees and closely monitors grassroots operations, while overseeing the company's overall operational and financial performance. He also actively engages with the community, supporting various charities and events, with a particular focus on the homeless. This year, Pat once again participated in the Vinnies CEO Sleepout, raising awareness and funds for homelessness.



Kevin James Deery

CHIEF OPERATING OFFICER/ACTING CHIEF FINANCIAL OFFICER

Kevin James Deery was appointed to the Board on March 27, 2012, where he oversees the operational activity of the Group. His primary responsibility is to ensure a workplace that prioritises safety and to successfully deliver projects within strict quality, budget, and schedule expectations.

With a Bachelor of Engineering (Mechanical) from Curtin University, Kevin possesses more than 30 years of experience in managing fabrication and construction projects for various clients throughout Australia. Currently serving as the acting Chief Financial Officer, he leads the company's capable and seasoned accounts team.

Kevin is known for his strategic and practical mindset, actively engaging in the evaluation of future opportunities and avenues for the company to achieve consistent and sustainable growth in the medium and long term.



Chong Teck Sin

LEAD INDEPENDENT DIRECTOR

Chong Teck Sin was appointed to the Board on 27 March 2012. He is currently an Independent Director of InnoTek Limited and AIMS APAC REITS Management Limited, and a Director of Civmec Construction & Engineering, Singapore Pte Ltd and Ranhill Pte Ltd.

He has a Bachelor of Engineering from the University of Tokyo, and a Master of Business Administration from the National University of Singapore. On the Civmec Limited Board, he is the Chairperson for both the Audit Committee (AC) and the Risks and Conflicts Committee (RCC).



Wong Fook Choy Sunny

INDEPENDENT DIRECTOR

Sunny Wong Fook Choy was appointed to the Board on 27 March 2012. He is a practicing advocate and solicitor of the Supreme Court of Singapore, and is currently a consultant with Wong Tan & Molly Lim LLC, a legal firm he co-founded in 1994.

He is also an Independent Director of Mencast Holdings Ltd and InnoTek Limited. Sunny holds a Bachelor of Law (Honours) from the National University of Singapore. On the Civmec Limited Board, he serves as the Chairperson of the Remuneration Committee (RC).



Douglas Owen Chester

INDEPENDENT DIRECTOR

Douglas Owen Chester was appointed to the Board on 2 November 2012. He was previously a senior Australian Government official and diplomat and, prior to his appointment, held the role of Australia's High Commissioner to Singapore.

He has served as an independent director of a number of listed companies. Douglas holds a Bachelor of Science (Honours) from the Australian National University. On the Civmec Limited Board, Douglas is the Chairperson for the Nominating Committee (NC).

EXECUTIVE TEAM



Adam Goldsmith

EXECUTIVE GROUP MANAGER – OPERATIONAL SUPPORT

Adam Goldsmith joined the Group in 2017 and has made significant contributions to the company. He is a Fellow of the Royal Institute of Chartered Surveyors, and a Graduate of the Australian Institute of Company Directors with quantity surveying and construction law qualifications.

He possesses over 25 years of extensive commercial and risk management expertise acquired through prominent Australian and UK enterprises. His profound knowledge and experience make him a valuable asset to the executive team. He has played a vital role in establishing robust contractual, commercial and risk management procedures and protocols while effectively aligning divisional strategies with the overarching goals of the organisation.



Peter Ricciardello

EXECUTIVE GROUP MANAGER – PROPOSALS AND GROWTH

Peter Ricciardello is a seasoned engineering professional and a highly experienced manager, with more than 20 years' experience across large scale engineering and construction projects.

He is responsible for identifying and targeting new business opportunities, fostering existing client relationships, strategic planning and growth, and overseeing tendering activities for the business. With a strong grasp of operational matters, Peter possesses a solid understanding of the key requirements for successful project delivery. With his background, he is able to successfully engage and collaborate with our clients to position Civec for future growth.



Charles Sweeney

EXECUTIVE GENERAL MANAGER – CONSTRUCTION

As the leader of the Group's construction division, Charles Sweeney has been pivotal in ensuring the successful completion of numerous key projects. Many of these projects leverage our diverse capabilities, and Charles has developed a deep understanding of the manufacturing processes that support construction initiatives.

He is dedicated to upholding the highest standards in safety, quality, and productivity while prioritising the growth of the operations department and providing innovative solutions for clients. Charles has been with the company since its establishment, and he is also the designated nominee for the electrical and building licenses.



David Power

EXECUTIVE GENERAL MANAGER – MANUFACTURING

With over 15 years of experience in the construction industry, David Power has been a valued member of our company since 2011. Throughout his tenure, he has held various management positions and gained extensive expertise on a diverse range of major projects. David places emphasis on health, safety and quality in the workplace and is regarded as a technically and commercially focused business leader.

Currently, David oversees the company's manufacturing divisions nationally with market leading facilities on both the west and east coasts of Australia. He provides guidance and support to extensive project teams who he assists to continuously strive for high-quality outcomes, improved productivity efficiencies, and value-driven solutions for our clients.



Mylon Manusiu

EXECUTIVE GENERAL MANAGER – MAINTENANCE AND CAPITAL WORKS, REFINERIES AND SMELTERS

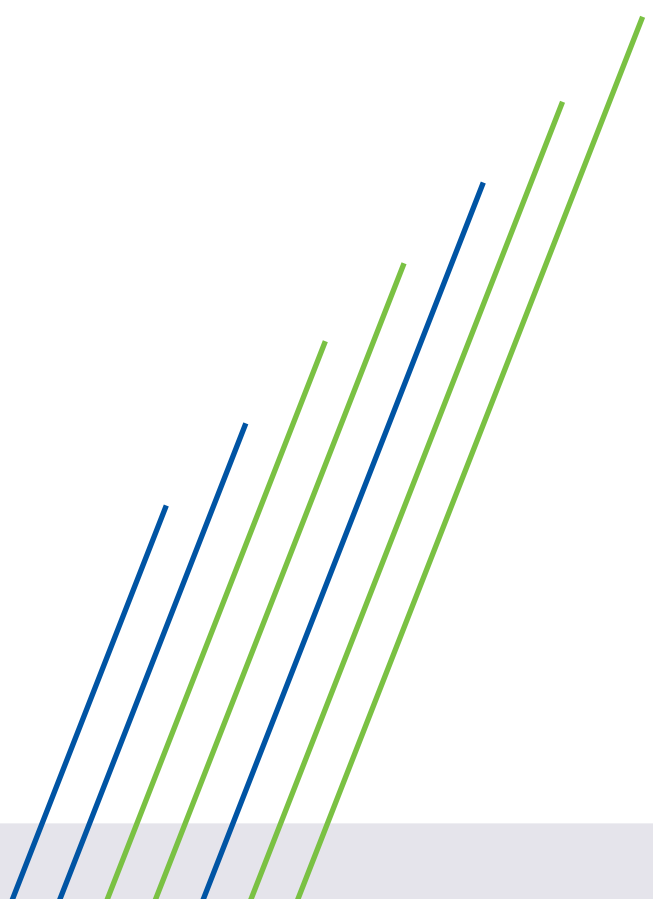
Since 2015, Mylon Manusiu has been an integral part of the company. He is responsible for overseeing the maintenance and capital works division, specifically in relation to refineries, smelters, and the execution of minor projects. While primarily stationed on the east coast, he has played a vital role in expanding our maintenance services nationwide and securing long-term maintenance contracts.

Drawing on his extensive experience of over 20 years, Mylon leverages his diverse expertise to ensure the efficient execution of maintenance, shutdown, and refractory works. He is dedicated to motivating his team to meet and surpass safety, environmental, and quality targets.

02

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During FY23, we safely and successfully delivered some of the most spectacular projects in our history

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SABR Project
Shiploader Replacement

KEY PROJECTS

Key Civec projects completed or in delivery during FY23

■ Energy
 ■ Resources
 ■ Infrastructure, Marine and Defence

CLIENT/OWNER	PROJECT	LOCATION
1 Baker Hughes for Beach Energy	Otway Offshore Phase 5 Project – subsea structures	Henderson, WA
2 Baker Hughes for Chevron Australia	Jansz-Io Compression Project Subsea Compression Manifold Station (J-IC SCMS) – subsea structures	Henderson, WA
3 Santos	John Brookes Repair Project – spool replacement	Henderson, WA
4 Subsea7 executed by Subsea Integration Alliance	Scarborough Project – subsea structures	Henderson, WA
5 Woodside Energy	Five-year non-binding outline agreement, with two one-year extension options	Karratha, WA
6 Yara Pilbara Nitrates	Nitrates facility – shutdown works	Karratha, WA
7 Albemarle	Kemerton Lithium Expansion Project	Kemerton, WA
8 Alcoa Australia	Calciner maintenance, major overhaul and repair services to Alcoa mines	Pinjarra, Wagerup and Kwinana, WA
9 BHP	Nelson Point Car Dumper 3 (CD3) Replacement Project	Henderson, WA
10 BHP	Port Debottlenecking Project Stage One (PDP1) – civils and bulk earthworks	Pilbara, WA
11 BHP Mitsubishi Alliance	Shiploader and Berth Replacement (SABR) Project – shiploader replacement	Henderson, WA and Newcastle, NSW
12 Covalent Lithium	Lithium Refinery Project – construction and maintenance	Kwinana, WA
13 Schlam and Austin Engineering	Dumper tray bodies	Newcastle, NSW
14 Glencore	Collinsville Open Cut – shutdown works	Collinsville, QLD
15 IGO	Master Service Agreement – maintenance and project work	South-east WA
16 Iron Bridge JV (IBJV)	Iron Bridge Magnetite Project – SMPEI	Marble Bar, WA
17 Iron Bridge JV (IBJV)	Iron Bridge Magnetite Project – module fabrication – CV truss and trestles	Henderson, WA
18 Karara Mining	Maintenance agreement for Karara magnetite mine	Mid-west WA
19 Newmont	Maintenance and capital works at Boddington gold mine	Boddington, WA
20 Onslow Salt	Capital works – workshop upgrade	Onslow, WA
21 Queensland Alumina Limited (QAL)	Mechanical maintenance works to support major shutdowns	Gladstone, QLD
22 Rio Tinto	Western Range Project – primary crusher, conveyors and tie-in works	Paraburdoo, WA
23 Rio Tinto	Mesa A – SMPEI	Henderson, WA and Robe Valley, WA
24 Rio Tinto	Mesa A – wet plant and fixed plant workshop	Henderson, WA and Robe Valley, WA
25 Rio Tinto	Mesa A – heavy vehicle refuelling facility (HVRF)	Robe Valley, WA
26 Rio Tinto	Maintenance and refractory term contract for Boyne Smelters Limited (BSL)	Gladstone, QLD
27 Roy Hill	Roy Hill ROM4 Crushing Station 5 – SMPEI	Pilbara, WA
28 Roy Hill	Maintenance agreement for shutdown and maintenance support services for fixed plant assets across the Roy Hill Port (Facility) and PSA (Mine)	Pilbara, WA
29 Talison Lithium	Site maintenance work	Greenbushes, WA
30 BHP Mitsubishi Alliance	Shiploader and Berth Replacement (SABR) Project – berth replacement	Henderson, WA and Newcastle, NSW
31 Luerssen Australia	SEA 1180 Offshore Patrol Vessel Program	Henderson, WA
32 Main Roads WA	Causeway Pedestrian and Cyclist Bridges	Perth, WA
33 Transport for NSW	Sydney Gateway Project Bridge SB31 and Viaduct	Newcastle, NSW
34 Fitzroy Bridge Alliance	New Fitzroy River Bridge Project	Henderson, WA

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OPERATIONAL REVIEW



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

ENERGY SECTOR

The Energy sector proved to be a strong area of performance for Civec in FY23, as we continued to deliver with quality, efficiency and innovation. **Total revenue exceeded A\$43 million**, representing a **42 per cent increase** on our previous year's results.

The award of two significant contracts by new client, Baker Hughes, allowed us to showcase our advanced capabilities in the subsea space. The first project included the fabrication, assembly and testing of three subsea structures for Beach Energy's Otway Offshore Phase 5 Project. The structures, comprising more than 200 tonnes of components, were successfully delivered weeks ahead of the required loadout date, despite supply chain challenges compressing the project timeline.

Our second project for Baker Hughes is part of the Jansz-Lo Compression Project Subsea Compression Manifold Station (J-IC SCMS) for Chevron Australia. Civec has been contracted to supply and fabricate a SCMS module, foundation and pig launcher/receiver. The works will include testing and delivery free alongside (FAS) for heavy lift ship loadout at the Australian Marine Complex, adjacent to our Henderson facilities. When complete, the SCMS module will be the largest subsea structure Civec has built to date, weighing approximately 680 tonnes.

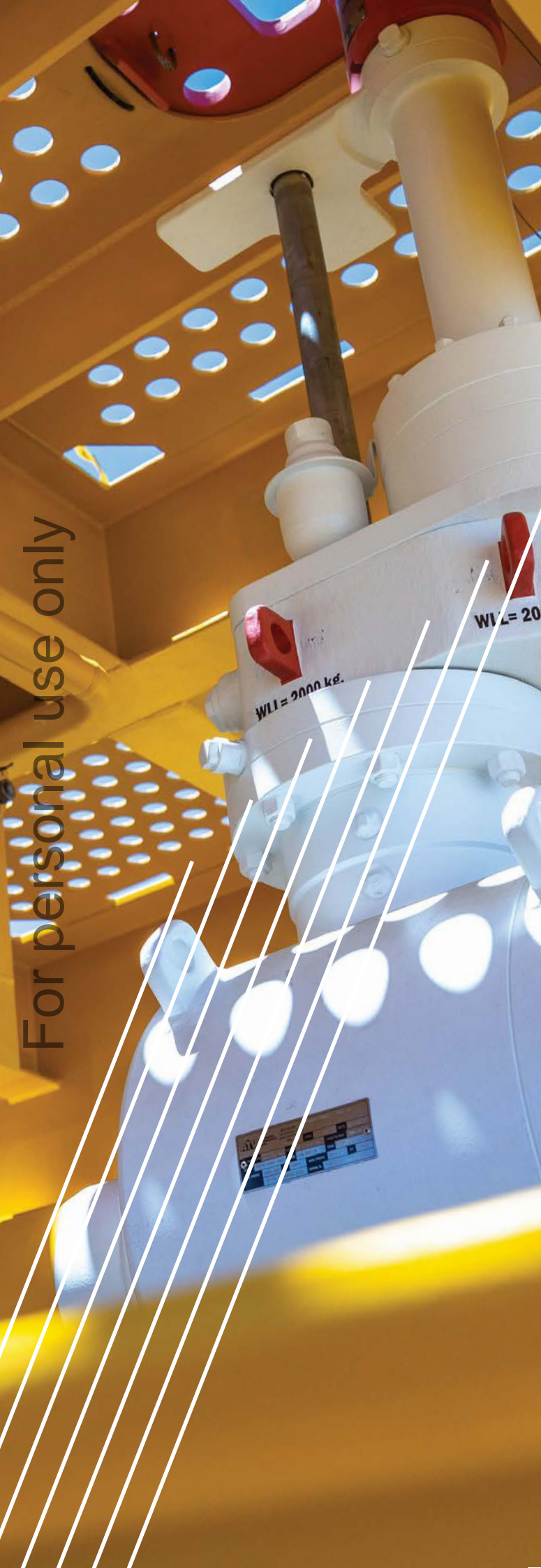
Throughout FY23, we made progress on the subsea structure works for Subsea Integration Alliance (SIA) for the Woodside Energy operated Scarborough Project, completing 6 of the 13 mudmats, with other components in progressive stages of fabrication. In total, we will supply, fabricate, test and deliver 30 structures for the project, which will deliver gas from the Scarborough field to the Woodside Energy operated Pluto LNG facility.

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OPERATIONAL REVIEW



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We are three years into our five-year non-binding outline agreement with Woodside Energy to support their onshore and offshore production facilities and capital projects. This agreement has provided our manufacturing team with a range of minor works packages over the year, including the provision of miscellaneous spool piping works and structural steel fabrication. Two one-year extension options are available upon conclusion of the five-year term.

Our maintenance division also secured work in the petrochemical sector, with the award of pre-turnaround work for Yara Pilbara Nitrates and a major shutdown of 120 personnel secured.

In a remarkable testament to the capabilities and commitment of our team, in December, we undertook urgent fabrication of a 35-metre by 25-metre replacement spool that ties in the John Brookes Pipeline to the John Brookes Platform – a platform providing domestic gas supply into WA. With the platform inactive for the full duration of the scope, it was critical that the project was delivered to an accelerated timeframe. While a project of this nature could typically take up to six months to complete, with our dedicated team working across the Christmas period, in collaboration with our client, Santos, we were able to deliver the project successfully in just three and a half weeks – efficiently, safely and to our customary high-quality standard.

With satisfaction amongst our Energy clients at their highest levels, and encouraging signs of optimism in the market, we believe Civmec is in an excellent position to capitalise on upcoming opportunities in the Energy sector, particularly in the manufacturing space. Our focus remains on achieving steady growth with our current clients, while seeking to continually broaden our client base with new and profitable contracts.

A\$43m
total annual revenue
for the Energy sector
in FY23

42% increase
FY23 Energy sector
revenue compared
to FY22

ENERGY SECTOR continued

**Jansz-Io Compression Project Subsea
Compression Manifold Station (J-IC SCMS) –
Subsea Structures**



CLIENT
Baker Hughes for Chevron Australia

LOCATION
Henderson, WA

SCOPE

Civmec was contracted to supply and fabricate the subsea structures for J-IC SCMS, including a module (with structural, piping and connection system), a foundation (with structure and connection equipment interfaces), and a six-inch subsea pig launcher/receiver (SSPLR) complete with structural, piping, valves and connection system.

We will also be performing factory acceptance testing (FAT) and system integration testing (SIT) of the structures before delivery FAS at Henderson. Fabrication works are currently underway.

683 tonnes
weight of SCMS module when complete

535 tonnes
weight of SCMS foundation when complete

Otway Offshore Phase 5 Project - Subsea Structures



CLIENT

Baker Hughes for Beach Energy

LOCATION

Henderson, WA

DURATION

August 2022 – January 2023

SCOPE

Baker Hughes awarded us a contract to fabricate, assemble and test three subsea structures, including a 56-tonne flowline end termination (FLET), a 65-tonne flowline end manifold (FLEM) and an 81-tonne manifold, complete with integral spools, valves and subsea connectors.

With the structures to be installed in the offshore field directly from loadout at Henderson, they required complete testing prior to loadout and were built to the most stringent quality standards. Factory acceptance testing (FAT and EFAT) activities were performed on all three structures within the Cimec assembly hall prior to loadout to the wharf, working in close collaboration with the client.

Scarborough Project - Subsea Structures



CLIENT

Subsea7, executed by Subsea Integration Alliance

LOCATION

Henderson, WA

DURATION

April 2022 – mid 2024

SCOPE

Cimec was awarded a subsea structures contract by Subsea7 on behalf of the Subsea Integration Alliance (SIA) for the Woodside Energy operated Scarborough Project in FY22. The scope includes the supply, fabrication, surface treatment, testing and delivery of 30 structures for the project, including 13 mudmats, 7 inline tee (ILT) structures, 6 FLET structures, a riser base manifold and foundation, a 32-inch pig launcher receiver (PLR) and 16-inch PLR. Fabrication of 6 of the mudmats was completed in FY23, with other components in various stages of fabrication at our Henderson facilities.

RESOURCES SECTOR

The Resources sector delivered a record revenue of **A\$679 million in FY23**, an **increase of A\$48 million** on the previous financial year. With our wide range of blue-chip clients and proven delivery, the sector remains our highest performing, reinforcing our position as the go-to contractor for construction and maintenance in the Resources sector.

Following the delivery of the civil and concrete package last year, we continued works on the Iron Bridge Magnetite Project throughout FY23. Our onsite scope includes the structural, mechanical, piping, electrical and installation (SMPEI) construction of the dry plant. Under a separate contract, we finalised fabrication, assembly and loadout of the project's conveyor trusses and trestles, utilising both our Henderson and Newcastle facilities.

The largest module ever built by Cimtec, and one of the largest shiploaders built globally, was completed and shipped to Hay Point, QLD, in December. The Shiploader (SL2A) project for the BHP Mitsubishi Alliance (BMA) involved the fabrication, modularisation and commissioning of a 2,000-tonne, 52-metre-high shiploader. Again, we leveraged our well-equipped east and west coast manufacturing facilities to effectively complete the scope of works, including subsequent scopes that were added to the contract during its delivery. Final assembly and commissioning took place at Henderson before delivery free alongside (FAS) a heavy lift ship at the AMC.

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By late 2022, we had completed our scope at Mesa A, which included SMPEI of the wet plant, design and construction of the fixed plant workshop, and design and construction of the heavy vehicle refuelling facility (HVRF). In total, we delivered more than 10,000 tonnes of SMP manufactured items for the wet plant and 225 kilometres of electrical, instrumentation and communication cables.

Our work at the Roy Hill ROM4 crushing station concluded in February, which entailed the complete construction of Crushing Station 5, from the ROM bin through to the transfer station.

Delivery of major construction projects for BHP are ongoing, including the Car Dumper 3 (CD3) Renewal Project, which includes the fabrication and surface treatment of the CD3 cage structure and end rings and an added mechanical package. We also continued works on BHP's Port Debottlenecking Stage One (PDP1) civil and bulk earthworks package at Nelson Point.

During FY23, we made meaningful progress in the lithium space, with our major construction contract for Covalent's Lithium Refinery in Kwinana progressing well. The substantial multidisciplinary works package involves structural and piping fabrication, SMP erection, refractory lining, insulation, and electrical and instrumentation (EI) installation works. The project is forecast to peak at 800 personnel during the construction.

In May 2023, Albemarle announced it would build two additional processing trains at its Kemerton Lithium Plant, making it the largest investor in downstream lithium processing in Australia. In a testament to our successful delivery of the first two trains, we were awarded three subsequent contracts for various scopes of works on the expansion.

A\$679m
total annual revenue
for the Resources
sector in FY23

RESOURCES SECTOR continued

Our scope on the Albemarle expansion project will include civil and concrete works, the fabrication of 25 carbon steel tanks, and the manufacture of kilns.

Reinforcing our long-standing relationship with Rio Tinto, in January, we were awarded one of our biggest contracts to date: the A\$330 million Western Range contract. Located around ten kilometres from Rio Tinto's existing Paraburdoo operations, the works involve the greenfields construction of a new primary crusher and more than ten kilometres of overland conveyors, as well as brownfields tie-in to the existing Coarse Ore Stockpile (COS). The full vertical delivery package will utilise most of our in-house capabilities and provide employment for around 400 onsite and 150

offsite personnel. Plant, equipment, and a small team have been mobilised to site, with the works to be completed in FY25.

Demonstrating our commitment to continually refining methodologies to optimise efficiency, we are pleased to report a sizeable increase in the production of dumper tray bodies from our Newcastle facility. In fact, dumper tray manufacturing output increased during FY23 by 57 per cent. Initially capable of producing less than two trays per month, the facility now produces approximately two per week for our clients. This success can be attributed to the team's innovative approach, which has included designing specialised work areas, and optimising logistics at the facility.

Schlam tray bodies assembled for clients in the Hunter Valley, NSW





Civmec rope access crew performing maintenance

In line with our strategic growth plan, we targeted a wide range of shutdown, refractory and capital works projects throughout the year, leading to several major maintenance awards. This included acceptance onto BHP’s WA iron ore operations site engineering panel – a three-year contract, with the follow-on opportunity for two one-year extensions – and the award of a non-exclusive ‘umbrella’ construction services panel agreement for Rio Tinto Aluminium, which is also a three-year contract.

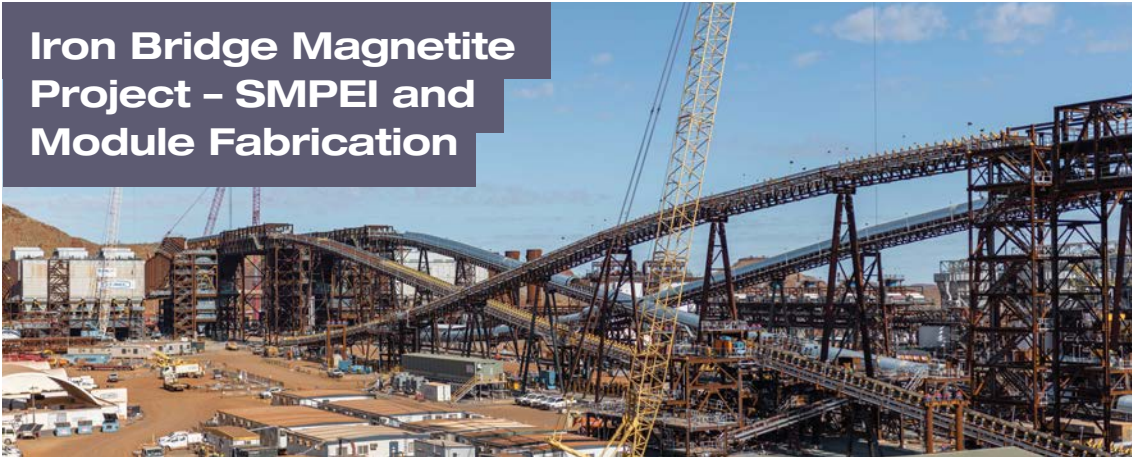
During FY23, Civmec performed a multi-million-dollar shutdown under our calciner maintenance term contract for QAL, involving refractory and mechanical maintenance works. Our presence at Roy Hill has continued to grow, with increased numbers of Civmec personnel now forming larger portions of the planned maintenance shutdowns across both the Port and PSA (Mine). At Covalent, our new rope access division delivered an innovative roof jointing solution to the multiple sections of the stockpile dome. Additional maintenance clients include Alcoa Australia, Fortescue Metals Group, Glencore, IGO, Newmont and Talison Lithium.

We are pleased to have made significant inroads this year towards securing consistent employment for our maintenance workforce, a sustainability issue that is best overcome by gaining a broader range of clients and work across varying commodities. We consistently target repeatable, sustainable baseload works to drive recurring revenue in the sector.

With the Resources sector remaining strong and Australian commodities in high demand, we have observed increased interest from clients regarding our capacity for their upcoming projects. Feedback from engineering firms is positive, which traditionally has been a strong indicator as to the magnitude of the upcoming pipeline. The lithium market is dynamic, presenting numerous opportunities in our fields of expertise. In the short term, our focus lies on carefully selecting and securing projects that align with our business objectives, maximising the utilisation of our multidisciplinary capabilities in singular packages of work. Presently, we are prioritising our efforts towards the effective management of our current commitments rather than solely pursuing new work. With indications that labour availability will continue to improve, this strategic and structured approach to growth will allow us to effectively capitalise on opportunities as they come to light in the short and medium term.

RESOURCES SECTOR continued

Iron Bridge Magnetite Project – SMPEI and Module Fabrication



CLIENT
Iron Bridge JV (IBJV)

LOCATION
Marble Bar, WA

DURATION
August 2020 – late 2023

SCOPE

Having completed the civil and concrete package last year, which comprised detailed earthworks and 53,000 cubic metres of structural concrete components for the dry plant, this year Civmec undertook the fabrication/modularisation package and SMPEI. This included the supply and modular assembly of 4,700 tonnes of conveyor, trusses, trestles and modules, structural, mechanical, module installation and hook-up of 30,000 tonnes of components, and approximately 630 kilometres of electrical and instrumentation works for the dry plant.

Shiploader and Berth Replacement (SABR) Project – Shiploader Replacement



CLIENT
BHP Mitsubishi Alliance (BMA)

LOCATION
Henderson, WA and Newcastle, NSW

DURATION
August 2020 - December 2022

SCOPE

Civmec was awarded a contract by BMA to fabricate, modularise and commission a 2,000-tonne shiploader for the SABR Project. The scope included the supply, fabrication, surface treatment, assembly and no-load commissioning of the shiploader. The majority of the work was undertaken at Henderson, supported by our Newcastle facility.

Roy Hill Port (Facility) and PSA (Mine) - Maintenance Agreement



CLIENT
Roy Hill

LOCATION
Pilbara, WA

DURATION
2022 – 2027

SCOPE

In 2022, Roy Hill extended our Shutdown and Maintenance Support Services Agreement by an additional five years through to March 2027. Through this agreement, Civmec provides multidisciplinary shutdown and maintenance services for the fixed plant assets across the Roy Hill Port (Facility) and PSA (Mine).

A\$862m

contract awards and extensions for the Resources sector in FY23

8% increase

total annual revenue of Resources sector FY23 compared to FY22

INFRASTRUCTURE, MARINE AND DEFENCE SECTOR

With strategically located, waterfront facilities in Henderson and Newcastle, **Civmec offers a world-class resource and highly specialised services** in prime locations for our Infrastructure, Marine and Defence sector clients. Throughout FY23, our expertise and broad range of services and capabilities has seen us continue to **play key roles in the successful delivery of major national projects** across the sector.

Our integrated capabilities were displayed as we completed the Shiploader and Berth Replacement (SABR) Project – Berth Replacement – for the BHP Mitsubishi Alliance (BMA), which weighed approximately 11,000 tonnes at completion, made up of 54 individual modules. Fabrication and assembly of the majority of components were undertaken at Henderson, while our Newcastle facility undertook some technically complex works for the project, completing the fabrication, assembly and surface treatment of three dogbone ballast beams, weighing 540 tonnes.

Works continued on the Sydney Gateway Project's Bridge 31 (SB31) and Viaduct Span 6 and 11 girders, with completion and installation of the Span 11 girders and SB31. Fabrication of Span 6 is ongoing. In an example of innovation, we value engineered a solution for the client by taking what were originally designed as ten two-part girders (requiring extensive onsite welding and temporary



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OPERATIONAL REVIEW



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works) and building them as five single-length girders instead, each measuring 55 metres in length and weighing 65 tonnes. We also developed a detailed transportation plan to move the sections from our Newcastle workshop to the Sydney site, saving the client substantial time onsite and delivering a safe, successful outcome.

In what will undoubtedly become another iconic landmark in the city of Perth, we commenced works on the Causeway Pedestrian and Cyclist Bridges Project in early 2023 for Main Roads WA. The unique and striking design, which was influenced by a local group of First Nations Elders who worked with the alliance, includes one boomerang-shaped pier and two inspired by digging sticks. Once complete, the bridges will provide safer access for more than 1,400 cyclists and 1,900 pedestrians who use the path on the existing Causeway Bridge daily.

In June, we were awarded a contract on the New Fitzroy River Bridge Project by the Fitzroy Bridge Alliance. The bridge, located in WA's Kimberley region and previously damaged by storms, is a critical piece of infrastructure in the area, requiring accelerated delivery of all scope requirements. Civmec's scope includes approximately 1,125 tonnes of bridge beams and 400 tonnes of piling. Work has commenced at our Henderson manufacturing facility, with completion forecast for FY24.

As we continue in our delivery of blocks for the Royal Australian Navy's (RAN's) Arafura Class Offshore Patrol Vessels, we are continuing to refine our methodologies to maximise our productivity and safety. During FY23, we commenced construction of OPV6, with project milestones achieved on schedule and OPV7 commencement planned for early FY24.

A\$109m
total annual revenue
for the Infrastructure,
Marine and Defence
sector in FY23

INFRASTRUCTURE, MARINE AND DEFENCE SECTOR continued

In October, we attended Land Forces 2022 in Brisbane, showcasing the capabilities of the Australian Maritime Alliance (AMA), an alliance formed last year between Civmec and Serco, established to target Australian Defence opportunities, such as the Australian Army's Land 8710 program. The AMA's 'Oboe' design, submitted for Phase 1A of the program, was granted structural approval in principal in July 2022. The 'Oboe' is a state-of-the-art amphibious vessel, capable of carrying a diverse range of combat and support vehicles in service with the Australian Army and our allies. The AMA has since undertaken internal reviews of all aspects of the LAND 8710 1A solution, ensuring we stand ready to deliver for the Commonwealth, bringing Australian industry skills and expertise to the forefront.

This year saw the release of the government's Defence Strategic Review. Presently, there are many recommendations about increased

requirements for the Australian Defence Force's posture and structure. With this in mind, we are optimistic about the opportunity pipeline in Henderson for Defence-related work, which we see as an important medium to long-term growth area. We will seek to further expand our accreditations within the Infrastructure sector, growing and developing our solid reputation as a contractor of choice that can be trusted to deliver efficiently, innovatively, and to the highest of standards.

11,000 tonnes
weight of completed
SABR Project Berth
Replacement

SABR Project dogbone ballast beams en route to Hay Point



Sydney Gateway Project



CLIENT
Transport for NSW

LOCATION
Sydney, NSW

DURATION
March 2022 – August 2023

SCOPE

Following the successful delivery of the SB31 Bridge, Civmec was contracted to undertake works on the Viaduct. The scope includes the supply, processing, fabrication, assembly, surface treatment and delivery to site of large steel bridge beams, as well as the site splicing and installation of bracing for the two bridge spans. Each of the bridge spans contain 20 girder segments. Segments were manufactured into five 55-metre-long, 65-tonne girders and delivered to site at night. The girders are the longest steel girders delivered into metropolitan Sydney by Civmec.

Causeway Pedestrian and Cyclist Bridges



CLIENT
Main Roads WA (MRWA)

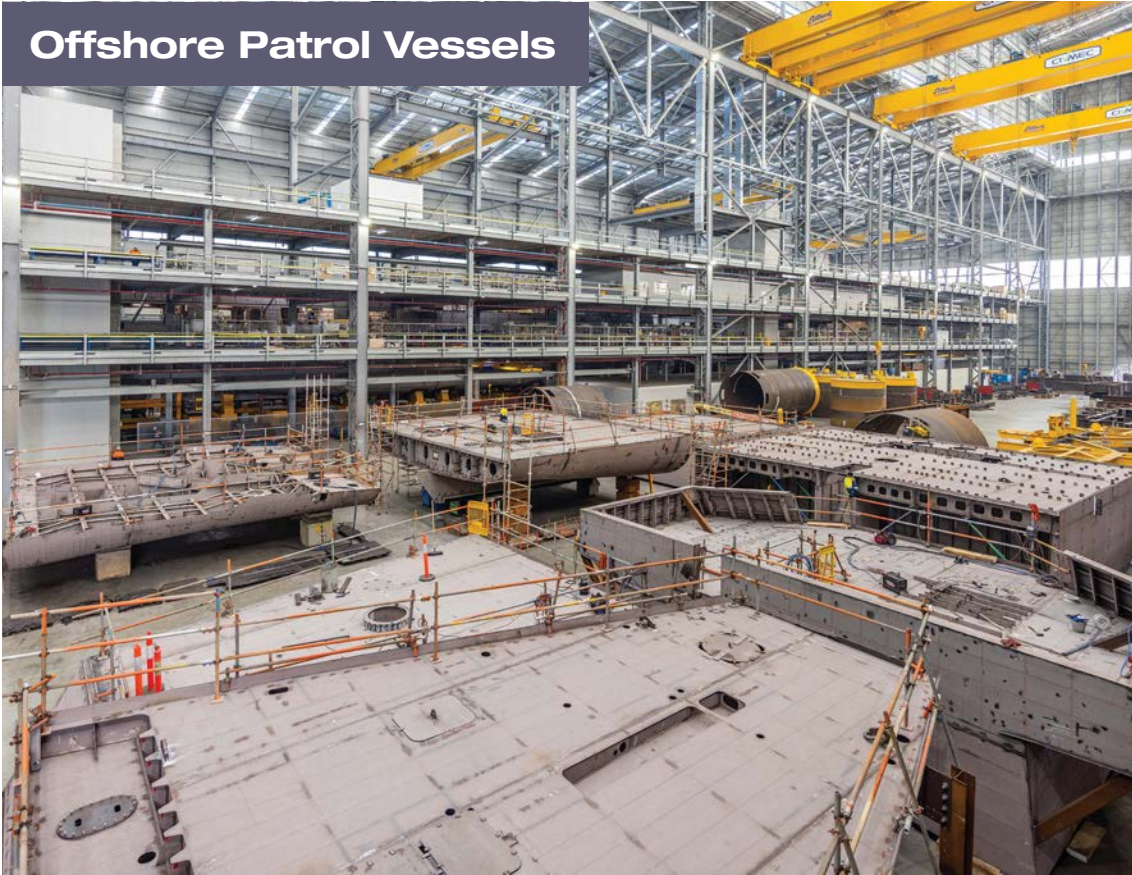
LOCATION
Perth, WA

DURATION
April 2022 – late 2024

SCOPE

The project will link the Victoria Park foreshore to Heirisson Island and the Perth CBD at Point Fraser with two cable-stayed bridges, spanning approximately 1,000 meters in length. Civmec is delivering the project in an integrated alliance with Seymour Whyte Constructions, WSP, and MRWA. The scope includes architectural and engineering design; fabrication and transportation to site of approximately 2,000 tonnes of complex steel structures; ground preparation, earthworks and piling for approach embankments; in-river works, including piling, pile caps and pylon structures; and structural erection and electrical installation.

Offshore Patrol Vessels



CLIENT
Luerssen Australia

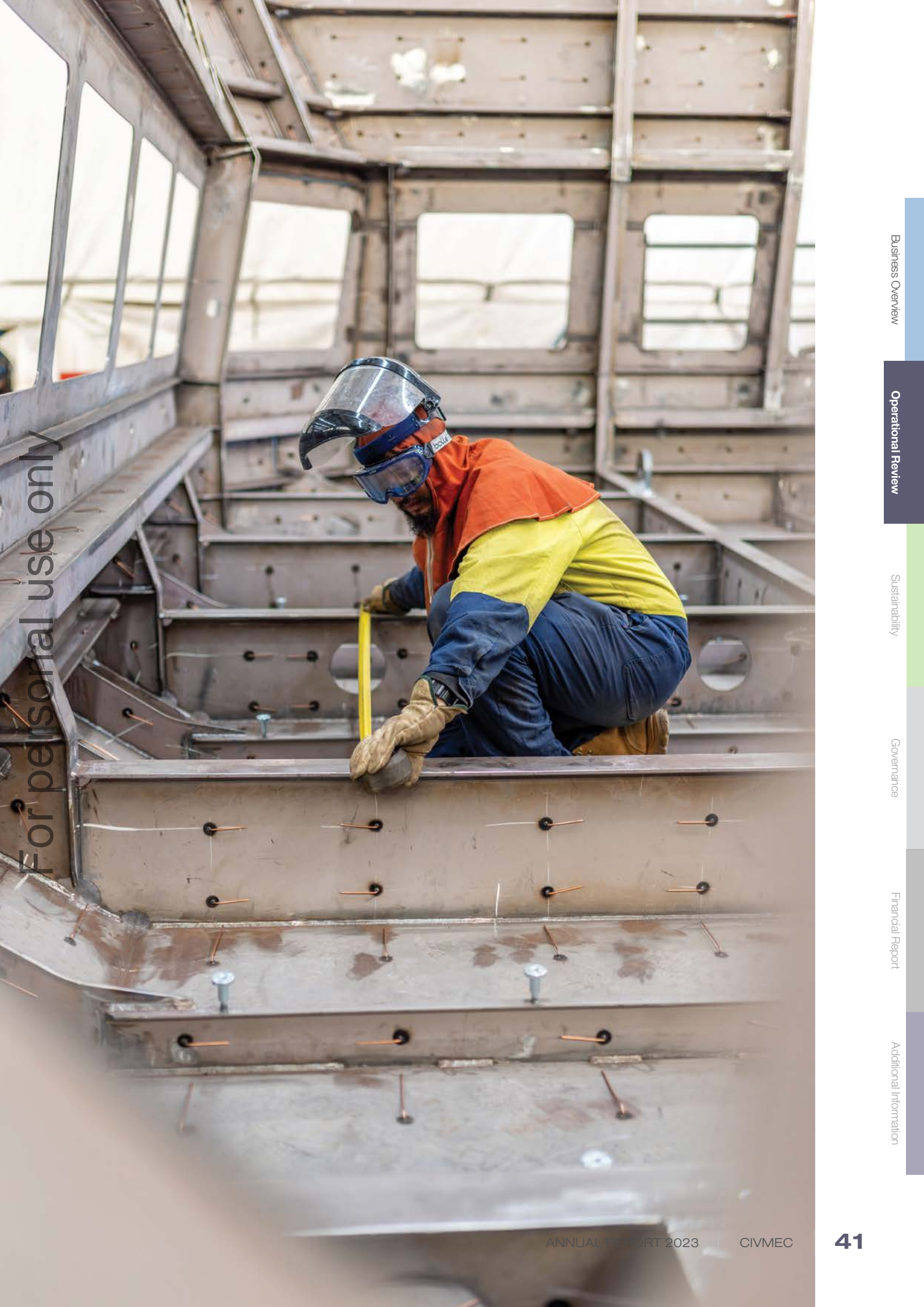
LOCATION
Henderson, WA

DURATION
2018 – 2029

SCOPE

Civmec continues to deliver high-quality blocks (steel sections) for the Royal Australian Navy's Arafura Class Offshore Patrol Vessels. This financial year, we commenced construction on OPV6, with OPV7 due to commence in early FY24.

1.6 kilometres
of steel girders and bridges delivered
for NSW infrastructure projects

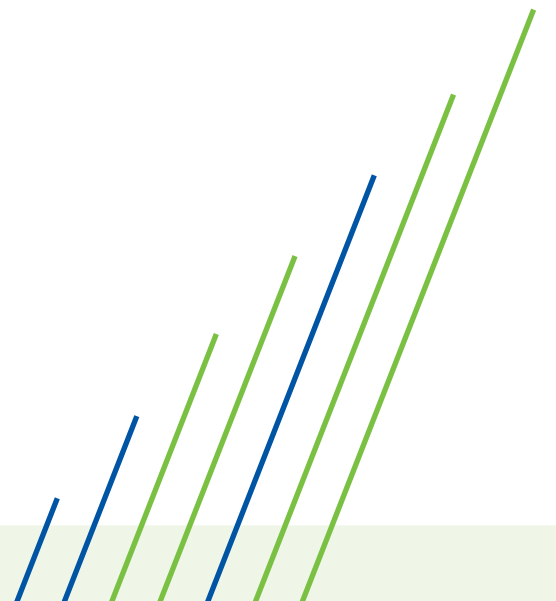


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We strive to deliver sustainable growth and social value, with careful consideration of people, the environment and the economy.

SUSTAINABILITY REPORTING

At Civec, we are deeply committed to generating **long-term sustainable value for our stakeholders** while safeguarding the needs of future generations.

We recognise that our continued success is intrinsically linked to the successful management of our environmental, social, and governance (ESG) risks, opportunities and obligations.

Each year, we report on our sustainability performance, providing stakeholders with clear and transparent information about our approach, performance, strategies and goals. Our sustainability reporting processes are subjected to internal review, ensuring the accuracy and reliability of our sustainability disclosures and identifying areas for improvement. As a result, this year, we embarked on a program to capture the absolute data from all our facilities and projects. This process of data collection and reporting has resulted in a more comprehensive assessment of our overall performance.

We disclose our impacts on people, the environment and the economy, reporting on

sustainability in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards: Core Option, as we have since 2018.

We continue to report to this standard because the wide range of material topics they encompass are the most relevant to our business. By consistently utilising these standards, we can effectively compare our sustainability progress and results over time, as well as with other comparable organisations. We support these standards in promoting greater transparency and accountability in sustainability amongst organisations across the globe.

Civec Limited has reported in accordance with the GRI Standards for the period 1 July 2022 to 30 June 2023.

For ease of reference, a GRI Content Index is located on page 230 of this report.

A\$374 million
contributed to the economy through wages and salaries

A\$298 million
paid to local suppliers

22%
reduction in absolute emissions intensity

26%
reduction in absolute Scope 2 emissions



[CLICK](#) or scan QR code to view our Sustainability Policy and learn more.

BOARD STATEMENT

We are pleased to present the Civmec Limited Sustainability Report within this year's Annual Report as the company combines the two publications for the first time. This year, the report also includes Civmec's initial assessment of climate-related risks and opportunities for the business, which aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework, as required by the SGX.

As part of Civmec's alignment with the TCFD and efforts to improve governance of climate-related issues, the Board of Directors has undergone mandatory sustainability training with certified training providers. This ensures that we are developing a consistent understanding of how climate-related risks and opportunities affect the business. In addition, an external consultant was engaged to provide recommendations and assurance that these initial steps are set at an acceptable standard for our industry. Further information on our alignment with TCFD recommendations can be found on pages 122 to 125, and 237 of this report.

As the Board, we are responsible for overseeing and monitoring the management by the executive team of material ESG factors that present significant risks and opportunities to the company. We consider sustainability issues in the business, provide strategic direction, and ensure that we are fulfilling our obligations to the ASX and SGX.

During FY24, our sustainability agenda has remained steadfast, focusing on:

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

We would like to take this opportunity to thank all stakeholders for their ongoing support and engagement as we continue this journey towards a sustainable and responsible future.

Sincerely,
Civmec Limited Board



STAKEHOLDER INFORMATION AND MATERIALITY

We endeavour to improve our performance and increase disclosure in those areas of the business where we have the potential for the largest positive and negative impacts.

Our materiality assessment conducted in September 2022 surveyed a diverse cross section of stakeholders, including members of the Civmec Board, management, and a randomised selection of employees and suppliers. The results of the survey indicated the top material issues for the business were:

» **Anti-corruption**

» **Taxation**

» **Non-discrimination**

» **Occupational Health and Safety**

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Civmec is reviewing the design and process of our sustainability materiality assessments to improve information collected for FY24.

In 2015, the United Nations agreed on 17 Sustainable Development Goals (SDGs) as part of its 2030 Agenda for Sustainable Development. As a supporter of the SDGs, we understand we can positively contribute towards these goals through our own sustainable business practices.

At present, we believe we have the most influence and can make the most impact by reducing inequalities, ensuring responsible consumption and production, focusing on industry innovation, inclusion, resilient infrastructure, climate action and partnerships for the goals.

We recognise that we have a greater ability to influence positive outcomes in some SDGs more than others. As you read through this report you will see the SDGs symbols referenced at the start of each section. The order of the symbols directly corresponds to the relative level of influence we have on the SDGs, from greatest to least impact.



United Nations Sustainable Development Goals



HSEQ INTEGRATION

FY23 marks the **second year since integrating our Health, Safety, Environment and Quality (HSEQ) divisions into one overarching division**, which has resulted in a more consistent, structured and mature approach, and improved consolidation of our HSEQ management system.

Many new roles created for the team have been filled organically, giving people within the company the opportunity to take on senior leadership roles. This includes the roles of Divisional Lead HSE and Divisional Lead Quality to support our construction and maintenance divisions, and a HSEQ Auditor role involved in all business activities. Some minor structural changes to the senior HSE and Quality roles within manufacturing on both the west and east coast have led to increased integration and collaboration between Facility Management and Corporate HSEQ Management, delivering positive outcomes. During the year, a full-time ESG Lead and Sustainability Advisor commenced with the business.

We reviewed and updated several HSEQ operational level procedures, including isolation and tagging, lifting, scaffolding, hot work and equipment calibration. We also updated many of our HSEQ management system procedures, such as fitness for work, emergency preparedness and response, hazard identification and risk management, HSEQ documented information, and NCR and Corrective Actions.

HSEQ presents to the executive team monthly, has strong participation at support services meetings and presents at several Board meetings.

Going forward, our long-term focus will be to continue to refine and improve our standards and overall consistency of HSEQ functions across the facilities and sites.



ISO Certifications

Our performance is underpinned through compliance with our Health, Safety and Environmental Management System (HSEMS), which remains consistent with our business needs through regular reviews and updates of our risk registers and processes, and internal inspections audits. The HSEMS is certified annually to Lloyds international standards, ISO 45001:2018 (health and safety), and ISO 14001:2015 (environment), while our Quality Management System (QMS) is certified to ISO 9001:2015.

HSEQ Audits

In May, our annual ISO audits were conducted by Lloyds Register, covering not only our ISO 45001 certification, but also our ISO 14001 and ISO 9001 certifications. There were no non-conformances raised, which reinforces the positive systemic improvements we have made in the HSEQ area.

The Office of the Federal Safety Commissioner confirmed our risk rating was reduced from medium to low risk on the back of four successful audits over the past few years. This low-risk rating means our reaccreditation period has been extended to six years, from three, rendering our certification current to 30 October 2028.

In October, we received an external HSE assurance audit covering the Henderson facility and corporate office. The audit report was positive, with each audited element compliant, and with only four recommendations for improvements identified. Our annual Weld Australia ISO 3834 certification audit was also completed at our west coast facility in October, resulting in no non-conformances (NCR) and just two opportunities for improvement (OFI).

In November, our annual Steelwork Compliance Australia (SCA) certification audit was conducted on our corporate systems at our Henderson facility. For this, we received a good audit result with zero NCRs and one OFI.

Also during the year, we conducted two crisis level exercises under the guidance of external consultants. The first was at an operational level and involved operational leaders from across the business. The scenario was based around a remote area traffic accident between a mine site and local town. The second scenario was held in May, involving a psychosocial crisis episode at an executive level, and bullying that escalated into physical and psychological harm to a number of people. Both drills equipped us with beneficial knowledge and experience.

HEALTH AND SAFETY

The health, safety, and physical and mental wellbeing of our people is critically important to Civmec.

Above all, we want our employees to go home safely every night, with zero harm to themselves or each other, and feel well in mind and body.

We operate under the philosophy of 'Never Assume', reminding our employees, contractors and visitors to never assume an action, workplace or condition is safe. It gives every single person the right and responsibility to stop work if they feel that any task carries a level of risk that they are uncomfortable with, or if they see an unsafe behaviour or working environment. It also encourages everyone to be part of the solution and take ownership of any safety concerns.

Additionally, Civmec has six 'Critical Safety Essentials' – a set of mandatory rules that govern our behaviour and how we operate. These safety principles are communicated to employees in inductions and through marketing collateral.

Further supporting our HSEMS is our onsite fitness-for-work health centre, as well as our Registered Training Organisation (RTO), which offers high-quality training specific to our safety processes. All Civmec employees undergo mobilisation inductions, with site workers also undergoing pre-start, re-starts during the day, toolbox and other regular safety interactions and training exercises.



CLICK or scan QR code to view our Health and Safety Policies, and Never Assume Charter.

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[^]The order of the symbols directly corresponds to the relative level of influence we have on the SDGs, from greatest to least impact.

HEALTH AND SAFETY continued

Health and Safety Initiatives

Over the course of FY23, a number of initiatives were implemented or expanded.

With dropped objects identified as a high risk, we introduced a dropped object prevention plan, putting in place a series of measures that aim to decrease the number of dropped object incidents. This is helping bring Civmec closer to our target of zero dropped objects.

During December we rolled out our 'Finish Strong' campaign across the business, facilitated to drive an incident and injury free month at the year's conclusion. The campaign was designed to encourage the completion of every day safely, one day at a time. A 'Never Assume' safety message was created for each day in December and used to start a conversation amongst the work crew on a relevant safety topic, ensuring people maintained their usual safety focus with the holidays approaching.

Following this, our 'Start Stronger' campaign commenced in January with a 30-day focus to complete the month injury and incident free, which was marked on a calendar and posted on pre-start boards across our operations. Pleasingly, we noted a significant improvement, compared to the previous two Januarys, with an overall reduction in injuries and incidents across our projects and facilities.

As a proactive health initiative, throughout March we provided skin checks at our medical centre in Henderson, free of charge, with a goal of promoting overall skin health and early detection of skin cancer. We also provided employees with access to free COVID-19 and influenza vaccinations.

An annual management HSE review meeting was conducted in early September, attended by Civmec's CEO, COO, executive team and other senior management representatives. The review covered statistical analysis, objectives and targets, auditing, legislative changes, resourcing, training and opportunities for improvement.

An injury management and workers' compensation awareness session was held with senior HSE project staff across the business. This session was co-facilitated with our insurance brokers, focusing on potential risk areas for the business and key controls to ensure the risks are managed.

In August, the Group Manager HSEQ provided a presentation to the Curtin University HSE final year students. The presentation outlined the diverse

nature of the Civmec business and opportunities for HSE graduates within the business, along with an overview of the Civmec HSE Graduate Program.

A hand injury prevention workshop was held in January with project and facility leaders. The presentation provided an overview of previous hand injuries across the business in the past year and to look at engineering-based controls, new tooling and administrative changes to further reduce the quantity and severity of hand injuries occurring across the business.

Our 'Know The Line' workplace behaviour program was introduced to address behaviours associated with gender discrimination and harassment, complete with mandatory training across all facilities and project sites. This is now a mandatory training for new starters, reinforcing our no tolerance approach. The training was accompanied by an intensive communications campaign, which included our own 'Know The Line' video and highly visible posters at our facilities and sites.

At Civmec, we also offer ongoing reinforcement of positive safety behaviours, acknowledged through our employee reward and recognition programs.

One of our May safety excellence raffle winners





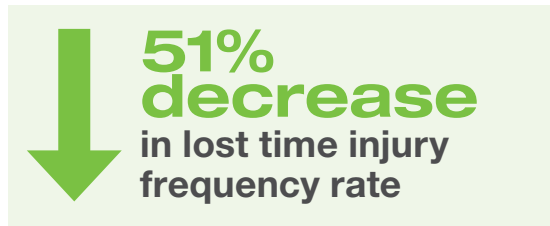
February safety excellence reward raffle and barbeque at Henderson

Health and Safety Performance

In FY23, Civmec recorded a slight increase in the amount of hours worked. Pleasingly, despite this increase in working hours, we reported a 51% decrease in our lost time injury frequency rates (LTIFR) for the July to June period.

Recordable injury rates improved across both our construction and manufacturing divisions throughout the year. The most notable improvement was across our manufacturing division. On the east coast, manufacturing achieved a full 12-month period without a recordable injury, including lost time injuries. Our west coast facility achieved four separate months of no recordable injuries in the second half of FY23, contributing to the overall reduction in recordable injuries throughout the year.

Accomplishing multiple months without a single recordable injury is a remarkable achievement that highlights the proactive effort that has been put in by the whole team to drive sustained safety improvement in recent years. We understand how important it is to celebrate these collective efforts and satisfying results, and throughout the year we have recognised and rewarded our people with various at work and out of work social events, and voucher and gift giveaways throughout the year.



Our safety performance and key metrics are outlined in the tables below.

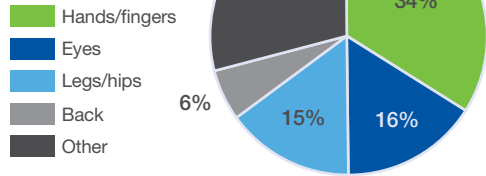
Metric	FY22	FY23 Target	FY23	Result	FY24 Target
LTIFR per million hours worked	0.74	<0.5	0.36	✓	<0.5
AIFR per million hours worked	51.25	<45.00	50.24	✗	<45.00
Fatalities	0	0	0	✓	0
Fines and prosecutions	0	0	0	✓	0

LTIFR: Lost Time Injury Frequency Rate
AIFR: All Injury Frequency Rate

Metric	Total
Severity rate (lost days per million hours worked)	15.42

HEALTH AND SAFETY continued

BODY PART INJURIES



The main types of injuries were strains and sprains, which is consistent with industry trends for the type of work undertaken in construction, manufacturing and maintenance environments. We will continue to be proactive in our safety approach, with an aim to reduce injury incidences and severity.

There were no fines or prosecutions for Health and Safety events during FY23.





Mental Health and Wellbeing

At Civmec, we believe that mental health is just as important to our people as physical health.

In 2021, we introduced our Mental Health Strategy 2021 – 2024, whereby a set of responsibilities was allocated within management and resources to facilitate the achievement of our strategy objectives. The strategy encompasses formal training and awareness of mental health and includes risk assessments to identify critical psychosocial risks and ensure appropriate control measures implemented.

We have procedural documents to ensure corporate and operational level integration of requirements, and have continued our targeted auditing program to ensure implementation of the strategy is consistent across the business. Between February and May, our HSEQ Auditor commenced a series of ‘Mentally Healthy’ workplace audits. All projects and facilities were audited over a three-month period. This is part of the business’ plan to ensure that psychosocial hazards and risks are addressed, and coincides with the recent roll out of our ‘Know The Line’ training across the organisation. As we commence new projects, they are added to the audit schedule to ensure all projects are captured.

Additional elements that support our strategy include:

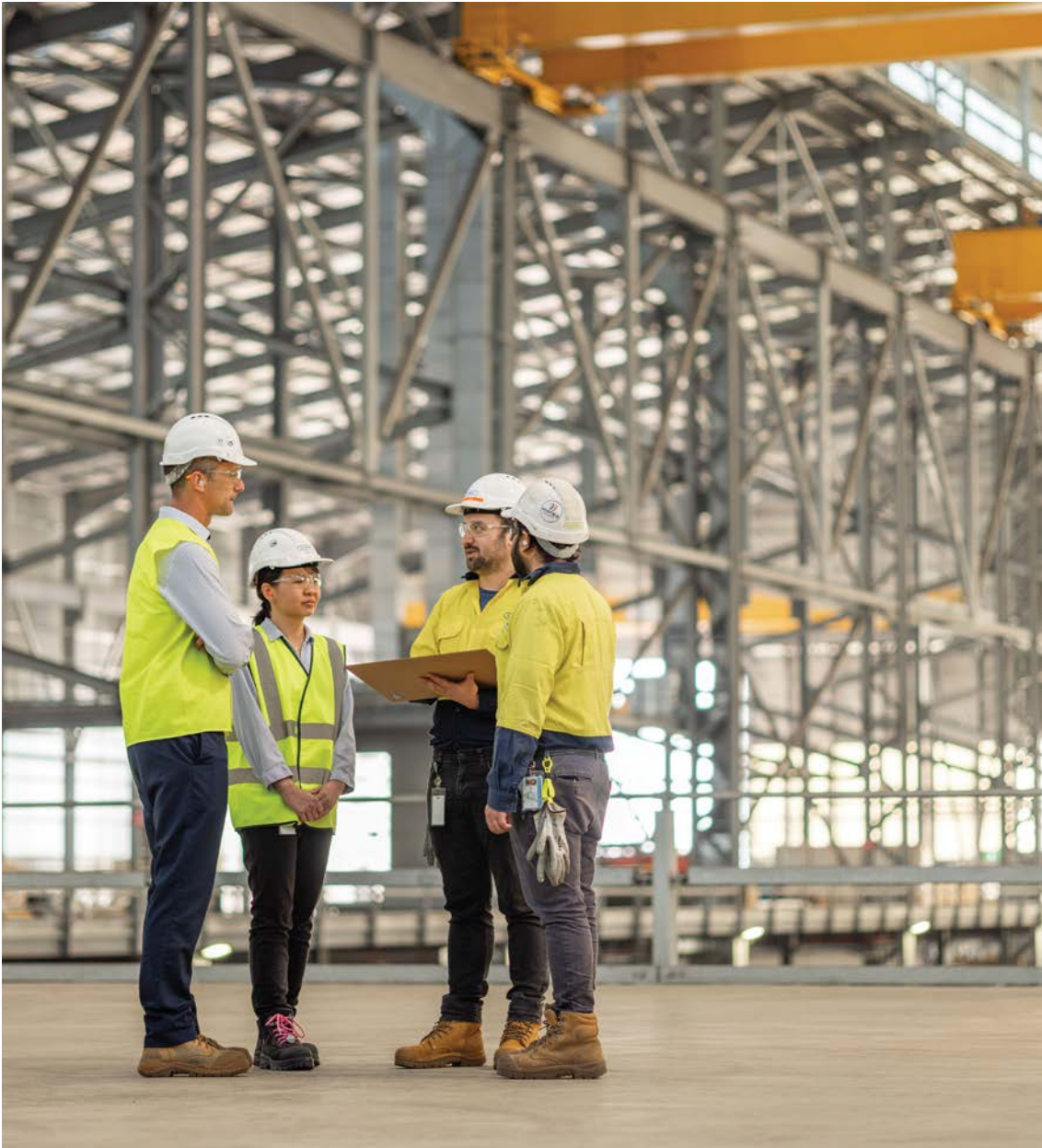
- our ongoing partnership with MATES in Construction, providing suicide prevention education and training, peer-to-peer support, individual case management and access to a 24/7 helpline;
- the Civmec Employee Assistance Program (EAP), which is a confidential, free 24/7 helpline for employees and their families;
- provision of mental first aid training to leaders in the Civmec business;
- adding psychosocial components to our Fitness for Work, Emergency Preparedness and Response, and Crisis Management and Business Continuity procedures;
- in addition to ‘Know The Line’ training, increasing the visibility of this initiative with posters across all offices, facilities and sites featuring QR codes for reporting of any workplace behaviour incidents;
- continuation of our Blue Tree journey, which commenced in 2019 and continues across our sites, encouraging people to seek support when they need it;
- participation in R U OK? Day, including implementation this year of our Blue Arm Band initiative;
- zero tolerance on bullying, discrimination and harassment;
- a buddy program for new starters;
- early intervention programs on substance abuse;
- prevention programs, including health assessments and pre-employment screenings;
- access to education and training programs;
- access to our Employee Benefits program – gym memberships, health insurance, travel discounts, financial advisory services; and
- an onsite medical facility, active lifestyle programs, and injury management services to promote overall health and wellbeing.

HEALTH AND SAFETY continued

Future Focus

Following the successful achievement of our goals for FY23, we turn our health and safety focuses in FY24 to the following focus areas:

- Investigating and implementing technology-based software programs to help prevent or reduce the frequency of musculoskeletal injuries across our facilities and operations. The technology will be used to assess body positioning and movement when conducting manual work or work in tight or restricted areas.
- Continuing trials for a new training database, which commenced during February. This database allows for both the Training Needs Analysis and training records to be stored in one location, and for the training needs for specific job roles to be easily identified. It also allows client training requirements to be easily captured for specific projects.



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SUSTAINABILITY



QUALITY

At Civmec, delivering to the highest quality is a fundamental part of the way we do business, and crucial for sustainability. While this is integral to every project we deliver, it is even more important when considering the diverse range of technical and, often, highly complex projects we have extensive involvement in. We have a wide range of procedures to ensure the optimum management of quality, including a QMS manual, equipment calibration, and non-conformance and corrective action.

In addition to the certification of our QMS to ISO 9001:2015, our facilities across Australia hold certification to ISO 3834.2:2008, 'Quality requirements for fusion welding of metallic materials (Part 2: Comprehensive quality requirements)', demonstrating that our welding management system meets the most stringent requirements. We also hold CC3 certification to the requirements of AS/NZS 5131:2016 'Structural Steelwork - Fabrication and Erection'.

Our world-class project controls system, Civtrac, seamlessly integrates project delivery data from design through to commissioning, offering invaluable insights and controls. By leveraging Civtrac, we can ensure the timely and cost-effective delivery of a superior quality product.

This year, we implemented the following quality-focused initiatives:

- the review and update of quality procedures and processes, including calibration, non-conformance reports (NCR), our QMS manual and PQP template;
- strengthened the quality leadership team with additional roles, such as a Quality Superintendent, Quality Systems Coordinator and Divisional Lead Quality;

- increased integrity and benefits of review findings of NCR root causes, incorporating direct and indirect costs, and corrective action management;
- enhanced the processes involved in supplier and subcontractor audits; and
- built on the existing Civmec Quality Risk Register.

Additionally, we made changes to enhance our customer feedback process. By improving our customer feedback collection process survey reports, we have experienced an upsurge in responses. Consequently, we are now receiving a comprehensive view of customer opinion, which allows us to more accurately measure satisfaction levels and identify areas for enhancement that help support our continuous improvement philosophy.

In March, we held our annual quality management review meeting, involving the Civmec executive team. The Group Manager HSEQ presented quality information in line with the ISO 9001 standard.

Subsequently, improvements were made to the QMS, including better management of calibrated equipment, review of quality management plans and the corporate quality risk register.

QUALITY continued

Future Focus

As we continue in our efforts to deliver to our clients a premium quality end product on every project, our future focuses in FY24 include:

- the ongoing focus on the tracking and review of quality Key Performance Indicators (KPIs) at a project and facility level; and
- achieving continuous improvement on the level of detail we capture for the management of Non Conformance Reports (NCRs).



[CLICK](#) or scan QR code to view our Quality Policy and learn more.





ENVIRONMENT

This year, Civmec has greatly expanded our level of disclosure to improve our understanding of impacts and risks, inform strategies to reduce our environmental footprint, and increase our transparency with our stakeholders.

This continuous improvement process aligns with our company values of excellence and collaboration. New disclosures include climate-related issues, energy and emissions estimations, and water consumption.

Our HSEMS remains consistent with our business needs through regular reviews and updates of our risk registers and processes, and internal inspections and audits. Each year, to retain our Lloyds International ISO 14001:2015 certification, we must undergo a Lloyds audit. This year, Civmec received a solid audit result with no non-conformances identified.

We ensure we are maintaining high operational standards at our project sites by administrating our own processes and procedures, while adhering to client expectations and striving to continuously improve and minimise our impact. We also adhere to local, state and federal environmental regulations.

During FY23, we received no environmental fines, breaches and/or notices in relation to state of federal laws and regulations.



[CLICK](#) or scan QR code to view our Environmental Policy and learn more.

[^]The order of the symbols directly corresponds to the relative level of influence we have on the SDGs, from greatest to least impact.

ENVIRONMENT continued

Environmental Performance

Metric	FY23 Target	FY23	Result	FY24 Target
Significant environmental incidents (>Level 4)	0	0	✓	0
Prosecutions and infringement notices	0	0	✓	0
Energy intensity (TJ/A\$m) [#]	<0.17	0.16	✓	NA*
Emissions intensity (tCO ₂ e/A\$m) [#]	<25.00	21.94	✓	NA*
Recycling participation rate ¹	>70%	76%	✓	>75%

[#] Energy and emissions intensities are compared with targets set in FY22 and measured at manufacturing facilities only.
^{*} As of FY24, Civmec will be reporting absolute energy and emissions data. Manufacturing only data will no longer be reported separately.
¹ Rate derived from total amount of materials recycled compared to total amount of waste generated, and measured at manufacturing facilities only.

We recognise that strong environmental performance is a major component to the success, growth and sustainability of the company.

In the pursuit of continual improvement, we researched, developed and implemented a series of initiatives to improve our environmental performance, reduce our impacts and make a positive contribution to the communities in which we operate, including:

- investment in a solar PV system for our Stuart Drive asset yard;
- design and assembly of a mobile solar and battery power unit, providing power for remote ablution blocks and storage sheds;
- expanding the electrification of our forklift workshop carriers and site-based lighting towers;
- incorporation of sustainability features in the design of our Port Hedland facility, including the use of GECA (Good Energy Choice Australia) certified building materials and water tanks;

- expanding our emissions data collection and reporting to include all Civmec projects and assets yards;
- collecting steel, aluminium and other scrap metals, cardboard, hard plastic packaging, batteries, waste oil, and various other items at our manufacturing facilities for a recycling program;
- donating laptops destined for recycling to the Men's Shed Wanneroo to upcycle to communities in need, also extending the life of the technology;
- collecting bottles and cans at our Henderson facility and specific construction sites for a recycling program, with proceeds donated to St Patrick's Community Support Centre;
- participating in Clean Up Australia Day for the sixth consecutive year, this year collecting rubbish at Henderson and Newcastle;
- continuing the promotion of an environmentally aware culture through ongoing training and communication across all levels of the business.

Solar panels at Henderson



Solar and battery powered remote ablution block





Clean Up Australia Day

Climate Change

Climate change is a complex challenge that has the potential to affect many facets of the Civmec value chain. We are committed to playing an active role in combatting climate change, through a strategic approach to emissions reduction. Our strategy includes understanding, assessing and managing climate-related risks to the business, and realising the opportunities, in order to create a smooth transition to a low carbon economy.

In FY23, Civmec took the first steps towards aligning our systems and process with the TCFD. In doing so, we seek to provide greater transparency on how climate-related issues will affect the business, the opportunities that will arise in tackling climate change, some of which are already being realised (refer to case study overleaf), and how the company will address the complexity of climate change. Our inaugural TCFD report includes our current governance and risk management approach to climate-related issues, and high-level identification of climate risk, which could financially impact on our business. We also address our commitments to further develop our internal process in line with TCFD recommendations.

As a top-tier construction company for the lithium refinery industry, we will continue to identify opportunities in the transition period and emerging markets, positioning the company as a supporter of an ethical transition to a low carbon economy.

Case Study **Contributing to a Low Carbon Economy**



Albemarle's Kemerton Lithium Refinery

Battery storage is a key component to the success of Net Zero Australia for electric vehicles and grid reliability. With large reserves of mineralised lithium, a low sovereign risk and a high calibre technical workforce, Australia is already seeing a surge in activity around battery storage.

Civmec has become a significant contributor to supporting local lithium miners and refiners to expand their operations to meet global lithium demand.

Civmec's major construction role within the lithium processing industry began in 2017. Civmec was awarded the contract for the Tianqi lithium processing plant in Kwinana, and the lithium processing plant that now forms part of the Pilbara Minerals Pilgangoora Project, both in WA. The contract with Tianqi included the design and installation of the lithium processing monolithic refractory lining, which included more than 1,500 tonnes (t) of refractory materials. The Pilgangoora Project contract included civil, fabrication, structural, mechanical and piping (SMP), and electrical and instrumentation (EI), which included 1,200t of steel and 6,000 cubic metres (m³) of concrete.

Two years later, in 2019, Civmec was awarded a multidisciplinary construction project for Albemarle's lithium refinery in Kemerton, WA. The project provided a great opportunity to showcase our diverse range of services and included the civil concrete and SMP works for Trains 1 and 2 of the hydro-metallurgical process, offsite fabrication of a rotary kiln and cooler at our Henderson facility, and installation of refractory linings.

In total, 24,000m³ of concrete was placed, more than 1,250t of refractory lining was installed and 6,800t of structural steel was used to complete the works. Civmec returned in 2022 in a maintenance capacity to perform refractory wear management with 3D laser scanning.

In 2021, Civmec was awarded a major construction contract on Covalent's new lithium refinery, situated 40 kilometres south of Perth in Kwinana. Our scope, which is expected to be completed in FY25, covers almost all fabrication, SMP and EI supply and installation at the refinery, a section of the concrete foundations, through to the kilns. Civmec fabricated the SMP at our Henderson facility. Installation of refractory lining for the calcine and acid roast portion was also performed off site. The calcine rotary kiln and calcine rotary cooler refractory installation is occurring onsite.

Presently, Civmec has returned to the Kemerton lithium refinery for its Trains 3 and 4 expansion, undertaking civil works that include 25,000m³ of concrete, and fabrication of 25 carbon steel tanks and 8 kilns, with a combined weight of 900t. In addition, Civmec has provided maintenance services for Albemarle onsite, and maintenance services for Talison Lithium at their Greenbushes mine.

These four processing facilities combined – for the Pilgangoora Project, Albemarle, Tianqi and Covalent – are forecast to produce around 150,000 metric tonnes of lithium hydroxide locally per year and 330,000–380,000 dry metric tonnes per year of spodumene concentrate for export. This can potentially make millions of electric vehicle and household batteries per year, and will significantly contribute to the increase in electrification needed to tackle climate change.

With many countries pledging to phase out internal combustion engines and move towards a more electrified future, Civmec is very excited to be supporting this transition through our role as a responsible, success-driven contractor in lithium processing projects.



Covalent Lithium Refinery

Energy and Emissions

Energy

Civmec has a track record of identifying opportunities to reduce operational energy use by using modern equipment that is more energy efficient and, where possible, substituting to more efficient energy sources.

Steel manufacturing, construction, and maintenance projects are energy-intensive activities. The dominant energy sources are electricity and consumed gases during manufacturing, and the direct consumption of liquid fuels (primarily diesel) for plant operation during construction and maintenance activities. This year, to enable a better understanding of the Group's overall consumption, we have extended our data collection for energy and emissions to include our construction and maintenance projects. Despite extending the data collection, the overall reported energy consumption reduced by 9 per cent (%). The reduction was primarily driven by an 18% reduction in electricity use by the manufacturing division, as a result of a decrease in the energy intensity associated with manufacturing contracts during the year.

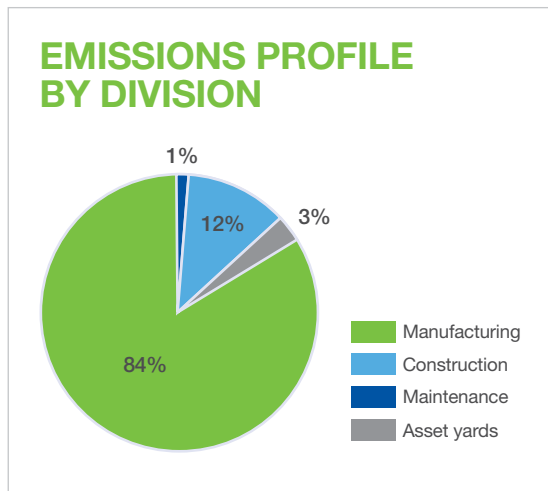
As part of our ongoing commitment to sustainability, we are actively exploring and researching the feasibility and benefits of renewable energy solutions, such as installing additional solar panels to reduce grid energy and decentralise electricity sources, and monitoring the market availability and price changes for electric plant and equipment to procure and transition to a lower carbon fleet. Changing the fleet will also assist clients in their emission reduction targets.

sharing our emissions contributions to their project Scope 1 emissions (which are our Scope 3 emissions). In doing so, we continue to adhere to emissions reporting standards in line with approved international protocols, including the Greenhouse Gas Emissions Protocol and Australia's Clean Energy Regulator. A new addition to this year's emissions reporting and management includes incorporating recommendations from the TCFD.

Following detailed consideration internally, and through discussions with our clients, we identified the majority of our construction and maintenance emissions associated with fuel use are designated as Scope 3. As a result, the emissions profile continues to be dominated by Scope 2 emissions (77% of the absolute emissions) primarily associated with electricity use in the manufacturing division, whilst Scope 1 emissions now contribute to 23% of overall emissions.

In order to better understand Civmec's continuation of its emissions reduction, retrospective calculations were made on FY22 energy use and emissions to obtain a like-for-like comparison. The results indicate an overall reduction in Scope 1 emissions (6%) and a significant reduction in Scope 2 emissions (26%). The latter result is primarily due to the reduction in energy intensity of manufacturing contracts and the reduction in emissions factors in the Western Australian electrical grid.

We have historically measured and compared the emissions intensity of our facilities, a normalised measure of CO₂ emitted in tonnes (tCO₂e) per million dollars of turnover (A\$m). For FY23, our emissions intensity experienced a decrease of 22% compared to the previous fiscal year, despite an equivalent turnover. Again, this result is driven by the reduction in energy use in the manufacturing division.



Emissions

Since 2018, we have been reporting Scope 1 and 2 emissions and intensity for our manufacturing facilities, Henderson and Newcastle. As part of the FY23 reporting period, we have expanded our data collection to include absolute Scope 1 and Scope 2 emissions across our broader business.

We continue to support our clients' emissions reporting and decarbonisation roadmaps by

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ENVIRONMENT continued



A number of specific additional actions were taken to reduce long-term emissions in FY23. We continued to replace our fossil fuel powered forklifts, and we now have 75% of the Civmec-owned forklift fleet now running on electricity. We installed a solar PV system at our Stuart Drive asset yard, which will allow us to reduce the yard's emissions and grid energy usage by approximately 75%, the maximum possible reduction in grid connect electricity, given the time of day use of energy at the yard. We also concluded a feasibility study for a 600kW PV system at our Newcastle manufacturing facility and are in the process of transitioning the energy source at that location, which will be completed in FY24.

Looking ahead, as we continue to focus on our role in the low carbon economy transition, during FY24 we will be establishing long-term goals and near-term targets for emissions reduction, along with supporting plans. To achieve these objectives, we will develop a specific working group, reporting to the Sustainability Committee, focused on identifying emissions reduction through greater resource use efficiency.

The following table illustrate our facilities' energy and emissions data, along with details addressing newly implemented targets.

Metrics	FY23 Performance	FY22 Performance	Change	FY24 Target
Energy				
Absolute Energy (TJ)	58	64	-9%	-
Absolute Energy Intensity (TJ/A\$m)	0.072	0.077	-7%	TBC*
Emissions				
Absolute Scope 1 GHG Emissions (tCO ₂ e)	1,662	1,747	-5%	-
Absolute Scope 2 GHG Emissions (tCO ₂ e)	5,523	7,424	-26%	-
Absolute Emissions Intensity (tCO ₂ e/A\$m)	8.87	11.33	-22%	TBC*

Absolute energy and emissions are new metrics collected from FY23 onwards. FY22 figures were calculated retrospectively.
 * As part of our FY24 plan, we will be developing business specific targets which will give us comparable measures for future reporting.

Materials Recovery and Effluents

Contributing to the growing circular economy through greater resource efficiency and effective waste management continues to be a focus for Civmec.

In FY23, Civmec commenced reporting of a new metric based on the amount of materials diverted from landfill as a percentage of total waste (both hazardous and non-hazardous). The 'materials recovery rate' provides a metric for year-on-year comparison, which is less dependent on the volume and types of activities undertaken.

Materials recovered include recycled metals, cardboard, concrete, paper, cardboard, hazardous wastes used in energy recovery (including waste oil and spent thinners), and upcycled waste streams (such as old computers that are repurposed).

The table below includes waste and materials recovered from our two manufacturing facilities in Henderson and Newcastle, as well as our Henderson, Gladstone and Port Hedland asset yards, and Bibra Lake refractory facility.

In some cases, construction and maintenance projects have waste managed by the client. In other cases, all waste materials are contained and removed from site for further processing by Civmec, unless the client has onsite waste management facilities.

A nominal target of 2% improvement has been set for FY24.

All waste data used in the preparation of this report has been provided by the relevant waste service providers.

Materials Recovery Rate ¹	FY23	FY24 Target
Manufacturing	87%	89%
Refractory	63%	65%
Asset Yards	15%	17%
Overall Total	85%	87%

¹ Materials recovery rate is the total waste by weight that has been diverted from landfill as a percentage of total waste generated.



ENVIRONMENT continued

Water Consumption

FY23 marks our first year of disclosing water consumption figures. Manufacturing facilities' water consumption, including office spaces and gardens, amounted to 15.8 megalitres (ML).

Civmec also uses water in making refractory lining and the general operation of the asset yards. Where water was transported to projects it was primarily used for drinking and dust management. In most cases, the consumption of water at projects was managed by clients.

In FY23, we installed a second smart water meter at our Henderson facility to assist in consumption visibility and identifying when a leak occurs. To better understand water consumption across our operations, we will continue to monitor water use and identify areas for greater water efficiency.

Water Consumption	FY23
Henderson and Newcastle (kL)	15,831

Future Focus

Going forward, we will strive to improve business operation practices where it impacts the environment, communities, and world around us. This includes ongoing improvement in our environmental management strategies and implementing new practices that meet our growing stakeholder expectations.

Our key areas of focus include:

- continuous improvement through mentoring and education in minimising our environmental impact at all Civmec facilities and sites;

- building our alignment with TCFD recommendations, regarding the management of climate-related risks and opportunities, and disclosures;
- investigating an emissions reduction pathway and a target that is science-based;
- continuing to identify opportunities for utilising more efficient technology to drive greater resource and energy efficiency;
- improving our processes for sustainability data collection across the business to further enhance transparency;
- utilising data to support further initiatives in the reduction, reusing and recycling of waste materials and effluents; and
- ongoing promotion and integration of sustainable business practices, including reducing our carbon footprint, improving environmental, social and governance, and improving efficiencies.

We believe that by delivering on the above key focus areas, we will achieve our long-term sustainability goals, delivering valuable outcomes for the environment and our stakeholders. To achieve the goals and targets we have set, we intend to work collaboratively across our operational divisions and engage externally with clients, suppliers and other interested parties.

Covalent Lithium Project





PEOPLE

Impact on People SDGs[^]

10 REDUCED INEQUALITIES Icon: Scales of justice	5 GENDER EQUALITY Icon: Gender symbol	4 QUALITY EDUCATION Icon: Open book	1 NO POVERTY Icon: Family group
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Our people are the foundation of our success.

To ensure we continue to attract top talent and foster the growth of our current team, it is imperative for us to provide sustainable career pathways and development opportunities.

Our business is diverse, operating in a number of sectors, with many varying but related disciplines, on a wide range of projects in different regions across Australia. This provides our people with access to a dynamic and multifaceted environment, in turn creating unparalleled opportunities for personal and professional growth.

During FY23, we delivered on our future commitments from our 2022 Sustainability Report, including:

- continuing our strong commitment to leadership training, including identification of high potential individuals and succession planning;
- continuing to develop and refine our succession planning strategy, which is focused on three key areas – executive management, key operational roles, and diversity targets;
- strengthening our position as an ‘employer of choice’ and adopting industry practices that allow us to grow our workforce sustainably;
- continuing in the development of apprenticeship, traineeship and graduate programs; and
- further strengthening our mental health systems and initiatives to ensure mental health and wellbeing is a continued focus.

[^]The order of the symbols directly corresponds to the relative level of influence we have on the SDGs, from greatest to least impact.

PEOPLE continued

Having identified female participation in operational roles as an area of continued focus for growth, we continued to invest in actions to drive increased gender balance, including:

- focused recruitment campaigns;
- strengthening partnership programs with key stakeholders, including clients, community groups and job networks, providing the foundation skills required for employment in our industry or pathways to higher level qualifications;
- increasing opportunities through our Registered Training Organisation (RTO), with personalised training programs that provide flexibility and ease of access, which remove the barriers that discourage women from gaining the skills and knowledge required to enter our industry sectors; and
- reviewed roles that can accommodate a more flexible roster, including part time and job sharing.

We also implemented and further developed a range of initiatives over the course of FY23. These included:

- delivering MATES in Construction mental health awareness and education training;
- continuation of our FY22 reintegration employment program which provides opportunities for ex-prisoners to re-join the workforce;

- holding a Family Day at our Henderson assembly hall, which was attended by more than 1,000 employees and their families and friends;
- further development and expansion of our formalised Graduate Program;
- continuing our Defence Industry Pathway Program for trainees;
- continuation of our Leadership Development Program, aimed at identifying and training those who seek to reach the highest levels;
- ongoing commitment to our internal LEAD program for those operating in supervisory and leading hand positions;
- expansion of the reward and recognition strategy, further considering the positive inputs of the direct workforce, implementing recognition mechanisms through management and peer-to-peer;
- review of business management systems, such as Civtrac and our payroll software platforms, to drive continuous improvement and efficiency capitalisation; and
- increasing participation in Vocational Education in Schools (VETIS).

Employee of the Year 2022



Employment

As a significant Australian employer, we take great pride in offering a wide range of high-quality employment and training opportunities to people and communities.

During FY23, we provided employment to over 3,400, including approximately 2,850 direct employees. Indirect employment occurs through our supply chains and extends out to regional areas, providing economic benefits to those communities. Temporary personnel are included in these statistics.

Our employment performance and key metrics are outlined in the tables below.

Metric	FY23 Target	FY23	Result	FY24 Target
Women employed (as total % of head office based employees)	Sustain FY22 result ¹ (49.01%#)	49.57	✓	Sustain FY23 result ¹
Women employed (as total % of all employees)	Sustain FY22 result ¹ (8.88%#)	9.38	✓	Sustain FY23 result ¹
Women in management roles (as total % of head office based management employees)	Sustain FY22 result ¹ (12.81%#)	11.11	✗	Sustain FY23 result ¹
Aboriginal and Torres Strait Islander representation (as total % of blue collar employees)*	Sustain FY22 result ¹ (0.89%#)	0.94	✓	Sustain FY23 result ¹
Aboriginal and Torres Strait Islander representation (as total % of all employees)*	Sustain FY22 result ¹ (0.82%#)	0.82	✓	Sustain FY23 result ¹
Apprentices employed	10% increase on number of apprentices from FY22 result (78#)	96	✓	Sustain FY23 result ¹

Highest percentage month

¹ Strategy is to maintain current levels at a minimum

* Estimated figure – identifying as Aboriginal and/or Torres Strait Islander is not a mandatory question during the employment onboarding process

Vivian's Story



“ In 2021, I joined Civmec as a Graduate Engineer and am nearing the completion of my program in August this year. The mentorship and training generously provided by my managers and colleagues have been instrumental in my rapid growth and development.

I am excitedly involved in the construction of Civmec's new facility in Port Hedland, working alongside a lovely and professional team.

My journey with Civmec has been nothing short of remarkable, filled with valuable experiences and rewarding opportunities. ”

Vivian
Graduate Engineer

PEOPLE continued

Employee Benefits

All Civmec employees have access to a range of employee benefits, including, but not limited to, offers and discounts on health, travel, automotive, insurance, goods and services. In addition to this, both full-time and part-time employees receive long service leave, access to paid parental leave, life insurance, and disability/invalidity coverage.

Parental Leave

Civmec’s parental leave scheme provides eligible employees up to ten weeks of paid leave across all regions following the birth or adoption of a child. Secondary carers may also receive up to two weeks’ paid leave.



“ My time at Civmec started in January 2011 as their first storeperson when there was just one big workshop in Henderson. Not everyone could see the vision Jim and Pat had back then. I think people thought they were mad to build such a large workshop. But now, 12 years on, with all the new workshops and offices here, we can all see that vision they had.

I am so proud and privileged to have been part of the Civmec journey, and grateful to be a part of the Civmec family. I’m also thankful to everyone here who has made my new job as a groundskeeper such a pleasure.

My mother always used to say, “Always welcome the day and everyone with a kind word and a warm smile,” and that’s what I always try to do here. I try to lift people’s spirits as they come to work.

I’m truly gifted to have so many beautifully wonderful friends I call my Civmec family.

Les
Groundskeeper

”

Training and Education

At Civmec, we aim to attract, retain, and develop the right people. This includes providing valuable and diverse opportunities for learning, with training that is world class. By investing in our employees' professional development, we ensure we are building a resilient and high-performing team.

Training

Civmec has its own Registered Training Organisation (RTO code 52645), nationally accredited through the Australian Skills Quality Authority (ASQA). Our training programs are designed to equip our workforce with essential skills, while fostering a culture of continuous growth and personal development. Throughout FY23, our RTO successfully delivered approximately 1,700 training courses.

Our internal LEAD program continued to drive leadership development in operations, upskilling emerging leaders on the blue-collar side of the business. 127 employees took part in the program this year, which is delivered in-house through our RTO, with 57 undertaking the Leadership – Leading Hand course, 53 completing the Leadership – Supervisor course, and 17 completing a specialised S1, S2, S3 Supervisor course.

Last year, we introduced our inaugural Leadership Development Program with the objective of shaping and nurturing the upcoming generation of leaders within our organisation. The initial phase, spanning six months (Phase 1), is intensive and focuses on evidence-based and action-oriented tasks. Following this, the subsequent six-month period (Phase 2) emphasises supplementary training and external courses tailored to address the specific development areas identified during Phase 1. This program is specifically designed for driven leaders who are already making a positive impact and aspire to reach the highest levels.

Application was by self nomination, from which fifteen candidates were selected to participate in the program, with the first cohort successfully completing their program in early 2023.

This year, we also launched our Civmec Career Pathways Program, aimed at developing the next generation. Applications opened in February to all Civmec employees. The courses on offer included;

- Certificate IV in Business - Administration (18 months)
- Certificate IV in Work Health and Safety (12 months);
- Certificate IV in Leadership and Management (18-24 months); and
- Diploma in Leadership and Management (18-24 months).

We also added several new courses in FY23, including Translated – Work Safety at Heights (Mandarin), Mines Regulations – Schedule 26 Statutory Positions, Lead Investigator, Certificate IV in Work Health and Safety, Light Vehicle Operating, and Work Safe WA Approvals.

In March, we lodged an approval with Work Safe WA, seeking to be recognised as an approved provider of Health and Safety Representative (HSR) training. The application was successful, enabling us to provide non-English speaking background (NESB) employees with opportunities to receive appropriate training and become HSRs for their colleagues.



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PEOPLE continued



SUSTAINABILITY

Cybersecurity

In response to a rapidly changing digital environment, our commitment to identifying and understanding security risks has been a pivotal focus this year. By recognising the complex and evolving nature of the threats we face, we have established targeted security initiatives, designed to safeguard our systems, assets, and information.

This year signified a strategic shift in our response to cybersecurity challenges with the inauguration of a specialised cybersecurity business unit. This core division demonstrates our commitment to business resilience and risk mitigation, focusing on bolstering our security posture against known and emergent cyber threats.

TRAINING

With the establishment of a dedicated cybersecurity team, we have significantly increased our security awareness and culture across the business, including the incorporation of specialised cybersecurity training into our operations.

Throughout FY23, we executed twelve comprehensive monthly online training modules to educate our workforce on cyber threats and the best ways to detect and respond to them.

In addition, we held nine awareness sessions directly to the executive team, ensuring that our leaders understand the cybersecurity landscape and are equipped to make informed decisions.

For our high-risk teams, three additional specialised training sessions were held to strengthen their skills and prepare them to respond to any potential threats effectively. We also extended our reach to our blue-collar workforce with four specific sessions, including insider threat training, recognising their vital role in maintaining a safe and secure environment.

The success of these training initiatives has been evident in our employees' significantly improved reactions to simulated attacks.

In addition to our training programs, we have conducted incident response planning and security event monitoring, elevating our capabilities and strengthening our management of cybersecurity risks.

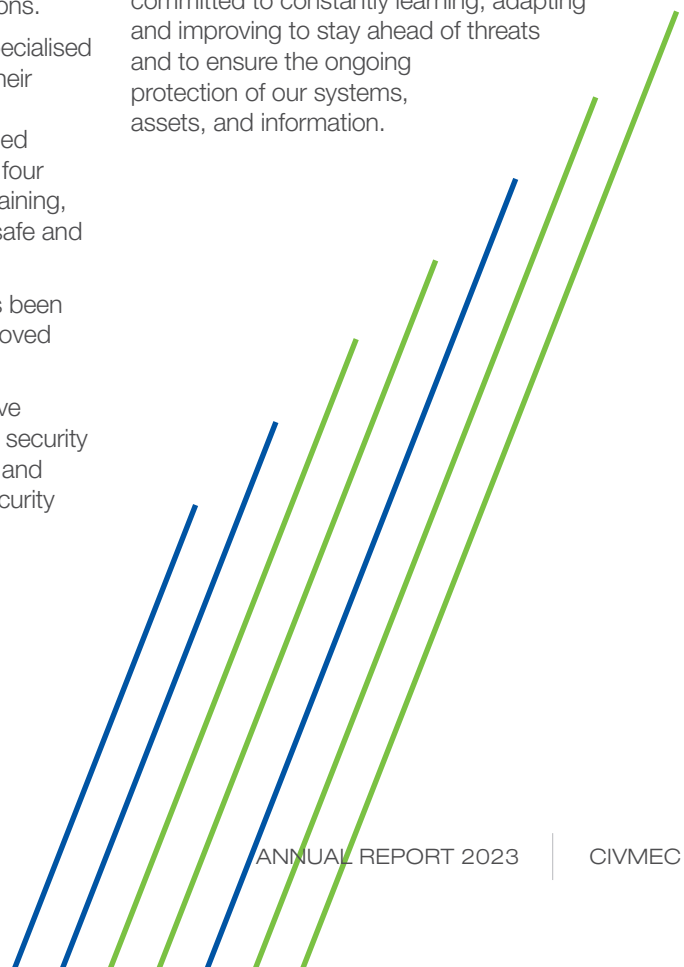
SECURITY CONTROLS AND GOVERNANCE

Our strategic alignment with the Australian Signals Directorate (ASD) Essential Eight security controls has been a fundamental part of our security efforts this year. By adhering to this Australian standard, we have established a baseline of security measures that align with national best practices. Alongside this, we have been diligent in assessing our supply chain to recognise and mitigate potential threats. We implemented strict measures to evaluate our service providers, assessing their security posture and compliance with our standards. We also engaged in comprehensive reviews of our subcontractors, adapting controls where necessary to ensure a cohesive and resilient security framework.

Our improved Defence Industry Security Program (DISP) assurance rating is a testament to these enhanced protocols and underscores our commitment to a protective approach across every aspect of our business operations..

OUTLOOK

Looking ahead, our efforts this year have set the stage for continued progress in cybersecurity assurance. We recognise that we are operating in an increasingly volatile digital age, where security risks are evolving, beyond the conventional boundaries of the past. Our efforts have set the stage for continued progress, but we remain aware of the challenges that lie ahead. We are committed to constantly learning, adapting and improving to stay ahead of threats and to ensure the ongoing protection of our systems, assets, and information.



PEOPLE continued

Education

Civmec continues to invest in the future of our industry, actively engaging 129 apprentices, trainees, graduates and undergraduates in FY23, including 103 apprentices.

We regularly provide apprenticeship opportunities in various trades such as metalwork (boilermakers and welders), electrical work, carpentry, bricklaying, and surface treatment. Our traineeships cover a broad spectrum of sectors, enabling trainees to gain diverse experience. These traineeships encompass areas like business administration, human resources, payroll, quality control, and logistics.

In 2023, eight Civmec apprentices were nominated in the Skillhire apprentice awards. The awards acknowledge the individual achievements of apprentices in areas, such as talent, work ethic and attitude. We were thrilled that two of our nominees went on to win in the categories of Best Second Year, and Best Fourth Year apprentices.

We have continued to support the Defence Industry Pathways Program, attending related events and celebrating one of our graduates receiving a Trainee Safety Award for her time at Civmec.

Furthermore, we continue to support and assist local schools and colleges by providing facility tours to students, allowing them to gain first-hand exposure to the wide range of occupations we support. We collaborate closely with educators on initiatives, such as work experience and career taster programs, participate in school career days and expos, engage with career advisors, and deliver presentations to students and their parents.

It is crucial that we work together with our community, informing individuals about the opportunities we can provide and the potential for personal and professional growth and advancement within our organisation.

Alpius's Story



“ I came to Australia from West Papua under a church program as an exchange student in 2009. Some members sponsored me to stay in Australia and study for two years. After this, I had challenges with trying to find a place to live, and I couldn't secure work. I became homeless and lived out of my van for seven years.

Eventually, I was fortunate enough to get a temporary role as a trade assistant with Civmec.

One evening on site I was playing guitar outside of my dorm room up north. Pat Tallon was placed in the room next door. I didn't know who he was. He approached me, we had a chat and then he offered me to apply for an apprenticeship so I could become a qualified tradesman.

Here I am now, about to graduate as a qualified boilermaker welder and I am very grateful and happy to be working for Civmec. Civmec changed my life and helped me to get a roof over my head. Now I provide for my own future, while working with amazing people. ”

Alpius
Apprentice Boilermaker Welder



[CLICK](#) or scan QR code to view our Access and Equity Policy and learn more.

Career Development

Civmec conducts annual performance and career appraisals for employees at the beginning of each year. This includes self-review, manager review, and face-to-face meetings to discuss assessment, progress, and future goals. The process identifies learning, development, and career opportunities that are tracked throughout the year. Our appraisals have led employees to pursue qualifications in a wide range of areas, including leadership, management, and workplace health and safety. We encourage open communication between employees and managers throughout the year to ensure mutual expectations are met.

We are proud to now have 168 employees that have celebrated five-year tenure and 91 employees with ten-year tenure.

Staff performing functions within administration, support services, operational support, project management and management receive regular performance and career development reviews.

During FY23, 87 per cent of eligible employees participated in the formal performance and career appraisal process.

Katrina's Story



“ I joined the Civmec team in 2011 as a HR Administrator while completing my University Degree in Human Resource Management. My initial role helped me gain practical experience in my field and helped set the foundations for my career. Over the past decade, I have been lucky enough to have witnessed the company's growth, remembering the days when we were working out of a single fabrication workshop to what it is today, occupying multiple buildings across Australia. It is a testament to Civmec's success, which I am proud to have been a part of.

While working at Civmec, I have made some great professional relationships and achieved career highlights. In 2021, I became a Team Lead in the Recruitment department, which has given me the opportunity to mentor and guide our team members and contribute to the continued growth and success of Civmec.

It's hard to believe that it has been 12 years since I started this journey, and it's thanks to a supportive management team who have created a great learning environment for me to thrive in. ”

Katrina
Team Leader Recruitment

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PEOPLE continued

Diversity and Equal Opportunity

Civmec strives to establish a respectful workplace that fosters diversity, inclusivity, and equal opportunities. By embracing individuals from various backgrounds, ethnicities, ages, and experiences, we cultivate a positive work culture that enables everyone to grow and flourish.

Diversity

As we aim for an inclusive and supportive workplace, our focus is on actively leveraging the diverse skills, talents, and perspectives of our workforce. We aim to create an organisation where everyone collaborates effectively, feels valued, and can contribute meaningfully.

We achieved and then maintained 50:50 gender balance within the corporate office (~52.4% at peak) for most of the year. Female apprentices accounted for 5.7% of the overall intake, and female graduate intake was 7%. While we strive to increase these percentages, we are cognisant of the inherent limitations present within our industry and recognise that improving the percentage of women in blue collar roles is a journey that will take some time.

Across the entire company, females accounted for 9.42 percent of all positions. These statistics are typical of operational and project-based site occupations; however we are optimistic that this will shift as more females join the construction industry at the grassroots levels.

In efforts to improve gender diversity and embrace equity, this year we implemented several new initiatives, including staging our first major International Women’s Day event. Hosted by West Coast Eagles AFLW Vice-captain Dana Hooker, Dana shared with us her knowledge and experiences, drawing parallels between football and our own industry in an inspiring and thought-provoking presentation.

Civmec will remain committed to providing a fair, inclusive and diverse working environment free from bias, stereotyping and discrimination.

The following tables represent the breakdown of our employees by gender and age, aligning with the reporting categories of the Australian Government’s Workplace Gender Equality Agency (WGEA) website.

White Collar

Metric	Under 30 years	30 to 50 years	Over 50 years
Chief Executive Officer and Board			
Male	-	-	100%
Female	-	-	-
Key Management Personnel/General Managers/Group Managers			
Male	-	82%	9%
Female	-	9%	-
Managers			
Male	2%	55%	34%
Female	-	6%	3%
Professionals			
Male	16%	44%	16%
Female	3%	15%	6%
Clerical and Administrative			
Male	10%	17%	3%
Female	33%	29%	11%

International Women's Day at Henderson



Blue Collar

Metric	Under 30 years	30 to 50 years	Over 50 years
Technicians and Trade			
Male	11%	54%	33%
Female	0.5%	1%	0.5%
Machinery Operators and Drivers			
Male	5%	44%	45%
Female	2%	2%	2%
Labourers			
Male	23%	43%	22%
Female	4%	5%	3%

Note: Apprentices are not included in the above statistics.

Equal Opportunity

The company is committed to ensuring women and men receive equal pay for equal work and this is reinforced within our remuneration principles. We will continue to undertake an annual remuneration review. If there are any apparent gaps, they will be analysed to ensure that such gaps can be explained with reference to market forces which may include, for example, different rates of pay in different industries; location and the relative supply and demand for different qualifications; individual performance; experience; and capacity of hours able to work. The company lodges its compliance reports with the WGEA annually. A copy of these reports may be obtained via the WGEA website.

Non-discrimination

We monitor the number of filed, addressed and resolved grievances regarding labour practices. Civmec's confidential 24/7 whistleblowing line is available to all employees and external stakeholders for raising concerns.

During FY23, there were two reports received through the whistleblowing system. These reports were related to the same grievance of an employee who felt unfairly treated. The reports were investigated and, following discussion between the parties concerned, a mutually satisfactory outcome was reached.

PEOPLE continued



Cultural awareness presentation with Tony Shaw

Indigenous Engagement

As a Tier 1 contractor, Civmec is aware of the role we must play in the engagement of First Nations people in any areas of our business that present opportunities to do so. Our goal is to enhance Australian communities by offering structured opportunities that create significant, life-changing outcomes and success for First Nations employees and businesses.

When it comes to employment, we take a holistic approach, providing support, training, buddy systems, recognition, ongoing work, trust, respect, and a positive work environment. By offering genuine opportunities to Indigenous people, we know the positive impact can extend well beyond the workplace to individuals’ families, friends, and communities.

In FY23, 8% of our apprentices were of Aboriginal and/or Torres Strait Islander descent, and in a significant shutdown during the year, we achieved First Nations representation amongst our maintenance crew of approximately 10%. We are striving to improve overall representation, with Indigenous workers in blue-collar roles at 1.28%, and overall company representation at 1.06%.

We have been actively engaging with local communities to establish pathways for Indigenous individuals to secure employment with us. By offering opportunities that include onsite experience and access to our RTO, we are witnessing leaders emerging. Our ultimate objective is to cultivate long-term success and sustainable outcomes by training and retaining a robust team capable of seizing opportunities on future projects and works.

We strongly believe in developing mutually rewarding partnerships with Indigenous organisations wherever possible. In addition to partnering with Spartan First for pre-employment medicals, we engaged EWP Yalagan and

Wirringulla Workforce for labour hire. We also utilised First Nations businesses for a range of supply and subcontracting opportunities, including logistics, fleet management, water supply, safety equipment and workwear.

In addition to our annual NAIDOC celebrations, cultural awareness training was provided to senior leadership and HR professionals. The training was delivered to facilitate a better understanding of the adversity First Nations Peoples can sometimes encounter in the traditional recruitment process. It also provided information on various Indigenous cultures. During FY23, we also welcomed respected Aboriginal leader, Tony Shaw, to our Henderson facility, where he delivered a poignant cultural awareness presentation to many of our senior leadership teams.

“Spartan First endorses Civmec’s active Indigenous engagement through our positive working relationship to meet the health needs of their workforce, and their continued partnership supports our organisation’s growth”

Des Headland
CEO, Spartan First

Future Focus

Civmec will continue to focus on our people in the future, including:

- continuing to provide ongoing training and professional development opportunities to our employees at all levels within the business;
- continuing our commitment to leadership training, including identification of high potential individuals and succession planning;
- continuing to develop our apprenticeship, traineeship and graduate programs, as well as ensuring our RTO is offering quality, relevant courses; and
- building and improving on our overall diversity and Indigenous representation across the company.

Further to seeking improvements on overall diversity, we will continue to drive initiatives specifically focused on increasing female participation, including:

- targeted recruitment campaigns and reviewing occupations that can provide a more flexible roster, including part-time and job sharing;
- strengthening partnership programs with key stakeholders, including clients, community groups and job networks, providing the foundation skills required for employment in the resource industry or pathways to higher level qualifications; and
- increasing opportunities through our RTO, with personalised training programs that provide flexibility and ease of access, which remove the barriers that discourage women from gaining the skills and knowledge required to enter our industry sectors.



[CLICK](#) or scan QR code to view our Diversity, Equal Opportunity, Aboriginal and Torres Strait Islander Peoples and Workplace Behaviour Policies.





COMMUNITY

Vinnies CEO Sleepout 2023

Contributing to Local Communities

Employment

During FY23, Civmec contributed approximately A\$325 million in wages to workers across Australia.

Our investment into the Port Hedland community with the construction of our new 5,000m² facility and purchase of accommodation is already providing economic and social benefits to the local area through employment and business partnerships, including investment in teams and businesses that support diversity and Indigenous participation.

Homelessness

Civmec is a long-time champion in assisting the homeless. This year, CEO Pat Tallon took part in the Vinnies CEO Sleepout for the fifth time and became WA's highest individual fundraiser, collecting close to A\$100,000 for Vinnies. In total, the Civmec team exceeded our combined A\$100,000 target, raising over A\$120,000 – the highest amount raised by a team in WA and fourth highest, nationally. This is the second year Civmec was the highest fundraiser in WA for this event. Once again, we are incredibly grateful to everyone who supported us during this campaign to make a difference.

Throughout the year, we also supported the St Patrick's Community Support Centre, which provides accommodation, meals and other services to vulnerable and homeless members of the community. Along with a financial donation at Christmas time, we raised funds for them through a container recycling program, and collected money on St Patrick's Day by giving employees an opportunity dress up in green for a donation in support of homelessness.

Mental Health

Complementing our year-round focus on mental health and wellbeing, we supported various mental health events and initiatives throughout the year. Some of these included R U OK? Day, Blue Arm Band initiative, blue trees on all sites, MATES in Construction Fly the Flag Day, MATES Big Lap, and Walk for Lifeline WA.

By donating e-waste (computers and other technology) to the Men's Shed for upcycling, we assisted in providing the underprivileged with access to technology to facilitate greater overall connection and wellbeing.

By keeping mental health at the forefront of people's minds through regular events and reminders, it is our aim that, if and when difficult times arise, there will be no stigma in seeking help and our people will be acutely aware of the resources available to them.

'Going green' for St Patrick's Community Support Centre



Food and Water

During December, we held a donation drive to collect food and other non-perishables for Foodbank's Christmas appeal. In total, we delivered 126 kilos of food to the charity, allowing Foodbank to create hampers at Christmas time for people in need.

Sione's Foundation is another worthy charity we supported this year, which exists to improve the living standards of the people of Tonga. Civmec fabricated and donated filtration tanks to the foundation after a volcanic eruption affected water supply, ensuring the community has reliable and consistent access to clean water.

Foodbank donations



Women and Children

The youth of Australia are our future, and deserving of our time and resources. This year, we hosted several school group tours of our facility, as well as attended college open days, providing career advice and information, and the opportunity to ask questions and have first-hand, real-world experiences at our facilities.

We supported Children's Medical Research by taking part in Jeans for Genes day, where our employees wore jeans and made donations which will help find cures for children's genetic diseases.



Anglicare donation



Our Gladstone team supported the Zonta Club of Gladstone in their 16 days of activism against violence to women and girls.

To celebrate the 50th anniversary of the Pannawonica Nungarin School, Civmec made a donation to the school, which was acknowledged with a 'Civmec' logo on the pavers within the grounds. We are happy to continue our support of educational environments in regional communities.

Additionally, we made a financial donation to Anglicare WA at Christmas, who visited our Henderson facilities to educate us about their Young Hearts Foundation, a child counselling service that provides a safe and supportive environment for children who have been impacted by domestic violence. We are proud to support such an important service.

Sponsorships

Civmec places great importance on giving back to the community and providing support through sponsorship to many local clubs and events. We were thrilled this year to support a wide range of groups and charities, such as two worthy cancer fundraising events – the MACA Cancer 200 Ride for Research, and the Port Hedland Well Women's Centre Pink Pilbara Breakfast. We also sponsored the Boyne Tannum Sharks, Perth Irish Rugby Club, Claddagh Association, and Rockingham Catalpa Festival, in addition to many other worthy causes.

Jeans for Genes Day

[^]The order of the symbols directly corresponds to the relative level of influence we have on the SDGs, from greatest to least impact.

COMMUNITY continued

Contributing to Local Industry

Civmec is dedicated to supporting the growth and development of local industry, providing approximately A\$300³ million of work to local suppliers in FY23.

We are an active member of a variety of industry bodies and associations, including:

- Australian Steel Institute;
- Chamber of Commerce and Industry WA (CCIWA);
- Energy Club WA;
- Hunter Connect
- Industry Capability Network;
- Industrial Rope Access Trade Association (IRATA)
- Mining & Energy Services Council of Australia (MESCA);
- Rockingham Kwinana Chamber of Commerce;
- Subsea Energy Australia; and
- WA Mining Club;

In June, we also sponsored the CCIWA's annual construction industry dinner, which brings together leaders and representatives from the construction, resources and mining sectors.

³ Local suppliers were identified based on distance from our facilities and sites as follows: Henderson <100km, Newcastle <50km, Kemerton <25km, Gladstone, Port Hedland and Karratha <20km

Australian Industry Participation

Civmec acknowledges the impact our procurement practices have on the sustainability and long-term wellbeing of the communities we operate in. Wherever possible, we aim to source and select Australian subcontractors and suppliers that align with our environmental, economic and social objectives.

We provide full, fair and reasonable opportunity for local industry to take part in all activities, maximising local industry participation where subcontractors and suppliers are capable and competitive on the basis of OHS, environment, quality, delivery and value-for-money standards.



We support economic inclusion where possible through partnerships with small and medium-sized suppliers and Indigenous businesses in the local community.

Our Australian Industry Participation (AIP) Policy further details our commitment to the sustainability of local industry, including:

- developing project-specific AIP plans;
- providing early and fair opportunities to all local industries;
- developing and implementing our communications strategy for local industry so that they are informed at the earliest opportunity of upcoming subcontractor/supply opportunities;
- ensuring local capabilities are considered when planning work scope to optimise opportunities for local businesses;
- providing training and development opportunities for local providers in order to enhance their sustainability;
- giving added consideration to tenderers that use the greatest local content in labour and materials; and
- working with government, industry bodies and communities to improve local industry participation, capability and competitiveness.



CLICK or scan QR code to view our Australian Industry Participation Policy.

Modern Slavery

Respecting and promoting human rights is fundamental to how we operate. We know the line and have policies and procedures in place that protect and empower our workers.

We have committed to increasing the visibility of modern slavery risks in our supply chain, so we can work with suppliers to reduce that risk. This action aligns with SDG 8 – Decent Work and Economic Growth.

During FY23, we updated our processes to contain specific measures to address modern slavery. This included our procurement procedure, subcontractor pre-qualification procedure, pre-qualification questionnaire, vendor information form, tender bid evaluation, project specific subcontract/agreement and purchase terms and conditions.

In order to improve our understanding of modern slavery risks within the supply chain, we contacted our major Tier 1 suppliers from different sectors.

A questionnaire, which was aligned with government recommendations and the Social Responsibility Alliance (SRA), was distributed to suppliers to determine:


- the visibility of their supplier chain,
- the degree of implementation of policies, procedures, and contractual terms and conditions they have in place that prohibit modern slavery, tracking, child labour, debt bondage, discrimination in their operations;

- the degree of implementation of policies, procedures, and contractual terms and conditions maintain a safe human rights standard in the procurement processes.


Responses to the survey included suppliers of manufactured steel, labour hire, plant and equipment hire, tools, PPE, fuel, concrete, paints and other consumables (such as those used in fabrication, paint and blast, and construction). Most of our suppliers source locally from Australia. Where they did not source locally, the main countries of origin were China, United Kingdom, USA, Germany, Thailand and South Africa, of which China and Thailand were identified as high-risk countries according to the SRA. The risk becomes critical where the material produced from that country is also a high-risk product. Some of the high-risk products, according to SRA, include garments, lithium-ion batteries, components of solar panels and aluminium products.

Where we have identified areas of improvement for our suppliers, Civmec will foster a collaborative process to ensure our suppliers reduce the risk in their supply chain.

Our Modern Slavery Statement is reviewed annually and outlines our actions to monitor and prevent modern slavery from entering Civmec’s operations and supply chain. This is available to view on our website. Going forward, Civmec will work with our suppliers to reduce modern slavery risks, and also to improve our alignment to Australian Steel Institute recommendations.



[CLICK](#) or scan QR code to view our **Modern Slavery Policy**.



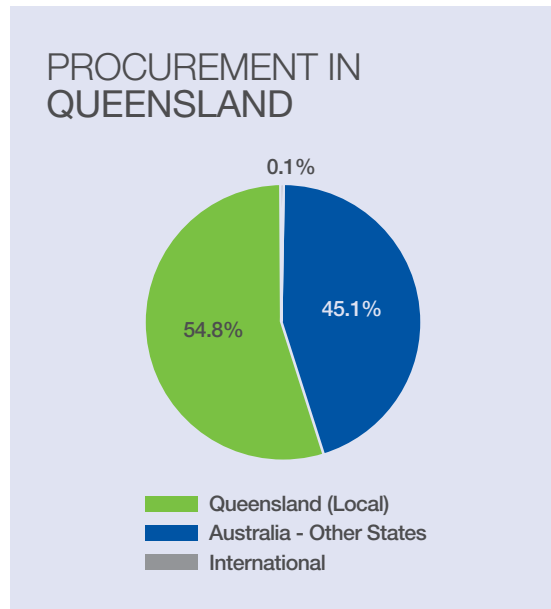
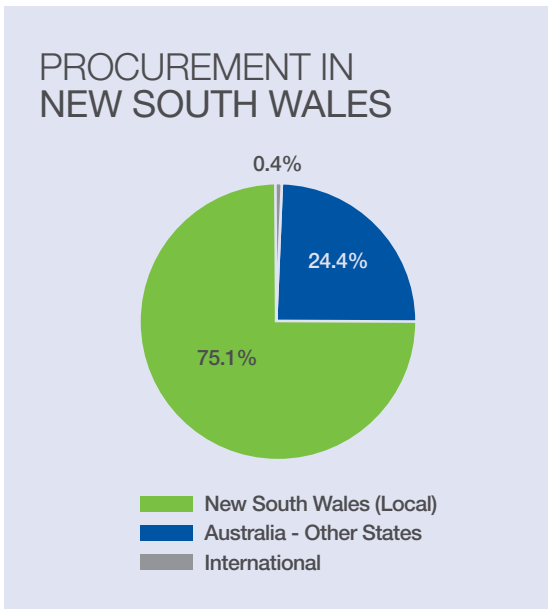
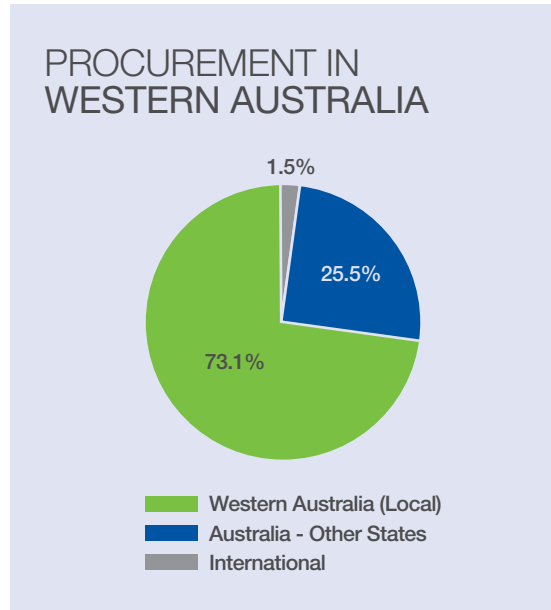
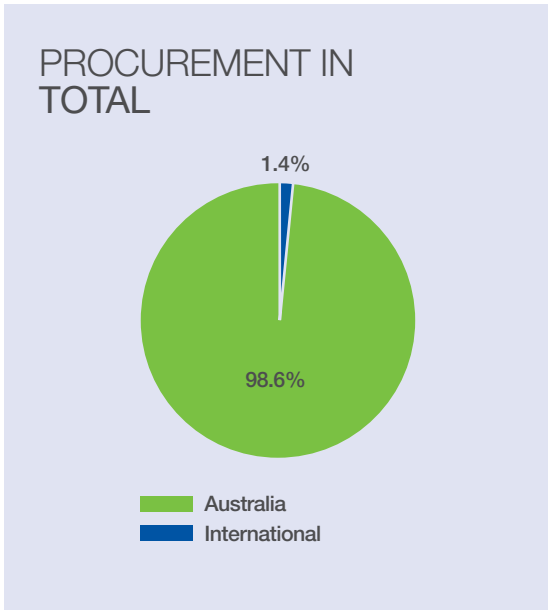
[CLICK](#) or scan QR code to view our **Modern Slavery Statement**.



COMMUNITY continued

Procurement Breakdown

The following graphs illustrate procurement breakdown by the proportion of spend to local, national and international suppliers (or suppliers outside of Australia) in each our three major locations of operation: Western Australia, New South Wales and Queensland.



In FY23, 98.6% of Civmec's procurement was sourced from within Australia

Socioeconomic Compliance

Socioeconomic compliance is a critical factor in ensuring our successful operations. We are committed to complying with all known legal requirements and legislations. As Civmec operates in a number of geographical regions and market sectors, it is integral to our business that we capture and report on our influences at the macro socioeconomic level and monitor and report on the direct impacts of our business activities in the communities in which we operate.

We continuously review and analyse the ways in which we respond to issues of concern raised through engagement with our stakeholders and which influence their assessment of the company. These include initiatives, both within and outside the company, including the review of our Code of Conduct, policies and procedures in relation to human rights issues, ethical supply chain relations, our contribution to local economies and capacity development at community level.

We impact a wide range of stakeholders in the regions in which we operate, both within local communities and broader national economies. We always try to understand and respond to our stakeholders' interests. Doing so helps us be a good neighbour, an effective partner and a sustainable operator. Our engagement with communities, employees, stakeholders and clients seeks to understand the social, cultural, environmental and economic implications of our activities so that we can better respond to concerns, reduce negative impacts and optimise benefits for local communities and the broader economy.

We are committed to conducting our operations with integrity and in a manner that is consistent with laws and business practices that are aimed at fostering an open, competitive and fair market environment and which will best serve the long-term interests of our customers, our stakeholders and the wider community.

Civmec did not receive any fines or major non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic arena during FY23.

Future Focus

Civmec remains committed to making a difference and having a positive influence in the community. We are proud to have built many meaningful relationships with community groups and support a range of organisations in the various regions of our operations, and beyond.

Our future focus includes:

- seeking new and meaningful relationships with community groups, whereby we can offer support and further develop our value to "make a difference";
- continuing to grow employee participation in community engagement initiatives, by providing them with the vehicles and opportunities to contribute; and
- continuing to maximise relevant opportunities for community engagement.

Specifically, in the Port Hedland area (where we are currently developing our new facility), we will focus extensively on community engagement and relationship building to better service clients at both the port and inland mine locations. We want to integrate and truly become a valued member of the Port Hedland community, engaging with local businesses and the community at large, Indigenous and non-Indigenous alike, and offering new opportunities to the people in the region who are interested in participating in the operations we deliver.



Civmec Family Day

STAKEHOLDER ENGAGEMENT

We recognise the importance of maintaining open and transparent lines of communication with our stakeholders. We aim to deliver relevant, timely and accessible information and provide opportunities for feedback to understand stakeholder views.

Some of our stakeholder engagement activities in FY23 included:

- Family Day at Henderson, involving Civmec employees, clients working at the facility, family members and friends;
- Four ‘Now You Know’ national company updates, presented to employees by either the CEO or other senior leaders within the business;
- Stakeholder events for local community members at Port Hedland, including sod turning, Welcome to Country and smoking ceremonies;
- First Steel Cut event at Henderson for the J-IC SCMS project;
- Various facility tours for stakeholders, including school students, suppliers and clients;
- Exhibiting at industry events, such as the Defence Industry’s Land Forces 2022;
- Exhibiting at recruitment and training expos, such as the Cecil Andrews College World of Work Expo;
- Christmas party, inclusive of all employees and partners;
- After-work social events, inclusive of all employees, with food and drinks provided;
- Multiple investor relations presentations;
- Attendance at many client-led group workshops on various topics, such as psychosocial behaviour on sites and at camp facilities;
- Participation in various HSEQ forums; and
- Several site visits, addressing the workforce with general company status updates.

Other ways in which Civmec engaged with stakeholders, both directly impacted or actively interested in our business, are outlined in the following table.

Stakeholder Engagement

Directly impacted stakeholders	
Employees	Day-to-day operational interaction; internal communications; company updates; intranet; meetings; town hall forums (for local engagement); surveys; social media; community and social events
Business partners	Day-to-day operational interaction; joint venture boards and operating committees; meetings; workshops; social media; community and social events; industry associations and events; facility tours
Subcontractors and suppliers	Day-to-day operational interaction; meetings; inductions and training; compliance audits (safety, quality, environment); social media; industry associations and events
Clients	Day-to-day operational interaction; meetings; surveys; social media; community and social events; industry associations and events; facility tours
Board	Reporting; meetings
Communities	Project-specific community engagement plans; local media; social media; website; local industry associations and events; community events; employment opportunities; local supply arrangements
Civil society organisations	Community engagement plans; local media; social media; website; community events; sponsorships; charity events; employment opportunities
Shareholders and investor community	Annual General Meeting; Annual Report; ASX/SGX releases; half-year and full-year results presentations; intermediate investor updates; media; website; social media; facility tours
Actively interested	
Government and regulators	Reporting; meetings
Media	Media releases; briefings and interviews; website; social media; facility tours
Industry associations	Memberships; representation on boards and committees; meetings; industry events
Trade unions	Meetings
Non-government organisations	Participation in forums; meetings; industry associations and events

Cutting of first steel for J-IC SCMS



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We also communicated our strategy to target extra layers of growth in Infrastructure in the medium term, and, in the longer term, increased involvement in shipbuilding and sustainment programs for the Royal Australian Navy.

During the year, we actively engaged with investors who expressed interest in the activities of the company, providing 20 separate presentations to more than 60 individual investors and analysts in Australia and Singapore. Several of those also attended tours of our Henderson facility. We remain committed to ensuring our investors are informed of our strategic direction.

Media Coverage

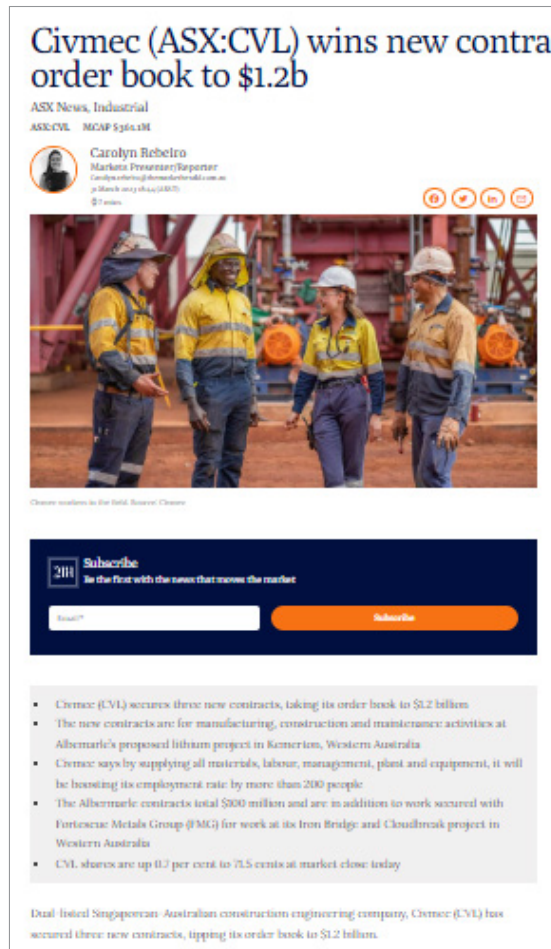
Regarding media coverage, Civmec garnered attention as a small-cap stock to watch due to our consistent performance throughout FY23. We engaged with the media by directly communicating announcements and financial updates to media outlets. We participated in one-on-one interviews, including interviews by CEO Pat Tallon for Money FM 89.3 Singapore and The Edge Singapore.

Various outlets, including press and digital media channels, covered Civmec throughout the year, discussing a range of topics that included contract awards, financial results, growth and other company updates. The SABR Project received a four-page feature in the Autumn edition of Steel Australia magazine. In addition, our continued social media presence ensures that we communicate and engage with stakeholders using multiple streams in order to maintain open lines of communications.

Steel Australia Magazine: 'Civmec takes on 2,000 tonne shiploader at Hay Point terminal'



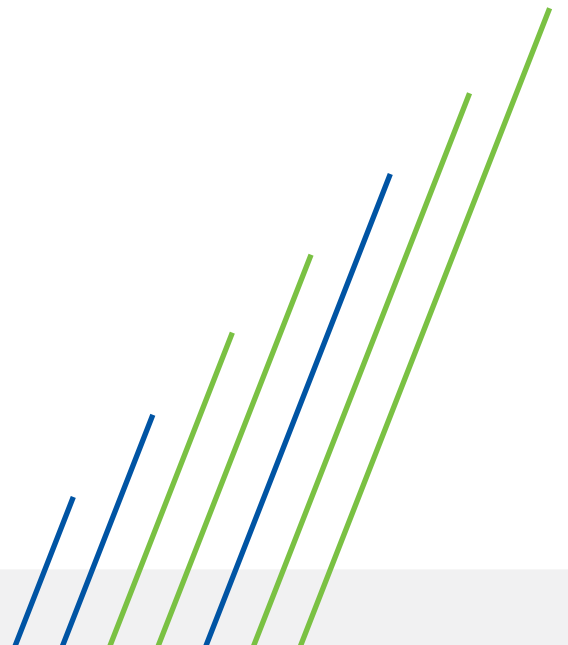
The Market Herald: 'Civmec wins new contracts, takes order book to \$1.2b'



044

GOVERNANCE

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[^]The order of the symbols directly corresponds to the relative level of influence we have on the SDGs, from greatest to least impact.

The Board of Directors and senior management of Cimec understand the importance of good corporate governance in ensuring transparency and protecting the interests of shareholders, as well as strengthening investors' confidence in the management of all aspects of the company's operations.

The importance of this was emphasised in the results of our Materiality Assessment, which ranked Anti-corruption and Taxation as the top two material issues to our business.

Accordingly, the Board and management are committed to maintaining the highest standards of corporate governance, endorsing the SGX Principles of the Code of Corporate Governance and the ASX Corporate Governance Principles and Recommendations. Cimec's Report on Corporate Governance for the year ending 30 June 2023 (in which we report against these principles) is included within our 2023 Annual Report and on our website.

To assist in the execution of its responsibilities, the Board has established several Board Committees, including an Audit Committee, Nominating Committee, Remuneration Committee and Risks and Conflicts Committee. These Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis.

During the financial year, all Cimec directors and independent directors completed approved sustainability training, as per the SGX requirement.



CLICK or scan QR code to
Code of Conduct

Code of Conduct

The Cimec Code of Conduct sets a standard of behaviour and workplace culture and acts as a guide to our people as they perform work, make decisions and represent the company. It also extends to any person who is a representative of the Cimec Group, whether it be during or outside of work hours, at any location, to the fullest extent possible, and including suppliers and their employees, subcontractors and agents.

Our Code of Conduct is based around integrity, openness and accountability, and is underpinned by the six Cimec values of commitment, value driven, excellence, innovation, make a difference and collaboration.

We will continue to advocate good corporate governance and high standards of integrity and ethics across our operations, driven by the actions and behaviours of our people. This is underpinned by our Code of Conduct, which will continue to be reviewed and evolved going forward, to meet the expectations of our business, our stakeholders and the communities in which we operate.

Available to view publicly on our website, the Code of Conduct has been approved by the Cimec Board of Directors and is reviewed regularly to ensure continuous improvement.



ANTI-CORRUPTION

Although Cimec operates in a well-regulated environment, we continue to remain vigilant to the potential for corruption.

Our Anti-bribery and Corruption policy and Code of Conduct provide guidance on appropriate conduct, whilst our whistleblower hotline provides a secure means to report perceived and/or actual corrupt behaviour.

Assessment Processes

The company's management teams have evaluated all legal entities for the implementation of anti-corruption measures and incidents of corruption.

New major suppliers must adhere to the Supplier Code of Conduct, which includes a zero-tolerance policy for bribery and corruption. Suppliers are required to have systems in place for training, auditing, and instructing personnel and subcontractors to ensure compliance. We conduct supplier audits and evaluations to monitor adherence to company requirements and the Code of Conduct. Suppliers are also obligated to promptly report any known violations.

Corruption risks are investigated through ongoing internal audits. If corruption is suspected, the HR business unit, along with the executive team and other relevant units, will conduct an investigation, potentially with the assistance of specialized third parties. The Risks and Conflicts Committee reviews the investigation findings and is informed about disciplinary actions taken against responsible employees. These actions may include termination of employment or contracts with business partners. The committee may also participate in decision-making on significant matters.

Communication and Training

Our approach to anti-corruption is based on the Code of Conduct (Code), which clearly prohibits bribery and corruption. Compliance with the Code, as an integral part of the employment contract and the onboarding program, is the personal responsibility of each Cimec employee.

In addition, employees receive regular and appropriate training. Corporate Legal, Internal Audit and Corporate Compliance teams regularly conduct training sessions and audits. Executive General Managers and Business Unit Managers are responsible for the compliance of their departments with applicable laws, internal regulations, including the Code, and for the information and training of their staff.

We regularly conduct formal training in proactive avoidance of possible violations against the Code, both with e-learning and with classroom-based (face-to-face) courses. Training is group specific, based on cases, and modern training tools are used (multimedia). The importance of participation is regularly emphasised and, in many cases, attendance is mandatory for employees in relevant roles with training to be undertaken within specified time periods.

Recorded Incidents

Adoption of and compliance with the Code of Conduct by the General Managers and their management teams was reviewed in 2023.

Our employees are the most effective channel to detect violation, underlining transparency as a key value at Cimec which must be supported and preserved.



CLICK or scan QR code to view our Anti-bribery and Corruption policy



In FY23 there were no formal allegations made against Cimec in relation to bribery, corruption or kickbacks. There were also no legal proceedings against Cimec or its employees for alleged corruption during FY23.

ANTI-COMPETITIVE BEHAVIOUR

Purpose

Operating in a variety of different regions and sectors, we engage with a range of customers, competitors, suppliers, and stakeholders. Compliance with laws and anti-competitive practices is essential for our sustainability. We are committed to conducting operations with integrity, fostering a fair and open market, and serving the long-term interests of customers, stakeholders, and the community. We observe relevant legislation, regulation, contractual obligations and our corporate policies, in particular, the provisions of the Competition and Consumer Act (CCA), and the Australian Consumer Law (ACL).

Guidelines

The key guidelines which govern our approach to anti-competitive behaviour are as follows:

1. The CCA governs anti-competitive and unfair behaviours. It is regulated by the Australian Competition & Consumer Commission ('ACCC').
2. Our corporate policies prohibit entry by any person representing Cimec into any arrangements which are illegal under the CCA, have the purpose or (in some cases) the effect of substantially lessening competition, or breach the ACL.
3. We predominantly operate under the provisions of the CCA and ensure compliance with this Act (amongst others). This includes the prohibition of behaviours such as:
 - (a) agreements between competitors to fix, maintain or control prices;
 - (b) agreements between competitors to split up a market or customers agreements between competitors not to deal with particular suppliers, customers or other competitors;
 - (c) conduct that is prohibited if it has the purpose or effect of substantially lessening competition as defined under the CCA, which may include, depending on circumstances, exclusive dealing and other restrictive arrangements;
 - (d) the supply of goods or services on condition that the customer purchases goods or services from a third party; and
 - (e) inducing resellers to not sell products below a specified price.

We also prohibit agreements, arrangements or understandings that have the purpose, effect or likely effect of substantially lessening competition in a market.

Policy Compliance

Noncompliance with anti-competitive policy may lead to significant fines, penalties, legal liability, or reputational harm for Cimec. It could also jeopardise our business licenses. Employees who violate the policy may face disciplinary action, including termination.

The Executive General Manager – Operational Support is accountable for implementing Cimec's competition law compliance.

We recognise anti-competitive policy compliance as critical to the business because:

- failure to comply with competition rules can have an extremely high financial cost with regards to fines from the Australian Government;
- any agreement that infringes competition law may be wholly or partially invalid which means that the company cannot enforce it;
- third parties who suffer loss as a result of anti-competitive behaviour may be able to claim damages from Cimec for their loss;
- investigations into the company and findings of infringements attract adverse media comment; and
- investigations and possible legal proceedings resulting from infringements can take years to resolve, incurring high costs and taking up management time that should be devoted to more profitable projects.

We encourage our staff to actively report any conduct that may violate the CCA to their line manager, the Executive Group Manager – Operational Support, or through the Cimec confidential whistleblower hotline.

Cimec had zero legal actions pending or completed in FY23 in relation to anti-competitive behaviour and violations of anti-trust and monopoly legislation.

Furthermore, to date, Cimec has never received or been the subject of any legal action in relation to anti-competitive behaviour and violations of anti-trust and monopoly legislation.

TAXATION

Civmec acknowledges the importance of taxes as crucial government income and an essential means for organisations to contribute to the countries where they function.

During FY23, the majority of our operations were conducted in Australia. The total amount of tax and payments to government, including corporation tax, PAYG tax, payroll tax, goods and services tax, excise tax, customs tax, fringe benefit tax, property tax and government levies was A\$138 million.

We are dedicated to adhering to all applicable tax laws in the regions where we operate and fulfilling our financial responsibilities with integrity and transparency. Further details regarding tax payments are available within Section 5: Financial Report.

Guidelines

The key guidelines governing our approach to tax are as follows:

- ensuring we remain familiar with all tax reporting and payment obligations within our jurisdiction;
- declaring all assessable income and allowable deductions;
- participating only in legitimate tax planning;
- where necessary, obtaining the advice of professionals and experts; and
- making ourselves available to the tax authorities at all times, and responding to any requests in a timely manner.

This year, the Australian Taxation Office (ATO) completed their Combined Assurance Review (CAR) of the Group for the 2018-2021 financial years, which resulted in a finding that the overall level of assurance was 'high', placing Civmec in the top 22 per cent of companies reviewed. This is a major achievement for the Group, as within our industry it is not abnormal for the level of assurance to be given a lower rating.

By continuing to make fair and reasonable contributions to the national economy, we support our local and broader communities and their sustainability, and continue to meet the expectations of our customers, stakeholders and the general public.

Future Focus

Civmec will continue to advocate good corporate governance and high standards of integrity and ethics across our operations, driven by the actions and behaviours of our people. This is underpinned by our Code of Conduct, which will continue to be reviewed and evolved going forward, to meet the expectations of our business, our stakeholders and the communities in which we operate.



REPORT ON CORPORATE GOVERNANCE

Introduction

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

This corporate governance report ('Report') describes the Company's corporate governance framework and practices that were in place during the financial year ended 30 June 2023 ('FY2023') with specific reference to the Principles and Provisions of the Singapore Code of Corporate Governance 2018 (the 'Code') and the 4th edition of the Australian Securities Exchange ('ASX') Corporate Governance Principles and Recommendations ('ASX Principles and Recommendations'), which is also available on the Company's corporate website.

In line with the commitment of the Company to maintaining high standards of corporate governance, the Company continually reviews its corporate governance processes to strive to comply with the Code. To the extent the Company's practices may vary from the provisions of the Code for FY2023, the Company has explained how its practices are consistent with the intent of the relevant principles of the Code.

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

Board Matters

The Board's Conduct of Affairs

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

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

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

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

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

Board Matters (continued)

The Board's Conduct of Affairs (continued)

Provision 1 (continued)

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

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

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

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

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

During FY2023, all Board members completed a training course and obtained a Certificate in Sustainability for Directors.

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

The Board has delegated the day-to-day management of the Group to the senior management, headed by the Executive Chairman, Mr James Finbarr Fitzgerald, the Chief Executive Officer, Mr Patrick John Tallon and the Chief Operating Officer/acting Chief Financial Officer, Mr Kevin James Deery. The Board has reviewed and adopted the delegation of authority ("DOA") during FY2022 regarding the signing authority and limits. The DOA sets out the authorisation levels required for specific transactions, including those requiring Board approval.

Matters that are specifically reserved for the approval of the Board include, among others:

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

Board Matters (continued)

The Board's Conduct of Affairs (continued)

Principle 1 (continued)

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

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

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

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

The number of Board and Board Committee meetings held and attended by each Board member during the financial year ended 30 June 2023 is set out below:

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

*By Invitation

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

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

Directors are provided with a copy of documents containing a wide range of relevant information, including but not limited to quarterly and annual financial results, progress reports of the Group's operations, corporate and business developments, management information, sector performance, budgets, forecast, capital expenditure and personnel statistics, reports from both external and internal auditors, significant project updates, business strategies, risk analysis and assessments and relevant regulatory updates.

Board Matters (continued)

The Board's Conduct of Affairs (continued)

Principle 1 (continued)

Provision 1.6 (continued)

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

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

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

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

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

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

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

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

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

The independence of each Director is reviewed annually by the NC in accordance with the Code's definition of independence. Each independent director is required to declare their independence by duly completing and submitting a 'Confirmation of Independence' form. The declaration requires each Director to assess whether they consider themselves independent and not having any form of relationships identified in the Code. Each Director is required to declare any circumstances in which they may be considered non-independent. The NC reviews the Confirmation of Independence to determine whether a Director is independent. The NC also considers the actions and conduct of the independent directors, including in formal Board meetings, to assess their independence.

As at FY2023, Mr Chong Teck Sin, Mr Wong Fook Choy Sunny and Mr Douglas Owen Chester have served on the Board for more than 9 years from the date of their first appointment. Based on Mr Chong Teck Sin, Mr Wong Fook Choy Sunny and Mr Douglas Owen Chester ("Independent Directors") declaration, the Independent Directors do not have relationships or circumstances that are likely to affect or that could affect their judgement which could compromise their independence on board matters.

Board Matters (continued)

Board Composition and Guidance

Principle 2 (continued)

Provision 2.1 (continued)

In line with the SGX-ST Listing Rule 210(5)(d)(iii) which was in effect at the time of the AGM, the continued appointment of an Independent Director who has served the Board for an aggregate of more than 9 years was subject to the approval of (a) all shareholders and (b) shareholders, excluding shareholders who are directors and Chief Executive Officer of the Company ("Two-Tier Voting").

In this respect, the approval of the shareholders was obtained through a Two-Tier Voting at the AGM on 28 Oct 2022 for Mr Chong Teck Sin, Mr Wong Fook Choy Sunny and Mr Douglas Owen Chester to continue in office as a Independent Non-Executive Director of the Company, notwithstanding that they have served as an Independent Non-Executive Director of the Company for an aggregate term of more than nine years.

The new SGX-ST Listing Rule 210(5)(d)(iv) and the Transitional Practice Note 4 of the SGX Listing Manual states that a Director will not be independent if they have been a director of the issuer for an aggregate period of more than 9 years. Rule 210(5)(d)(iv) takes effect from an issuer's AGM for the financial year ending on or after 31 December 2023, which is anticipated to occur in October 2024. As such, during the transitional period, Mr Chong Teck Sin, Mr Wong Fook Choy Sunny and Mr Douglas Owen Chester can continue in office as Independent Non-Executive Directors of the Company.

The Independent Directors have, over time, not only gained valuable insight into the Group, its business, markets and industry but have brought the breadth and depth of their business experience to the Company. Their length of service has not in any way interfered with their exercise of independent judgment nor hindered their ability to act in the best interests of the Company. The Board has concluded that Independent Directors continue to remain objective and independent-minded in Board determinations.

Taking into account the above after due consideration and careful assessment, and also having weighed the need for Board refreshment against tenure for relative benefit, the NC and the Board are of the view that the Independent Directors continue to be considered an Independent Director notwithstanding that they have served on the Board beyond 9 years.

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

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

The majority of the Company's Board are not Independent Directors, including the Chairman. The Board's current composition offers a good balance of diversity and professional background of Directors. It brings a range of longer-term benefits to the Company in contrast to having a majority percentage of Independent Directors serving on the Board.

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

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

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

Board Matters (continued)

Board Composition and Guidance (continued)

Principle 2 (continued)

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

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

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

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

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

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

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

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

Board Matters (continued)

Board Composition and Guidance (continued)

Principle 2 (continued)

Provision 2.4 (continued)

The composition and renewal of the Board, including the need for progressive refreshing of the Board, is reviewed on an annual basis by the NC to ensure that the Board has the appropriate balance and mix of skills, knowledge, expertise, experience and other aspects of diversity such as gender and age, so as to avoid group think and foster constructive debate and possesses the necessary competencies for effective decision making. The Company's Annual Sustainability Report clearly articulates its strategy, targets, performance, and future focus in relation to diversity of the Company as a whole. If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director, the NC, in consultation with the Board, will consider the range of diversity perspectives, including, but not limited to, those described in the Company's Diversity Policy and select the appropriate candidate for the position. The selection of the Directors will be based on merit and potential contribution to the Board, and candidates will be considered against objective criteria that complements and expands the skills and experience of the Board as a whole, and having given due regard to the overall balance and effectiveness of a diverse Board. The main objective is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the attainment of the Company's strategic objectives and its sustainable development. The NC has not set a specific target for board diversity as it may detract from the more fundamental principle that the candidate must be of the right fit and meet the relevant needs and vision of the Company.

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

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

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

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

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

Board Matters (continued)

Chairman and Chief Executive Officer

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

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

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

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

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

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

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

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

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

Board Matters (continued)

Board Membership

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

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

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

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

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

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

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

The formal terms of reference of the NC are to:

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

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

Board Matters (continued)

Board Membership (continued)

Principle 4 (continued)

Provision 4.1 (continued)

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

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

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

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

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

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

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

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

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

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

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

Board Matters (continued)

Board Membership (continued)

Principle 4 (continued)

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

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

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

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

Name of Director	Date of Initial Appointment	Date of Last Re-election	Present Directorships in Listed Companies	Past Directorships in Listed Companies ⁽¹⁾
James Finbarr Fitzgerald	27 Mar 2012	28 Oct 2022	-	-
Patrick John Tallon	27 Mar 2012	28 Oct 2022	-	-
Kevin James Deery	27 Mar 2012	28 Oct 2022	-	-
Chong Teck Sin	27 Mar 2012	28 Oct 2022	InnoTek Limited AIMS APAC REITS Management Limited	Changan Minsheng APLL Logistics Co., Ltd ⁽²⁾⁽³⁾
Wong Fook Choy Sunny	27 Mar 2012	28 Oct 2022	Mencast Holdings Ltd InnoTek Limited	Excelpoint Technology Ltd
Douglas Owen Chester	2 Nov 2012	28 Oct 2022	-	-

Notes:

- (1) Past Directorships within the past 3 years
- (2) Listed on Hong Kong Stock Exchange
- (3) Appointment ceased on 30 June 2023

Board Matters (continued)

Board Membership (continued)

Principle 4 (continued)

Provision 4.5 (continued)

The NC has considered and taken the view that it would not be appropriate at this time to set a limit on the number of listed company directorships that a Director may hold. Directors have different capabilities, the nature of the organisations in which they hold appointments and the committees on which they serve are of different complexities, and accordingly, each Director would personally determine the demands of their competing directorships and obligations and assess the number of listed company directorships they could hold and serve effectively. Currently, none of the Directors hold more than two (2) directorships in other listed companies.

In addition, the NC also determines annually whether a Director with multiple board representations is able to and has been adequately carrying out their duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board. The NC is satisfied that for FY2023 sufficient time and attention have been devoted by the Directors to the affairs of the Company and the Group. As such, there is presently no need to implement internal guidelines to address their competing time commitments notwithstanding that some of the Directors have multiple board representations.

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

Board Performance

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

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

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

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

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

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

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

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

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

Board Matters (continued)

Board Performance (continued)

Principle 5 (continued)

Provision 5.2 (continued)

The NC conducted a performance evaluation of the Board and Board Committees for FY2023 consistent with this process and determined that all directors have demonstrated full commitment to their roles and contributed effectively in the discharge their duties. Both the NC and the Board are of the view that the Board has met its performance objectives for FY2023.

Remuneration Matters

Procedures for Developing Remuneration Policies

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

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

- (a) a framework of remuneration for the Board and key management personnel; and
- (b) the specific remuneration packages for each director as well as for the key management personnel.

The Company has established a RC to make recommendations to the Board on remuneration packages of individual Directors and key senior management personnel. The Company has developed a remuneration policy for fixing the remuneration packages of Directors and senior executives.

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

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

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

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

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

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

Remuneration Matters (continued)

Procedures for Developing Remuneration Policies (continued)

Principle 6 (continued)

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

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

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

The Company has a policy that governs the Directors and senior management personnel dealing in securities trading. The securities trading policy reflects the Corporations Act 2001 prohibition on senior management personnel and their closely related parties from hedging the senior management personnel's incentive remuneration. The senior management personnel, and their immediate family and controlled entities are prohibited from entering into any arrangement that would have the effect of limiting the senior management personnel's exposure to risk relating to an element of the senior management personnel's remuneration that is unvested, or is vested but remains subject to a holding lock. The securities trading policy sets out closed periods for trading in securities by KMP including for one month prior to and 48 hours after release of half yearly and annual financial results. The policy also restricts KMP from engaging in short term trading of securities.

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

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

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

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

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

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

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

Remuneration Matters (continued)

Level and Mix of Remuneration

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

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

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

During FY2023, no Share Options under the CESOS were granted, as required under the ASX Listing Rules. Refer to the Directors' Statement for details of Performance Rights granted to Executive Directors and key senior management personnel.

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

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

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

	Annual Fees (\$)
Independent Director who is the Chairman of the Audit Committee	96,000
Other Independent Director	84,500

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

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

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

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

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

GOVERNANCE continued

Remuneration Matters (continued)

Disclosure on Remuneration

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

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

(a) each individual director and the CEO; and

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

For competitive reasons and the sensitive nature of such information, the Board is of the opinion that it is in the best interests of the Company to not disclose remuneration of each individual Director for the year ended 30 June 2023. Instead, the Company discloses the bands of remuneration in the following tables below to avoid such information being exploited by competitors and to maintain personal confidentiality on remuneration matters:

For the year ended 30 June 2023					
Name of Director	Salary	Bonus*	Directors' Fees	Allowances and Other Benefits	Total
A\$1,200,000 to A\$1,450,000					
James Finbarr Fitzgerald	46%	51%	-	3%	100%
Patrick John Tallon	46%	51%	-	3%	100%
Kevin James Deery	67%	28%	-	5%	100%
Below A\$250,000					
Chong Teck Sin	-	-	100%	-	100%
Douglas Owen Chester	-	-	100%	-	100%
Wong Fook Choy Sunny	-	-	100%	-	100%

*excludes equity-settled share-based payments

Details of remuneration paid to key senior management personnel (who are not Directors of the Company) of the Group for the financial year ended 30 June 2023 are set out below:

For the year ended 30 June 2023					
Name of Key Executive	Designation	Salary	Bonus*	Allowances and Other Benefits	Total
A\$600,000 to A\$850,000					
Charles Sweeney	Executive General Manager – Construction	73%	19%	8%	100%
Adam Goldsmith	Executive General Manager – Operational Support	73%	19%	8%	100%
David Power	Executive General Manager – Manufacturing	72%	19%	9%	100%
Mylon Manusiu	Executive General Manager – Maintenance and Capital Works, Refineries and Smelters	72%	23%	5%	100%

*excludes equity-settled share-based payments

Remuneration Matters (continued)

Disclosure on Remuneration (continued)

Principle 8 (continued)

Provision 8.1 (continued)

Details of remuneration paid to key senior management personnel (who are not Directors of the Company) of the Group for the financial year ended 30 June 2023 are set out below: (continued)

For the year ended 30 June 2023					
Name of Key Executive	Designation	Salary	Bonus*	Allowances and Other Benefits	Total
A\$350,000 to A\$600,000					
Daniel Kennedy ⁽¹⁾	Executive General Manager – Maintenance and Capital Works, Resources and Energy	69%	27%	4%	100%
Peter Ricciardello ⁽²⁾	Executive General Manager – Proposals and Growth	85%	5%	10%	100%

Notes

*excludes equity-settled share-based payments

⁽¹⁾ Resigned on 08/11/2022.

⁽²⁾ Appointed on 02/07/2022.

The annual aggregate remuneration incurred for all the above-mentioned Directors and key senior management personnel of the Group is A\$8,790,000 (2022: A\$7,292,000).

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

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

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

Name of Employee	Designation	Relationship
A\$150,000 to A\$249,999		
Thomas Tallon	Supervisor	Brother of CEO Patrick Tallon

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

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

More details in relation to the CESOS and CPRP can be found in the 'Directors' Statement' in the 'Financial Report' section of this report.

Accountability and Audit

Risk Management and Internal Controls

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

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

The Company has established the RCC to advise and make recommendations to the Board on risk and conflict matters.

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

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

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

- reviewed the Project Risk and Opportunity Reporting Improvements; and
- reviewed the Policies adopted by the Company such as Bribery & Corruption Policy and Procedures and the Code of Conduct.

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

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

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

Accountability and Audit (continued)

Risk Management and Internal Controls (continued)

Principle 9 (continued)

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

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

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

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

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

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

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

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

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

- (i) the financial records have been properly maintained (and the financial statements comply with the appropriate accounting standards) and the financial statements give a true and fair view of the Company's operations and finances; and
- (ii) the Company's risk management and internal control systems are adequate and effective.

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

Accountability and Audit (continued)

Audit Committee

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

Provision 10.1 The duties of the AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;*
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;*
- (c) reviewing the assurance from the CEO and the acting CFO on the financial records and financial statements;*
- (d) making recommendations to the Board on:

 - (i) the proposals to the shareholders on the appointment and removal of external auditors; and*
 - (ii) the remuneration and terms of engagement of the external auditors;**
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and*
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.*

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

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

In addition, the functions of the AC are to:

- review with the external auditors the audit plans, their evaluation of the system of internal controls, their management letter and the management's response thereto;
- review with the internal auditors the internal audit plans and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval;
- review the quarterly and annual financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual, ASX Listing Rules and any other relevant and statutory or regulatory requirements;

Accountability and Audit (continued)

Audit Committee (continued)

In addition, the functions of the AC are to: (continued)

- review the internal control and procedures and ensure co-ordination between the external auditors and the management, review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- review and consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
- review and consider the appointment or re-appointment of the internal auditors and matters relating to resignation or dismissal of the auditors;
- review interested person transactions (if any);
- review the Groups' hedging policies, procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging policies approved by the Board;
- review potential conflicts of interest, if any, and to set out a framework to resolve or mitigate such potential conflicts of interests;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- review and discuss with investigators, any suspected fraud, irregularity, or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response thereto;
- generally to undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual and ASX Listing Rules, and by such amendments made thereto from time to time;
- review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;
- review the findings of internal investigation into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position;
- review key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET and ASX Online; and
- review the Group's compliance with such functions and duties as may be required under the relevant statutes or the SGX-ST Listing Manual and ASX Listing Rules, including such amendments made thereto from time to time.

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

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

Accountability and Audit (continued)

Audit Committee (continued)

Principle 10 (continued)

Provision 10.1 (continued)

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

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

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

The aggregate amount of agreed fees to be paid to the external auditors, Moore Stephens LLP for FY2023 is A\$122,000 (equivalent S\$107,000) which comprises audit fee of A\$100,000 (equivalent S\$87,000) and A\$22,000 (equivalent S\$20,000) audit related fees. The AC has recommended to the Board the re-appointment of Moore Stephens LLP as the Company's external auditors at the forthcoming AGM.

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

The Company has a whistle-blowing policy where people may, in confidence, raise concerns about possible improprieties in matters of financial reporting, fraudulent acts, bribery/corruption conduct, breach of code of conduct and other matters, and has ensured that arrangements are in place for independent investigations of such matters and for appropriate follow up actions. All whistle-blowing reports will be addressed to the AC Chairman, either directly or through STOPline, the independent third-party whistle-blowing service provider. Staff are regularly informed of the existence of the whistle-blowing mechanism and encouraged to report relevant matters. The identity of persons using this facility are kept confidential unless the person(s) indicate otherwise and the Company does not tolerate any victimisation of a whistleblower.

There were two reports received through the whistle-blowing system during FY2023. These reports were related to the same grievance of an employee who felt unfairly treated. The reports were investigated and following discussion between the parties concerned a mutually satisfactory outcome was reached.

Accountability and Audit (continued)

Audit Committee (continued)

Principle 10 (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Accountability and Audit (continued)

Audit Committee (continued)

Principle 10 (continued)

Provision 10.4 (continued)

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

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

Shareholder Rights and Engagement

Shareholder Rights and Conduct of General Meetings

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

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

The AGM and other shareholders' meetings will always be held at a reasonable place and time. The Company ensures that shareholders have the opportunity to participate effectively and to vote at shareholders' meetings. In this regard, shareholders are informed of shareholders' meetings through notices contained in annual reports or a circular sent to all shareholders. These notices are also published in the local newspaper and posted on SGXNET and ASX Online. Shareholders are able to send and receive communications electronically with the Company through its respective share registries platform in Singapore and Australian, details for doing so are available on the corporate website at www.civmec.com.au.

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

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

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

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

Shareholder Rights and Engagement (continued)

Shareholder Rights and Conduct of General Meetings (continued)

Principle 11 (continued)

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

The Directors and the external auditors are available at the AGM to answer shareholders' queries. In FY2022, all Directors and the external auditor attended the AGM.

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

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

The Company, however, has not implemented measures to allow shareholders who are unable to vote in person at the Company's AGM the option to vote in absentia, such as via mail, electronic mail or facsimile transactions as the authentication of shareholder indemnity information and other related security issues remain a concern. The Company will review its Constitution from time to time.

Where an amendment to its Constitution is required to align the relevant provisions with the requirements of the SGX-ST Listing Manual and the ASX Listing Rules, shareholders' approval will be obtained.

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

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

Minutes of general meetings will be published on the Company's corporate website within 30 days of the date of the meeting.

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

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

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

The Company has proposed a tax exempt (foreign source) Final Dividend of A\$0.03 per ordinary share for the financial year ended 30 June 2023, payment of which is subject to shareholders' approval at the forthcoming AGM. This dividend is fully franked for Australian tax resident shareholders.

Shareholder Rights and Engagement (continued)

Engagement with Shareholders

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

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

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

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

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

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

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

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

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

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



[CLICK](#) or scan QR code to view our Investor Relations Policy.



[CLICK](#) or scan QR code to view 'Shareholder Services' on our website.

Managing Stakeholders' Relationships

Engagement with Stakeholders

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

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

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

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

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

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

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

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

Other Governance Practices

Material Contracts

There were no material contracts of the Company and its subsidiaries, including loans, involving the interests of any Director, the CEO or the controlling shareholders during FY2023.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and these interested persons' transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. There were no material interested person transactions for FY2023.



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TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Governance

Board Oversight

Civmec is in the initial stages of its journey to apply the TCFD recommendations, and is committed to developing additional climate governance mechanisms so that, in time, there is explicit oversight of climate-related risks and opportunities by the Board and designation of climate-related responsibilities to management.

Civmec has a risk appetite statement, risk management framework and compliance framework that align its business operational activities against the objectives of the Civmec strategic plan to calculate the level of risk that it is willing to assume.

The Board exercises oversight on the risks and opportunities (including climate-related risks) to the business through the Risks and Conflicts Committee (RCC). The primary responsibility of the RCC, which is made up of three independent directors and meets quarterly, is to review and monitor the Group's risk management strategy and includes monitoring of the risk exposures, reviewing internal audit reports on the adequacy of controls in place to mitigate risks, and management's views on the acceptable and appropriate level of risk faced by Civmec's business units. A consistent process is followed to prepare the Group Risk Report, which summarises the salient risks, for the RCC. The RCC reviews these salient risks and provides feedback on Civmec's risk performance and exposure to the Board.

Management Roles

At a management level, the executive team is comprised of the Chief Executive Officer (CEO), Chief Operating Officer (COO), the Executive Group Manager (EGM) – Operational Support, EGM – Proposals and Growth, EGM – Maintenance, EGM – Construction and EGM – Manufacturing. The executive team meets on a monthly basis with an agenda, which includes reviewing of salient risks to the business and mitigation strategies. The EGM – Proposals and Growth is responsible for the risk management system and overseeing the strategic plan process.

Sustainability issues are driven by the Civmec executive team and chaired by the CEO. Individual executive managers are assessed on factors that include contributions to the Board's long-range planning and strategies.

In order to develop Civmec's sustainability governance and further integrate sustainability issues across the business, the Group instituted the Sustainability Committee (SC) in FY23. Members of the SC include the COO and representation from business units, including HSEQ, HR, Finance, and Proposals. The SC is responsible for issuing the development of the climate-related risks and opportunities register. The SC also reports directly to the executive team and CEO to recommend climate-related strategies, actions and targets. It is intended that the SC will be utilised to take further steps to formalise and embed its role in the management of climate-related issues in the next financial year.

The SC has coordinated stewardship on the company's climate-related risk mitigation and opportunities, including related budgeting for capital expenditure. The SC assessed key climate-related risks and opportunities and made recommendations for approval by the Civec executive team.

In FY23, Civec took its first steps in applying the TCFD recommendations to the management of climate-related risks. The Board reviewed and approved Civec's preliminary TCFD disclosures, which includes the company's current process for climate-related risks and opportunities, targets, and performance. In addition, the Board undertook training in sustainability reporting to increase their understanding of sustainability risks and opportunities, including climate-related issues.

In accordance with the risk management framework, the material climate-related risks will be reviewed by the RCC in FY24.

Strategy

In FY23, Civec undertook its first actions to identify and assess climate-related risks and opportunities relevant to Civec, in line with the TCFD Guidance. These actions included the completion of a workshop to conduct an initial assessment of risks and opportunities and their impacts in a low carbon economy consistent with a 2°C scenario and in an RCP 8.5 (high physical risks) scenario.

Risks, Opportunities and Impacts

The following summarises the initial explorative exercise of risks and opportunities relevant to Civec undertaken in the workshop. Although the Group has identified specific timeframes for more detailed assessment of climate-related risks (short term from FY24 to 2030, medium term from 2030 to 2050, and long term beyond 2050), the high level assessment conducted in FY23 focused on risks across a long-term horizon (from now to 2050). The assessment, therefore, highlights risk areas for further focused analysis and detailed scenario planning.

The most salient physical and transition risks identified for the business are:

- Extreme weather events: damage to fixed assets and equipment could lead to higher insurance premiums or the potential for some assets to be uninsurable. Disruptions to operational performance, productivity and supply chains could lead to increase costs;
- Market forces: increasing client demands for suppliers to transition faster than legal requirements could lead to increased costs or bringing costs forward; and

- Technology: Rate of adoption of emerging technologies could result in loss of revenue/ additional costs from either failure of immature technology (early adoption) or loss of competitive advantage (late adoption).

Other risks – such as long-term shifts in climate patterns, exposure to litigation, water scarcity and reputation – were considered, but not deemed to be material at this stage.

Opportunities were also identified and considered as part of the high-level assessment and included supporting mining and infrastructure projects within a low carbon economy, continuing to identify and assess options for energy and resource efficiency, and greater use of low carbon materials and energy sources.

These risks and opportunities will be refined as Civec undertakes a deeper dive into scenario analysis and planning. This will allow us to better understand and assess each risk in terms of the geographic, market and technological context, the impacts over relevant time horizons, and develop specific management responses. The outcome of this iterative analysis will form part of the Civec strategic plan and be detailed in subsequent disclosures.

In line with the TCFD Guidance, the high-level assessment considered the potential financial impacts of climate-related risks and opportunities in qualitative terms. The impacts of the most salient physical and transition risks identified for the business are described above.

Resilience

In terms of resilience Civec has a successful record of diversification and adaptation as a means to avoid significant financial volatility and remain profitable. This organisational strategy will be tested as part of the scenario analysis and planning (including analysis of a 2°C or lower scenario) to be conducted in the next financial year.



Risk Management

Civmec's Risk Management Framework (RMF) is well embedded within the business processes of the Group. The RMF outlines the principles, approach, responsibilities and guidance for identifying, assessing and managing risk.

The RMF requires that identification and assessment of Corporate and Group level risk is undertaken in a workshop setting. Following the identification and assessment of risks and opportunities, mitigation or risk treatment plans are developed to either better understand the risk or to reduce the likelihood or consequence of the risk to within the risk appetite.

Business Risk falls under the responsibility of the EGM – Operational Support, whilst risk treatment plans are delegated to the responsible business unit, depending on the nature of the risk. Salient risk and risk treatment plans are incorporated into the strategic planning process. Individual Executive managers are assessed on their contribution to the Board's long-term planning and strategy.

Updates on material risks are reported by the Executive Team through to the RCC via the Group Risk Report. The Group Risk Report is then used by the RCC to form recommendations to the Board as part of its oversight.

In FY23, as part of the high-level assessment of climate-related risks and opportunities, an externally facilitated workshop with representatives from Finance, Operational Support, HSEQ, Legal and Engineering was conducted to determine the most salient risks and priority opportunities (see the Strategy section).

In order to improve alignment with the TCFD's recommendations, Civmec plans to integrate explicit reference of climate-related risks and opportunities into the RMF.

The outcome of the high-level assessment of climate-related risks and opportunities was reviewed and approved by the Executive Team under the provision that further work is required to understand the risks and exposure in greater detail. In line with the RMF, specific mitigation will be developed as part of the more detailed analysis of the climate-related risks (described on page 123) and detailed in subsequent disclosures.

The high-level assessment of climate-related risks is the first step towards integration into Civmec's overall risk management process. As the understanding of climate risk matures, further integration will include the inclusion of material related risks in the Group Risk Report.

Metrics and Targets

Metrics

Civmec has included annual reporting of emissions from its manufacturing facilities (Henderson and Newcastle) in its Sustainability Report since FY18. Metrics have included Scope 1 and 2 emissions, measured as tonnes of carbon dioxide equivalent, or tCO₂e (as defined by the Greenhouse Gas Emissions Protocol: A Corporate Accounting and Reporting Standard) and emissions intensity, measured as total tonnes of carbon dioxide equivalent per millions of Australian dollars of revenue from manufacturing, or tCO₂e/A\$m. Given the year-on-year variability in activities undertaken by the Civmec Group, the emission intensity metric provides a high-level proxy for the influences of excellence and innovation, two of the Group's core values,

In FY23, Civmec extended measurement of emissions to include all activities under direct operational control (where fossil fuel use or electricity consumption is directly accounted as costs to the business), thereby generating a more accurate picture of Scope 1 and 2 emissions, and absolute total emissions. Total revenue for Civmec is utilised for the calculation of emissions intensity.

The high-level assessment of climate-related risks and opportunities conducted in FY23 applied Civmec's established risk criteria in the RMF for consequence, likelihood, ratings, hierarchy of controls and risk management actions. As Civmec continues its journey of understanding and assessing climate-related risks and opportunities, the Group will develop more detailed metrics focused on the areas of exposure/opportunity for which progress can be tracked.

FY23 emissions are included on page 61. This includes emissions data for the manufacturing facilities only for FY22 and FY23 in order for a comparison to be drawn from previous years.

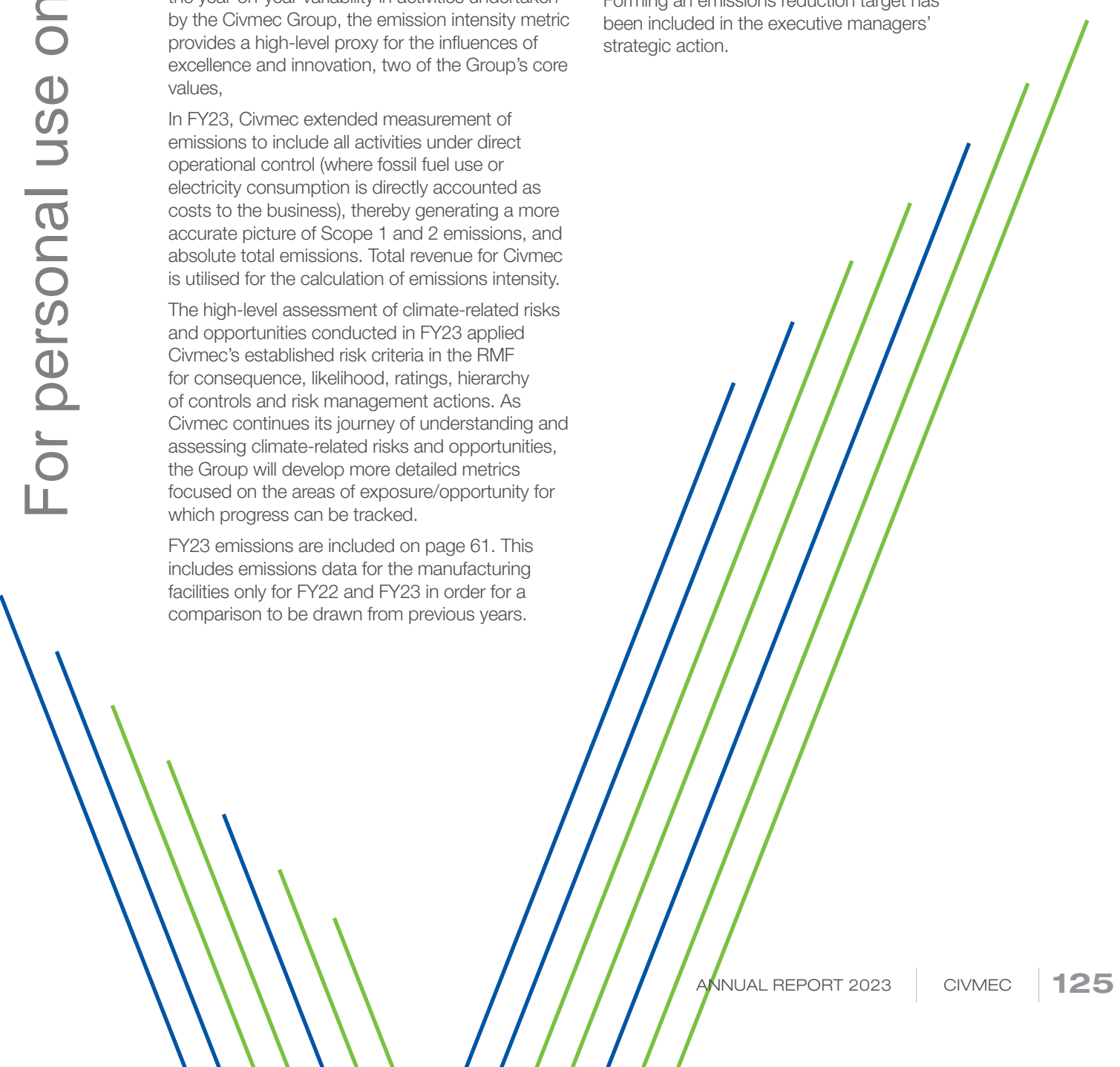
An estimate of Scope 3 emissions, along with associated boundaries for calculation or measurement, will be prepared as part of Civmec's commitment to generating targets and reported in subsequent disclosures.

Targets

Civmec intends to normalise emission reduction targets with science-based targets for the near term and beyond for upcoming annual disclosures. These targets will be prepared in alignment with Science Based Targets Initiative (SBTi). Establishment of these targets forms part of the Group's strategic plan for FY24.

Forming an emissions reduction target has been included in the executive managers' strategic action.

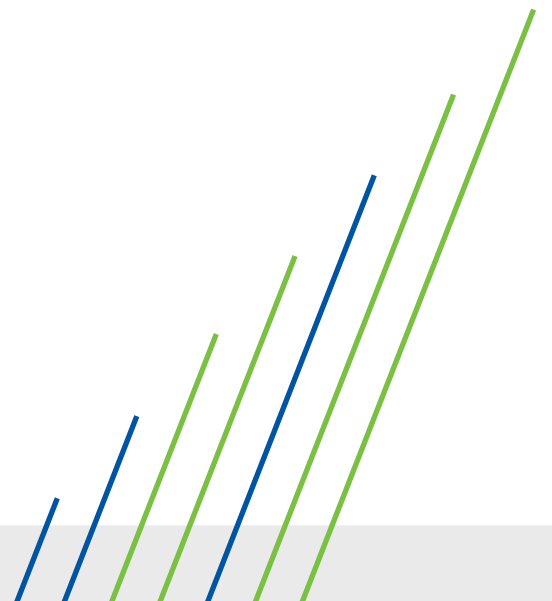
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FINANCIAL REPORT

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[^]The order of the symbols directly corresponds to the relative level of influence we have on the SDGs, from greatest to least impact.

DIRECTORS' STATEMENT

The Directors present their report to the members together with the audited consolidated financial statements of Civmec Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the financial year ended 30 June 2023 and the statement of financial position of the Company as at 30 June 2023.

In the opinion of the Directors:

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. Directors

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

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

2. Arrangements to enable directors to acquire shares or debentures

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

3. Directors' interest

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

	Holdings registered in the name of directors		Holdings in which a director is deemed to have an interest	
	As at 1 July 2022	As at 30 June 2023	As at 1 July 2022	As at 30 June 2023
The Company	No. of Ordinary Shares			
Mr. James Finbarr Fitzgerald	-	-	97,720,806	97,720,806
Mr. Patrick John Tallon	54,000	54,000	97,566,806	97,566,806
Mr. Kevin James Deery	228,000	823,000	13,295,250	8,775,250
Mr. Douglas Owen Chester	-	-	70,000	70,000

There was no change in any of the above-mentioned interests between the end of the financial year and report date.

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

DIRECTORS' STATEMENT

4. Share options

Civmec Limited Employee Share Option Scheme

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

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

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

Options granted under the Scheme

As at 30 June 2023, the following options to subscribe for ordinary shares of the Company pursuant to the CESOS were granted.

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

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

Options exercised

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

Options outstanding

Details of all the options to subscribe for ordinary shares of the Company pursuant to the CESOS, outstanding as at 30 June 2023 are as follows:

Date of grant	Exercise price	Number of options
11 September 2013	S\$0.65	4,000,000

5. Performance share plan

Civmec Limited Performance Share Plan

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

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

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

Principal terms of the Scheme

(i) Participants

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

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

- their participation in the Civmec Performance Share Plan; and
- the actual number and terms of the Awards to be granted to them have been approved by independent Shareholders of the Company in separate resolutions for each such person.

DIRECTORS' STATEMENT

5. Performance share plan (continued)

Civmec Limited Performance Share Plan (continued)

Principal terms of the Scheme (continued)

(ii) Size of the Scheme

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

(iii) Grant of Awards

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

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

(iv) Lapse of Awards

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

(v) Release of Awards

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

(vi) Duration of the Plan

The plan was in place for a period of 10 years and lapsed in October 2022.

Awards granted under the Scheme

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

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

DIRECTORS' STATEMENT

6. Performance rights plan

Civmec Limited Performance Rights Plan

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

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

Performance rights are a right to one issued ordinary share of the Company granted under the CPRP.

The CPRP is designed to reinforce the vital equity culture at the top management level and to further align the interests of the Company's top management with those of Shareholders.

Principal terms of the Scheme

(i) Participants

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

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

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

(ii) Size of the Scheme

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

(iii) Grant of Awards

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

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

(iv) Lapse of Awards

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

(v) Vesting of Performance Rights

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

1. Satisfaction of gateway hurdles
2. Achievement of company performance measures

DIRECTORS' STATEMENT

6. Performance rights plan (continued)

Civmec Limited Performance Rights Plan (continued)

Gateway Hurdles

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

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

Company Performance Measures

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

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

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

(vi) Release of Awards

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

(vii) Duration of the Plan

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

Awards granted under the Scheme

The following rights have been granted but remain unvested at 30 June 2023:

Year of Award	No. of rights granted	No. of unvested rights
FY 2020/21	8,578,000	4,110,000
FY 2021/22	1,773,000	1,706,000
FY 2022/23	2,134,000	2,134,000

FY2021 Performance rights grant

Rights will vest into two tranches as follows:

- Tranche 3 (50%): 2 year performance period (1 July 2020 to 30 June 2022)
- Tranche 4 (50%): 3 year performance period (1 July 2020 to 30 June 2023)

FY2022 Performance rights grant

Rights will vest as follows:

- Tranche 5: 3 year performance period (1 July 2021 to 30 June 2024)

FY2023 Performance rights grant

Rights will vest as follows:

- Tranche 6: 3 year performance period (1 July 2022 to 30 June 2025)

DIRECTORS' STATEMENT

6. Performance rights plan (continued)

Civmec Limited Performance Rights Plan (continued)

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

	Balance at appointment date or 1 July 2022	Granted	Vested	Expired / Other	Balance 30 June 2023
Directors					
James Fitzgerald	1,428,000	-	-	(714,000)	714,000
Patrick Tallon	1,428,000	-	-	(714,000)	714,000
Kevin Deery	1,524,000	417,000	(595,000)	-	1,346,000
Key management personnel					
Charles Sweeney	763,000	209,000	(298,000)	-	674,000
Adam Goldsmith	763,000	209,000	(298,000)	-	674,000
David Power	763,000	209,000	(298,000)	-	674,000
Mylon Manusu	763,000	209,000	(298,000)	-	674,000
Peter Ricciardello ⁽¹⁾	154,000	209,000	(60,000)	-	303,000

Notes:

1. Appointed on 02/07/2022 as Executive Group Manager Proposals and Growth.

7. Audit committee

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

Mr. Chong Teck Sin	<i>Chairman</i>
Mr. Wong Fook Choy Sunny	<i>Member</i>
Mr. Douglas Owen Chester	<i>Member</i>

All members of the Audit Committee are Non-Executive Directors. The AC performs the functions specified by the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Listing Rules of the Australian Securities Exchange ("ASX"), the Code of Corporate Governance and Section 201B(5) of the Singapore Companies Act 1967.

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

8. Independent auditor

The independent auditor, Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors



James Finbarr Fitzgerald
Executive Chairman
Civmec Limited
28 August 2023



Patrick John Tallon
Chief Executive Officer
Civmec Limited
28 August 2023

INDEPENDENT AUDITOR'S REPORT

to the members of Civmec Limited



MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Civmec Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

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FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

to the members of Civmec Limited



MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Accounting for construction contracts	Our response
<p>We refer to Note 3(a)(ii), 3(a)(iii) and 3(b)(i) under "Critical Accounting Judgements and Key Sources of Estimation Uncertainty", Note 4(a) and Note 34 to the financial statements.</p> <p>During the financial year ended 30 June 2023, revenue from construction contracts amounted to A\$711.7 million which represented 85.7% of the total revenue of the Group.</p> <p>Contract revenue comprises the initial amount agreed in the contract and variations in the contract as constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently removed.</p> <p>The amount of revenue recognised is based on the Group's progress towards completion of the construction contract, determined based on the proportion of construction costs incurred to date to the estimated total contract costs ("input method"). The Group uses the input method to measure project progress and recognises contract revenue in accordance with SFRS(I) 15 <i>Revenue from Contracts with Customers</i>.</p>	<ul style="list-style-type: none">• We performed procedures to understand the projects through discussions with management and examination of key project documents including contracts and correspondences with customers on delays and extension of time. We evaluated the relevant key controls put in place by the management over the construction contract revenue and costs recognition on construction contracts.• In relation to the contract revenue for projects, on a sample basis, we have:<ul style="list-style-type: none">◦ Traced the contract sums to the contracts and variation orders entered into by the Group and its customers.◦ Challenged the appropriateness of the Group's judgement on the variations and claims included in the computation of the construction contract revenue via scrutiny of relevant customer correspondence, legal/specialist consultant correspondence and inspecting key clauses in the contracts and variation orders.

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INDEPENDENT AUDITOR'S REPORT

to the members of Civmec Limited



MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Accounting for construction contracts (continued)	Our response (continued)
<p>Estimates of revenues, costs or the extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.</p> <p>The determination of estimated contract revenue, total contract costs and costs to complete require significant judgement which may impact on the amounts of construction contract revenue and profits recognised during the year, including the provision for onerous contracts. We have therefore, identified this as a key audit matter.</p>	<ul style="list-style-type: none"> ○ Held discussions with senior operational and financial management, as well as the Group's legal advisors and specialist consultants where appropriate, to evaluate management's assessment that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently removed. ○ Assessed the adequacy of the provision for onerous contracts based on our understanding of the projects. This includes reviewing management's assessment of provision for onerous contracts by focusing on projects with low or negative margins. We have also held discussions with senior operational and financial management, where appropriate on these projects. ● In relation to total contract costs, on a sample basis, we have: <ul style="list-style-type: none"> ○ Tested costs incurred to date and agreed these to supporting documentation. ○ Evaluated the appropriateness of inputs, amongst others, materials, subcontractor and labour costs used by management in their estimation of the total cost to complete the contract or project, and obtained supporting documentation on the major inputs.

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FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

to the members of Civmec Limited



MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Accounting for construction contracts (continued)	Our response (continued)
	<ul style="list-style-type: none"> ○ We examined key project documentation and discussed the progress of the significant projects with the Group's key project personnel and management for significant events that could impact the estimated total contract costs and stage of completion. • We have recomputed the percentage of completion based on actual cumulative contract costs incurred to date to the total estimated contract costs for individually significant projects. • We checked the arithmetic accuracy of the revenue and profit recognised based on the percentage of completion computation for individually significant projects and traced the revenue for the current year based on the measurement of progress to the accounting records. • We have also assessed the adequacy of the disclosures of the key accounting estimates and the sensitivity of the inputs to the estimates and found the disclosures in the financial statements to be appropriate. <p><u>Our audit findings:</u> We are satisfied that the judgements applied by management in accounting for construction contracts are reasonable.</p>

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INDEPENDENT AUDITOR'S REPORT

to the members of Cimec Limited



MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
<p>Recoverability of trade and other receivables and contract assets</p> <p>We refer to Note 3(a)(i) under “Critical Accounting Judgements and Key Sources of Estimation Uncertainty”, Note 4(b), Note 11 and Note 33(a) to the financial statements.</p> <p>The carrying amount of trade and other receivables and contract assets of the Group was A\$108.2 million and A\$100.1 million as at 30 June 2023 respectively. We focused on this area because of its significance and the degree of judgement required in determining the carrying amount of trade and other receivables as at the reporting date.</p> <p>In accordance with SFRS(I) 9 Financial Instruments, the Group assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.</p>	<p>Our response</p> <ul style="list-style-type: none"> We obtained an understanding of the Group credit policy and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other receivables. We have reviewed management’s assessment on the credit worthiness of selected customers. We have also assessed current ongoing negotiations and settlements of significant contracts subject to modifications, to identify if the collectability of contract consideration is highly probable. We further discussed with the key management and the component auditors on the adequacy of the allowance for impairment recorded by the Group and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed the adequacy and appropriateness of the impairment charge based on the available information. <p><u>Our audit findings:</u></p> <p>Based on our audit procedures, we found management’s assessment of the recoverability of trade and other receivables and contract assets to be reasonable and the disclosures to be appropriate.</p>

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FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

to the members of Civmec Limited



MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT

to the members of Civmec Limited



MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

to the members of Civmec Limited



MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CIVMEC LIMITED
(Incorporated in Singapore)

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

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

Report on Other Legal and Regulatory Requirements

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

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

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
28 August 2023

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CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2023

	Note	Group	
		2023 A\$'000	2022 A\$'000
Revenue	4(a)	830,866	809,295
Cost of sales		(721,695)	(718,458)
Gross profit		109,171	90,837
Other income	5	2,631	2,919
Share of loss of joint venture	18	-	(5)
Administrative expenses		(24,606)	(20,052)
Other reversal		149	1,152
Finance costs	8	(4,774)	(4,868)
Profit before income tax		82,571	69,983
Income tax expense		(24,898)	(19,242)
Profit for the year		57,673	50,741
Profit attributable to:			
Owners of the Company		57,655	50,762
Non-controlling interest		18	(21)
		57,673	50,741
Earnings per share attributable to equity holders of the Company (cents per share):			
- Basic	10	11.42	10.11
- Diluted	10	11.16	10.11

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

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	Group	
		2023 A\$'000	2022 A\$'000
Profit for the year		57,673	50,741
Other comprehensive income: <i>Item that will not be reclassified subsequently to profit or loss</i>			
Net gain on revaluation of freehold land and buildings		12,100	37,119
Total comprehensive income for the year		69,773	87,860
Total comprehensive income attributable to:			
Owners of the Company		69,755	87,881
Non-controlling interest		18	(21)
		69,773	87,860

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

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STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Note	Group		Company	
		2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	70,381	40,841	-	7
Trade and other receivables	11	108,243	95,030	33,117	34,831
Contract assets	4(b)	100,093	121,654	-	-
Other current assets	12	2,274	1,829	-	-
		280,991	259,354	33,117	34,838
Non-current assets					
Investment in subsidiaries	17	-	-	8,324	7,579
Property, plant and equipment	14	476,302	448,092	-	-
Investment properties	15	17,184	16,805	-	-
Intangible assets	16	10	10	-	-
Deferred tax assets	9	47	1,401	30	86
		493,543	466,308	8,354	7,665
TOTAL ASSETS		774,534	725,662	41,471	42,503
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	21	117,671	111,671	2,494	192
Contract liabilities	4(b)	44,706	43,325	-	-
Lease liabilities	24	10,193	10,564	-	-
Borrowings	22	8,000	28,000	-	-
Income tax payable		673	3,774	664	3,774
Provisions	23	16,175	11,350	-	-
		197,418	208,684	3,158	3,966
Non-current liabilities					
Lease liabilities	24	47,142	45,357	-	-
Borrowings	22	48,500	46,000	-	-
Provisions	23	2,411	4,726	-	-
Deferred tax liabilities	9	58,454	49,781	-	-
		156,507	145,864	-	-
TOTAL LIABILITIES		353,925	354,548	3,158	3,966
Capital and Reserves					
Share capital	25(a)	29,807	29,807	29,807	29,807
Treasury shares	25(b)	(10)	(10)	(10)	(10)
Asset revaluation reserve	27	129,577	117,477	-	-
Other reserves	28	11,497	11,570	7,885	7,958
Retained earnings		249,999	212,549	631	782
Total equity attributable to the Owners of the Company		420,870	371,393	38,313	38,537
Non-controlling interest		(261)	(279)	-	-
TOTAL EQUITY		420,609	371,114	38,313	38,537
TOTAL LIABILITIES AND EQUITY		774,534	725,662	41,471	42,503

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

Group	Share capital A\$'000	Treasury shares A\$'000	Asset revaluation reserve A\$'000	Other reserves			Retained earnings A\$'000	Total A\$'000	Non-controlling interest A\$'000	Total A\$'000
				Merger reserve A\$'000	Equity-settled employee benefits reserve A\$'000	Other reserves A\$'000				
Balance as at 1 July 2022	29,807	(10)	117,477	7,578	3,715	277	212,549	371,393	(279)	371,114
Profit for the year	-	-	-	-	-	-	57,655	57,655	18	57,673
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Net gain on revaluation of freehold land and buildings	-	-	12,100	-	-	-	-	12,100	-	12,100
Total comprehensive income for the year	-	-	12,100	-	-	-	57,655	69,755	18	69,773
Recognition of share based payment	-	-	-	-	1,073	-	-	1,073	-	1,073
Reclassification to cash-settled employee benefits	-	-	-	-	(1,146)	-	-	(1,146)	-	(1,146)
Dividends paid (Note 25(a))	-	-	-	-	-	-	(20,205)	(20,205)	-	(20,205)
Balance as at 30 June 2023	29,807	(10)	129,577	7,578	3,642	277	249,999	420,870	(261)	420,609

Group	Share capital A\$'000	Treasury shares A\$'000	Asset revaluation reserve A\$'000	Other reserves			Retained earnings A\$'000	Total A\$'000	Non-controlling interest A\$'000	Total A\$'000
				Merger reserve A\$'000	Equity-settled employee benefits reserve A\$'000	Other reserves A\$'000				
Balance as at 1 July 2021	29,807	(10)	80,358	7,578	2,280	277	171,836	292,126	(258)	291,868
Profit for the year	-	-	-	-	-	-	50,762	50,762	(21)	50,741
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Net gain on revaluation of freehold land and buildings	-	-	37,119	-	-	-	-	37,119	-	37,119
Total comprehensive income for the year	-	-	37,119	-	-	-	50,762	87,881	(21)	87,860
Recognition of share based payment	-	-	-	-	1,435	-	-	1,435	-	1,435
Dividends paid (Note 25(a))	-	-	-	-	-	-	(10,049)	(10,049)	-	(10,049)
Balance as at 30 June 2022	29,807	(10)	117,477	7,578	3,715	277	212,549	371,393	(279)	371,114

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	Group	
		2023 A\$'000	2022 A\$'000
Cash Flows from Operating Activities			
Profit before income tax		82,571	69,983
Adjustments for:			
Depreciation of property, plant and equipment and investment properties – leasehold land	14,15	18,418	16,600
Gain on disposal of property, plant and equipment	5	(331)	(176)
Gain on disposal of interest in a former associate	5	(80)	-
Share of loss of a joint venture	18	-	5
Impairment loss on loan to an associate	6,11	-	127
Trade receivables written off	6	-	37
Fair value gain on investment property at fair value through profit or loss	15	(420)	(1,640)
Reversal of bad debt	6	-	(23)
Reversal of impairment loss on loan to an associate	6,11	-	(328)
Reversal of revaluation loss on freehold land and buildings		(149)	(967)
Finance cost	6,8	8,090	7,947
Interest income	5	(1,099)	(156)
Equity-settled share based payments		1,073	1,435
Foreign exchange differences		(30)	83
Operating cash flow before working capital changes		108,043	92,927
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(13,213)	(7,227)
(Increase)/decrease in contract assets		21,561	(39,012)
(Increase)/decrease in other current assets		(445)	74
Increase/(decrease) in trade and other payables		2,991	23,566
Increase/(decrease) in contract liabilities		1,381	(36,813)
Increase/(decrease) in provisions		2,510	2,697
Cash generated from operations		122,828	36,212
Interest received		1,099	29
Finance cost paid		(6,707)	(7,310)
Income tax refund		2,190	598
Income tax paid		(24,170)	(27,755)
Net cash generated from operating activities		95,240	1,774

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

(continued)

	Note	Group	
		2023 A\$'000	2022 A\$'000
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		428	334
Purchase of property, plant and equipment	14	(19,880)	(6,904)
Proceeds from disposal of interest in a former associate		80	-
Cash distribution from joint venture		-	52
Net cash used in investing activities		(19,372)	(6,518)
Cash Flows from Financing Activities			
Proceeds from borrowings		45,500	154,437
Repayment of borrowings		(63,000)	(139,452)
Repayment of principal lease liabilities		(8,623)	(7,533)
Dividends paid	25(a)	(20,205)	(10,037)
Net cash used in financing activities		(46,328)	(2,585)
Net increase/(decrease) in cash and cash equivalents		29,540	(7,331)
Cash and cash equivalents at the beginning of the year		40,841	48,172
Cash and cash equivalents at the end of the year	13	70,381	40,841

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

	Opening A\$'000	Cash flows		Non-cash changes			Closing A\$'000
		Proceeds A\$'000	Repayment A\$'000	Reclassifi- cation A\$'000	Addition A\$'000	Others A\$'000	
2023							
Borrowings	74,000	45,500	(63,000)	-	-	-	56,500
Lease liabilities	55,921	-	(8,623)	-	9,500	537	57,335
2022							
Borrowings	60,000	154,437	(139,452)	(985)	-	-	74,000
Lease liabilities	54,757	-	(7,533)	985	7,289	423	55,921

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

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NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

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

1. General information

Civmec Limited (the “Company”) was incorporated in the Republic of Singapore on 3 June 2010 under the Singapore Companies Act 1967 (the “Act”) as an investment holding company for the purpose of acquiring the subsidiary companies pursuant to the Restructuring Exercise. On 29 March 2012 the company changed its name to Civmec Limited. The Company has been listed on the Singapore Exchange Securities Ltd (“SGX-ST”) since 13 April 2012. On 22 June 2019, the Company was listed on the Australian Securities Exchange (“ASX”). The Company now holds dual listing status. The Company has provided an option for shareholders to convert their shares with SGX-ST for shares with ASX, at the ratio of 1:1.

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

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries, joint ventures, associate, and joint operations are set out in Notes 17, 18, 19 and 20 respectively.

The financial statements for the financial year ended 30 June 2023 were approved and authorised for issue on the date of the statement by the board of directors in accordance with a resolution of the directors on the date of the Directors’ Statement.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except for the revaluation on freehold land and buildings and investment properties.

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

The Group has adopted the new or amended SFRS(I) and SFRS(I) Interpretations (“SFRS(I) INTs”) that are mandatory for application for the financial year. The details are disclosed in Note 35 to the financial statements.

(b) Basis of consolidation

(i) Subsidiaries

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(b) Basis of consolidation (continued)

(i) Subsidiaries (continued)

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

Change in ownership interests in subsidiaries without change of control

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

Disposal of subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(b) Basis of consolidation (continued)

(ii) Joint arrangements

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

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

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

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

Joint venture

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

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

Joint operations

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(c) Investment in subsidiary companies

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

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

(d) Investment in associate

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

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

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

(e) Revenue recognition

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

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

Construction contract revenue

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

For these contracts, revenue is recognised over time by reference to the Group's progress towards the completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation ("PO") are excluded from the measurement of progress and instead are expensed as incurred.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(e) Revenue recognition (continued)

Construction contract revenue (continued)

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

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

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

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

Sale of goods and services

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

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

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

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

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

Rental income

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(f) Government grants

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

(g) Contract assets and contract liabilities

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

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

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

(h) Income tax

Income tax expense represents the sum of current tax expense and deferred tax expense.

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

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

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

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

Deferred tax assets and liabilities are measured:

- (i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(h) Income tax (continued)

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

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

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

Sales tax

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

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

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

(i) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(i) Foreign currency translation (continued)

Group companies

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

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

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

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

(j) Financial assets

Classification and measurement

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

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

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

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

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

Initial recognition

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(j) Financial assets (continued)

Subsequent measurement

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

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

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

Recognition and derecognition

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

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

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

Impairment

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(j) Financial assets (continued)

Impairment (continued)

Credit-impaired financial assets

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

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

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

Write-off policy

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

(k) Cash and cash equivalents

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

(l) Property, plant and equipment

(i) Recognition and measurement

Freehold land and buildings

The Group is using the revaluation model for this class of property. Under the revaluation model, freehold land and buildings are initially recognised at cost. Such costs, including the construction costs and borrowing costs that are eligible for capitalisation, are subsequently carried at their revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(l) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Other property, plant and equipment

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

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

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

(ii) Depreciation

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

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

Class of Fixed Assets	Depreciation Rate
Buildings	2% - 33%
Plant and equipment	3% - 33%
Leasehold land	1% - 2%
Leased assets	5% - 33%
Small tools	5% - 33%
Motor vehicles	6% - 20%
Office and IT equipment	5% - 33%

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

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

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

(m) Investment properties

Investment properties, which are properties held to earn rental income and/or for capital appreciation (including property under construction for such purposes and land under operating leases that is held for long-term capital appreciation or for a current indeterminate use), are measured initially at its cost, including transaction costs.

Buildings

Subsequent to initial recognition, investment properties are measured at fair value, determined annually by independent professional valuers on the highest-and-best use basis. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(m) Investment properties (continued)

Leasehold land

Subsequent to initial recognition, investment properties are accounted for in accordance with the cost model that is cost less accumulated depreciation and less accumulated impairment losses. The depreciation is calculated on a straight-line basis over its lease term.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements are capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements are recognised in profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

When the property is sold, the related amount in the revaluation reserve is transferred to retained earnings.

(n) Impairment of non-financial assets

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(o) Provisions

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

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

(p) Financial liability and equity instruments issued by the Group

Classification as debt or equity

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

Financial liabilities

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

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

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

Borrowings

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

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

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

Derecognition of financial liabilities

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

(q) Borrowing costs

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(r) Leases

The Group as Lessee

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(r) Leases (continued)

The Group as Lessor

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognized in income on a straight-line basis over the lease term.

(s) Employee benefits

Defined contribution plans

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

Provision for employee benefits

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

Share-based payments

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

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

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

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

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

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

(t) Segment reporting

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. Significant accounting policies (continued)

(u) Share capital

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

Treasury shares

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

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

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

(v) Related parties

A related party is defined as follows:

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

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

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NOTES TO THE FINANCIAL STATEMENTS

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3. Critical accounting judgements and key sources of estimation uncertainty

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

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

(a) Critical judgments in applying the Group's accounting policies

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

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

As at 30 June 2023, the Group's trade and other receivables and contract assets amounted to A\$108,243,000 (2022: A\$95,030,000) and A\$100,093,000 (2022: A\$121,654,000) respectively, net of allowance for impairment, if any, arising from the Group's different revenue segments as disclosed in Note 32 to the financial statements.

Based on the Group's historical credit loss experience, trade receivables exhibited different loss patterns for each revenue segment. Within each revenue segment, the Group has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment. No allowance of impairment for trade and other receivables were recognised as at 30 June 2023 (2022: A\$127,000 impairment loss and A\$37,000 written-off). No allowance for impairment of contract assets were recognised as at 30 June 2023 (2022: Nil).

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

The Group's and the Company's credit risk exposure for trade receivables by different revenue segment are set out in Note 33(a).

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

As discussed in Note 2(e) to the financial statements, construction contract revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation ("PO") are excluded from the measure of progress and instead are expensed as incurred.

Construction contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work to the extent that is highly probable that a significant reversal in the amount of the cumulative revenue will not occur.

In estimating the variable consideration for contract revenue, the Group uses the expected value amount method to estimate the transaction price. The expected value is the sum of probability-weighted amounts in a range of possible consideration amounts. Management has relied on historical experience and the work of experts, analysed by customers and nature of scope of work, from prior years.

Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price. For variations claims, management has determined that a portion of the estimated variable consideration is subject to the constraint as, based on past experience with the customers, it is highly probable that a significant reversal in the cumulative amount of revenue recognised will occur, and therefore will not be recognised as revenue.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Critical judgments in applying the Group's accounting policies (continued)

(iii) Legal proceedings

The Group is exposed to the risk of claims and litigation which can arise for various reasons, including changes in scope of work, delay and disputes etc. Given the nature of the business, variation orders, additional works and prolongation costs are common. As some of these items could be subjective and hence contentious in nature, the Group may from time to time be involved in adjudication or legal processes.

In making its judgment as to whether it is probable that any such adjudication decisions or litigation will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal advisors and technical experts.

In making that overall judgment, management has included in its consideration the likely outcome of the claims. Although an adverse outcome of those claims could have a material adverse impact on the financial position of the Group, management have taken the view that such a material adverse outcome is very unlikely.

(iv) Impairment of property, plant and equipment and investment properties

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

Impairment assessment of property, plant and equipment and investment properties includes considering certain indications such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant under performance relative to the expected historical or future operating results and significant negative industry or economic trends.

No impairment loss on property, plant and equipment and investment properties was recorded for the financial years ended 30 June 2023 and 2022. The carrying amount of property, plant and equipment and investment properties at 30 June 2023 is A\$476,302,000 (2022: A\$448,092,000) and A\$17,184,000 (2022: A\$16,805,000) respectively.

(v) Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease term is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of the leasehold land and buildings, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Critical judgments in applying the Group's accounting policies (continued)

(vi) Valuation of freehold land and buildings and investment properties

The Group carries its freehold land and buildings and investment properties at fair values which are determined by an independent real estate valuation expert using the highest-and-best use approach which is generally the sales comparison approach (i.e. the basis of market value). In arriving at the valuation figure, the valuer has taken into consideration the prevailing market conditions and differences between the freehold land and building and investment properties and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of the buildings, dates of transactions and other factors affecting their values. The most significant inputs in this valuation approach are the selling price per square meter and the usage of the properties. The estimates are based on local market conditions existing at the reporting date.

Fair values of buildings with no available market information are determined by the independent real estate valuation expert using the depreciated replacement cost method, which involves estimating the current replacement cost of the buildings and from which deductions are made to allow for depreciation due to age, condition and functional obsolescence. The replacement cost is then added to the land value to derive the fair value. The land value is determined based on the direct comparison method with transactions of comparable plots of land within the vicinity and elsewhere. In arriving at the valuation figure, the valuation expert has taken into consideration the prevailing market condition and differences between the freehold land and buildings and the comparable in terms of location, tenure, size, shape, design and layout, age and condition, dates of transactions and other factors affecting their values. The most significant inputs into this valuation approach are the estimated construction costs, depreciation rates and developer profit margin.

The carrying amount of the freehold land and buildings and investment properties at the reporting date is disclosed in Note 14 and Note 15. If the selling prices and price per unit measurement of the freehold land and buildings determined by valuation experts had been 5% higher/lower, the carrying amount of the freehold land and buildings and investment properties would have been A\$18,939,000 higher/lower.

(b) Key sources of estimation uncertainty

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

(i) Estimation of total contract costs for contracts

The Group has significant ongoing construction contracts as at 30 June 2023 that are non-cancellable. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant assumptions are used to estimate the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of provision for onerous contracts recognised. In making these estimates, management has relied on past experience and the work of specialists.

The Group includes incremental costs of fulfilling the contracts which are the cost of materials and labour required to construct the projects. In estimating the forecast costs, the management exercised judgement in considering costs that relate directly to the contracts.

If the estimated total contract sum decreases by 1% from management's estimates, the Group's profit before income tax will decrease by approximately A\$8,309,000 (2022: A\$8,100,000).

If the remaining estimated contract costs increase by 1% from management's estimates, the Group's profit before income tax will decrease by approximately A\$7,220,000 (2022: A\$7,180,000).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(b) Key sources of estimation uncertainty (continued)

(ii) Estimation of useful lives of property, plant and equipment and investment properties – leasehold land

The useful lives of assets have been based on historical experience, lease terms and best available information for similar items in the industry. These estimations will affect the depreciation expense recognised in the financial year. There is no change in the estimated useful lives of plant and equipment and investment properties – leasehold land during the current financial year.

The carrying amount of the Group's property, plant and equipment and investment properties – leasehold land as at 30 June 2023 was A\$476,302,000 (2022: A\$448,092,000) and A\$1,924,000 (2022: A\$1,965,000) respectively. A 10% difference in the expected useful lives of these assets from management's estimate would result in an approximately A\$1,842,000 (2022: A\$1,660,000) variance in the Group's profit before tax.

(iii) Income taxes

The Group has exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises receivables or liabilities on expected tax issues based on their best estimates of the likely taxes recoverable or due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's and Company's current income tax positions as at 30 June 2023 were current income tax payable of A\$673,000 (2022: A\$3,774,000, payable). The carrying amounts of the Group's and Company's deferred tax assets and deferred tax liabilities as at 30 June 2023 are disclosed in Note 9 to the financial statements.

(iv) Employee performance rights

The Group measures the cost of equity-settled transactions with employees with reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the performance rights, volatility and dividend yield and making assumptions about them.

(v) Defined benefit plan

The present value of the post-employment benefits is determined using actuarial valuations which involves making assumptions about discount rates, future salary increases, number of employees and probability of vesting.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

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

	Group	
	2023 A\$'000	2022 A\$'000
Over time:		
Revenue from construction contracts	711,735	649,677
Revenue from the rendering of services	115,838	157,432
	827,573	807,109
At a point in time:		
Revenue from the rendering of services	1,750	1,180
Revenue from sale of goods	1,543	1,006
	3,293	2,186
	830,866	809,295

Revenue from the rendering of services

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

Segment analysis

The segment analysis of the Group is disclosed in Note 32 to the financial statements.

(b) Contract assets and liabilities

	Group	
	2023 A\$'000	2022 A\$'000
Contract assets	100,093	121,654
Contract liabilities	(44,706)	(43,325)

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date on construction contracts. The contract assets are transferred to trade receivables when the rights become unconditional, which usually occurs when the customer certifies the progress claims.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for construction contracts and progress billings issued in excess of the Group's rights to the consideration in respect of construction contract revenue.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

4. Revenue from contracts with customers (continued)

(b) Contract assets and liabilities (continued)

(i) Significant changes in contract balances

	Group	
	2023 A\$'000	2022 A\$'000
Contract assets:		
Contract assets reclassified to trade receivables	(51,530)	(12,708)
Changes in measurement of progress	29,969	51,720

Contract liabilities:

Revenue recognised in the current year that was included in the contract liability balance at the beginning of the year	34,180	58,224
Increase due to cash received, excluding amounts recognised as revenue during the year	(35,561)	(21,411)

In accordance with Note 2(e) to the financial statements, contract assets adjustments relating to changes in the estimated transaction price were made following receipt of revised independent legal and expert advice on completed contracts.

(ii) Unsatisfied performance obligations

	Group	
	2023 A\$'000	2022 A\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 30 June	1,148,988	1,038,556

The Group expects that the aggregate amount of the transaction price allocated to unsatisfied performance obligations as of 30 June 2023 will be recognised as revenue as the Group continues to perform to complete the construction, which is expected to occur over the next few years up to 2029. The amount disclosed above does not include variable consideration which is subject to constraint.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods of one year or less, or are billed based on time incurred, is not disclosed.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

5. Other income

	Group	
	2023 A\$'000	2022 A\$'000
Insurance recoveries	53	595
Fuel tax rebate	489	171
Interest income:		
- Bank balances	1,099	29
- Related party	-	127
	1,099	156
Gain on disposal of property, plant and equipment	331	176
Gain on disposal of interest in a former associate	80	-
Fair value gain on investment property at fair value through _profit or loss	420	1,640
Subsidies and incentives	127	171
Net foreign exchange gain	30	-
Miscellaneous income	2	10
	2,631	2,919

Subsidies and incentives

The Group received Wage Subsidy and Jobs and Skills WA Employer Incentives from the Government for hiring eligible participants.

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NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

6. Profit before income tax

The following items have been included in arriving at profit before income tax:

	Group	
	2023 A\$'000	2022 A\$'000
Included in cost of sales:		
Direct materials	129,215	128,735
Employee benefits (Note 7)	398,089	356,223
Subcontract works	69,771	109,961
Workshop and other overheads	103,061	104,073
Depreciation of property, plant and equipment and investment properties – leasehold land (Note 14, 15)	18,243	16,387
Finance costs on lease liabilities (Note 8)	3,316	3,079
Included in administrative expenses:		
Audit fees:		
- Auditor of the Company	100	90
- Other auditors (network firm)	121	105
Non-audit fees:		
- Auditor of the Company	22	20
- Other auditors (network firm)	25	25
- Other auditors (non-network) firm	191	128
Business development	447	106
Communications	2,737	2,930
Depreciation of property, plant and equipment (Note 14)	175	213
Directors' fee	290	261
Employee benefits (Note 7)	15,889	12,703
Occupancy expenses	518	551
Office costs	1,031	784
Other administrative expenses	522	178
Tax and other professional fees	2,538	1,875
Net foreign exchange loss	-	83
Included in other (reversal)/expenses:		
Trade receivables written off	-	37
Impairment loss on loan to an associate (Note 11)	-	127
Reversal of bad debt	-	(23)
Reversal of impairment loss on loan to an associate (Note 11)	-	(328)
Reversal of revaluation loss on freehold land and buildings ⁽¹⁾	(149)	(967)
Other expenses	-	2

Note:

1. The fair value of freehold land and buildings at 2-8 Stuart Drive, Henderson increased as a result of a revaluation carried out at 30 June 2023. The net revaluation increase reverses its net revaluation loss previously recognised in the financial year ended 30 June 2020 (2022: \$967,000 reversal).

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NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

7. Employee benefits Expenses

	Group	
	2023 A\$'000	2022 A\$'000
Included in cost of sales: (Note 6)		
Wages and salaries	374,045	335,859
Contributions to defined contribution plans	21,663	18,021
Other employee benefits	2,381	2,343
	398,089	356,223
Included in administrative expenses: (Note 6)		
Wages and salaries	11,145	8,753
Contributions to defined contribution plans	1,282	2,231
Other employee benefits	350	284
Share based payment	3,112	1,435
	15,889	12,703

8. Finance costs

	Group	
	2023 A\$'000	2022 A\$'000
Corporate market loan and line fees	3,637	1,502
Trade finances	102	164
Lease liabilities	767	757
Secured notes	-	2,350
Other finance costs	268	95
	4,774	4,868
Included in cost of sales:		
Lease liabilities (Note 6)	3,316	3,079
	8,090	7,947

9. Income tax expense

	Group	
	2023 A\$'000	2022 A\$'000
Current income tax	20,561	17,771
Deferred income tax	3,454	3,279
	24,015	21,050
(Over)/under provision in prior years		
- Current income tax	(505)	(1,232)
- Deferred income tax	1,388	(576)
	883	(1,808)
	24,898	19,242
Deferred income tax expense on revaluation of freehold land and buildings recognised in other comprehensive income	5,185	15,908

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NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

9. Income tax expense (continued)

The Group's tax on profit before income tax differs from the amount that would arise using the Australian standard rate of income tax as follows:

	Group	
	2023 A\$'000	2022 A\$'000
Profit before income tax	82,571	69,983
Income tax at 30%	24,771	20,995
Add/(deduct) the tax effects of:		
Under provision of current tax expense in prior years	92	-
Over provision of current tax expense in prior years	(597)	(1,232)
Under provision of deferred tax expense in prior years	1,388	-
Over provision of deferred tax expense in prior years	-	(576)
Non-assessable income	(756)	(474)
Non-deductible expenses	-	529
	24,898	19,242
Weighted average effective tax rates	30.2%	27.5%

As at 30 June 2023, the Group has capital tax losses of approximately A\$2,080,000 (2022: A\$2,080,000) that are available for offset against future capital gains of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these capital tax losses is subject to the agreement of tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The deferred tax assets arising from these capital losses amounted to A\$624,000 (2022: A\$624,000) and are not recognised as there is no reasonable certainty that future capital gains will be available to utilise the capital tax losses.

The non-deductible expenses of the Group mainly relate to share option expenses which are being treated as non-deductible for tax purposes.

The tax rate used for the 2023 and 2022 reconciliations above is the corporate tax rate of 30% payable by corporate entities in Australia on taxable profits under the tax law in that jurisdiction. The Group's operations are primarily located in Australia.

Deferred taxes

Group	Opening A\$'000	Charged to profit & loss A\$'000	Charged to OCI* A\$'000	Closing A\$'000
2023				
Property, plant and equipment	(58,681)	(4,877)	(5,185)	(68,743)
Receivables	(83)	83	-	-
Trade and other payables	2,369	(917)	-	1,452
Provisions	5,709	869	-	6,578
Others	2,306	-	-	2,306
	(48,380)	(4,842)	(5,185)	(58,407)
2022				
Property, plant and equipment	(41,550)	(1,223)	(15,908)	(58,681)
Receivables	437	(520)	-	(83)
Trade and other payables	5,700	(3,331)	-	2,369
Provisions	5,111	598	-	5,709
Carried forward tax losses	1	(1)	-	-
Others	532	1,774	-	2,306
	(29,769)	(2,703)	(15,908)	(48,380)

*Other Comprehensive Income

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

9. Income tax expense (continued)

Deferred taxes (continued)

Company	Opening A\$'000	Charged to profit & loss A\$'000	Closing A\$'000
2023			
Loan receivables	76	(74)	2
Trade and other payables	10	18	28
	86	(56)	30
2022			
Loan receivables	24	52	76
Trade and other payables	10	-	10
Carried forward tax losses	1	(1)	-
Investment in subsidiaries	224	(224)	-
Others	1	(1)	-
	260	(174)	86

10. Earnings per share

Basic earnings per share is calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial year by the weighted average number of ordinary shares issued.

	Group	
	2023 A\$'000	2022 A\$'000
Profit attributable to the owners of the Company (A\$'000)	57,655	50,762
Share capital (A\$'000)	29,807	29,807
Weighted average number of ordinary share issued		
- Basic	504,683,775	502,239,178
- Diluted	516,633,775	502,266,373
Earnings per ordinary share (A\$ cents)		
- Basic	11.42	10.11
- Diluted	11.16	10.11

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

As at 30 June 2023, the diluted earnings per share includes the effect of 7,950,000 unissued ordinary shares granted under CPRP due to the performance targets are likely to be met (Note 26(c)). The effect of the inclusion is dilutive. (2022: 9,926,000, dilutive).

As at 30 June 2023, the diluted earnings per share includes the effect of 4,000,000 unissued ordinary shares granted under CESOS (Note 26(b)). The effect of the inclusion is dilutive (2022: 4,000,000, anti-dilutive).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

11. Trade and other receivables

	Group		Company	
	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
Current:				
Trade receivables				
- Third parties	107,650	94,432	-	-
- Retention sum receivables	12	5	-	-
Allowance for impairment loss	-	(11)	-	-
	107,662	94,426	-	-
Receivables from subsidiaries	-	-	33,117	34,831
Loan to a former associate	-	1,766	-	-
Allowance for impairment loss	-	(1,766)	-	-
Other receivables	581	604	-	-
	108,243	95,030	33,117	34,831

The receivables from subsidiaries are non-trade, unsecured, interest-free and repayable on demand in cash.

The loan amount to a former associate, Civtec Africa Ltd is cleared following the disposal of interest held by the Group during the financial year.

The movements in allowance for impairment loss of trade and other receivables during the year are as follows:

Group	Trade receivables A\$'000	Other receivables A\$'000	Total A\$'000
2023			
Balance as at 1 July 2022	11	1,766	1,777
Recognised impairment loss cleared as uncollectible	(11)	(1,766)	(1,777)
Balance as at 30 June 2023	-	-	-
2022			
Balance as at 1 July 2021	11	1,967	1,978
Impairment loss recognised in profit or loss during the year on:			
- Changes in credit risk (Note 6)	-	127	127
- Reversal of impairment loss on loan to a former associate	-	(328)	(328)
Balance as at 30 June 2022	11	1,766	1,777

Apart from the credit allowance provided, management has assessed that there is no other significant expected credit loss for the financial year ended 30 June 2023.

The Group's internal credit evaluation practices and basis for recognition and measurement for expected credit losses are disclosed in Note 33(a) to the financial statements.

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12. Other current assets

	Group		Company	
	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
Prepayments	1,597	1,297	-	-
Consumables inventory	677	532	-	-
	2,274	1,829	-	-

13. Cash and cash equivalents

	Group		Company	
	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
Cash at bank and on hand	70,381	40,841	-	7

Cash at bank earn interest at floating rates ranging from 0.01% to 3.95% (2022: 0.01% to 0.85%) per annum. A floating charge over cash and cash equivalents has been provided for certain debt.

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14. Property, plant and equipment

Group	Freehold land A\$'000	Leasehold land A\$'000	Buildings A\$'000	Plant and equipment A\$'000	Small tools A\$'000	Motor vehicles A\$'000	Office equipment A\$'000	IT equipment A\$'000	Assets under construction A\$'000	Total A\$'000
2023										
Cost or valuation										
At 1 July 2022	21,200	30,549	328,734	98,321	10,330	8,690	766	3,357	9,543	511,490
Additions	245	-	4,237	3,685	237	-	83	69	11,324	19,880
Additions – ROU	-	4,861	-	3,599	-	1,040	-	-	-	9,500
Transfer	-	-	22	7,537	649	-	-	-	(8,208)	-
Reclassification	-	-	-	-	-	-	-	-	(60)	(60)
Revaluation increase	600	-	8,477	-	-	-	-	-	-	9,077
Disposals	-	-	-	(291)	(55)	(39)	-	-	-	(385)
At cost at 30 June 2023	-	35,410	-	112,851	11,161	9,691	849	3,426	12,599	185,987
At valuation at 30 June 2023	22,045	-	341,470	-	-	-	-	-	-	363,515
At 30 June 2023	22,045	35,410	341,470	112,851	11,161	9,691	849	3,426	12,599	549,502
Accumulated depreciation										
At 1 July 2022	-	(4,055)	-	(44,207)	(6,092)	(5,286)	(716)	(3,042)	-	(63,398)
Depreciation for the year	-	(950)	(8,287)	(7,013)	(1,099)	(831)	(22)	(175)	-	(18,377)
Revaluation	-	-	8,287	-	-	-	-	-	-	8,287
Disposals	-	-	-	197	53	38	-	-	-	288
At 30 June 2023	-	(5,005)	-	(51,023)	(7,138)	(6,079)	(738)	(3,217)	-	(73,200)
Net carrying amount										
At cost	-	30,405	-	61,828	4,023	3,612	111	209	12,599	112,787
At valuation	22,045	-	341,470	-	-	-	-	-	-	363,515
At 30 June 2023	22,045	30,405	341,470	61,828	4,023	3,612	111	209	12,599	476,302

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14. Property, plant and equipment (continued)

Group	Freehold land A\$'000	Leasehold land A\$'000	Buildings A\$'000	Plant and equipment A\$'000	Small tools A\$'000	Motor vehicles A\$'000	Office equipment A\$'000	IT equipment A\$'000	Assets under construction A\$'000	Total A\$'000
2022										
Cost or valuation										
At 1 July 2021	17,950	30,979	314,461	72,658	7,018	7,357	737	3,329	20,102	474,591
Additions	-	-	-	3,217	1,512	-	29	6	2,140	6,904
Additions – ROU	-	1,482	-	2,932	85	1,682	-	-	1,999	8,180
Transfer	-	-	(7,901)	20,106	1,769	2	-	22	(13,998)	-
Transferred to investment property (Note 15)	-	(1,912)	(13,200)	-	-	-	-	-	-	(15,112)
Reclassification	-	-	-	480	-	-	-	-	(700)	(220)
Revaluation increase	3,250	-	35,374	-	-	-	-	-	-	38,624
Disposals	-	-	-	(1,072)	(54)	(351)	-	-	-	(1,477)
At cost at 30 June 2022	-	30,549	-	98,321	10,330	8,690	766	3,357	9,543	161,556
At valuation at 30 June 2022	21,200	-	328,734	-	-	-	-	-	-	349,934
At 30 June 2022	21,200	30,549	328,734	98,321	10,330	8,690	766	3,357	9,543	511,490
Accumulated depreciation										
At 1 July 2021	-	(3,419)	(7,198)	(38,099)	(5,457)	(4,849)	(679)	(2,860)	-	(62,561)
Depreciation for the year	-	(636)	(7,205)	(6,941)	(771)	(787)	(37)	(182)	-	(16,559)
Transfer	-	-	-	(95)	88	7	-	-	-	-
Revaluation	-	-	14,403	-	-	-	-	-	-	14,403
Disposals	-	-	-	928	48	343	-	-	-	1,319
At 30 June 2022	-	(4,055)	-	(44,207)	(6,092)	(5,286)	(716)	(3,042)	-	(63,398)
Net carrying amount										
At cost	-	26,494	-	54,114	4,238	3,404	50	315	9,543	98,158
At valuation	21,200	-	328,734	-	-	-	-	-	-	349,934
At 30 June 2022	21,200	26,494	328,734	54,114	4,238	3,404	50	315	9,543	448,092

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30 June 2023

14. Property, plant and equipment (continued)

Depreciation expenses are classified as follows:

	Group	
	2023 A\$'000	2022 A\$'000
Included in cost of sales	18,202	16,346
Included in administrative expenses	175	213
	18,377	16,559

At the balance sheet date, the details of the Group's freehold land and buildings are as follows:

Location	Description / Existing use	Tenure
2-8 Stuart Drive, Henderson, Western Australia	Land and buildings / Operational readiness and logistics support facility	Freehold
16 Nautical Drive, Henderson, Western Australia	Buildings on leasehold land / Undercover waterfront, manufacturing, modularisation and maintenance facility	Leasehold land leases: <ol style="list-style-type: none"> i. 34-year lease from August 2010, with further 35 years option ii. 30-year lease from March 2014, with further 35 years option iii. 28-year lease from December 2016, with further 45 years option
35-39 Old Punt Road, Tomago, New South Wales	Land and buildings / Manufacturing facility and modular assembly laydown area	Freehold
Lot 324 Hematite Drive & Lot 325 Furnace Road, Wedgefield, Port Hedland Western Australia	Land and buildings / Manufacturing workshop and office facility. This property is currently classified under Asset under construction.	Freehold
10 Eucla Close, South Hedland Western Australia	Land and buildings / Accommodation support	Freehold

Freehold land and buildings carried at fair value

At 30 June 2023, an independent valuation was carried out by Asset Valuation Advisory on all the freehold land and buildings of the Group. The fair value is determined by the valuer on the highest and best use approach of each asset. Such valuation was determined using the Sales Comparison approach (to market-type properties), Hypothetical Development approach, Income Capitalisation approach and Depreciated Replacement Cost ("DRC") approach (to non-market-type properties). The fair value has been derived through a mix of Level 2 inputs where applicable and Level 3 inputs where the Valuer has deemed Level 2 inputs to be not applicable.

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14. Property, plant and equipment (continued)

Freehold land and buildings carried at fair value (continued)

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 30 June 2023 and 30 June 2022 are as follows:

	Level 1 A\$'000	Level 2 A\$'000	Level 3 A\$'000	Fair value as at 30 June 2023 A\$'000
Freehold land	-	22,045	-	22,045
Buildings	-	6,155	335,315	341,470

	Level 1 A\$'000	Level 2 A\$'000	Level 3 A\$'000	Fair value as at 30 June 2022 A\$'000
Freehold land	-	21,200	-	21,200
Buildings	-	2,600	326,134	328,734

Level 2 fair value of the Group's freehold land and building have been derived using the market data approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes as disclosed in Note 3(a)(vi) to the financial statements. The most significant input in this valuation approach is the selling price per square meter and the usage of the property.

Valuation techniques used to derive Level 3 fair values

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3) as at 30 June 2023 and 2022:

Description	Fair value as at 30 June 2023 A\$'000	Valuation technique	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Buildings	335,315	Depreciated Replacement Cost (DRC)	Depreciation rates	2% to 33%	The higher the depreciation rates, the lower the fair value
			Estimated construction costs per square metre	\$1,222 to \$5,786	The higher the construction costs, the higher the fair value.
			Developer profit margin	5% to 10%	The higher the profit margin, the higher the fair value.

Description	Fair value as at 30 June 2022 A\$'000	Valuation technique	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Buildings	326,134	Depreciated Replacement Cost (DRC)	Depreciation rates	2% to 33%	The higher the depreciation rates, the lower the fair value
			Estimated construction costs per square metre	\$1,079 to \$5,571	The higher the construction costs, the higher the fair value.
			Developer profit margin	5% to 8%	The higher the profit margin, the higher the fair value.

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30 June 2023

14. Property, plant and equipment (continued)

Freehold land and buildings carried at fair value (continued)

Valuation techniques used to derive Level 3 fair values (continued)

The following table represents the changes in level 3 items for the financial year ended 30 June 2023 and 30 June 2022:

	Group	
	2023 A\$'000	2022 A\$'000
At the beginning of the year	326,134	305,346
Acquisition	904	-
Depreciation	(8,169)	(15,508)
Transferred to investment properties (Note 15)	-	(13,200)
Gain on revaluation of buildings	16,446	49,496
Closing balance	335,315	326,134

There were no transfers between Level 1 and Level 2 during the year.

If the freehold land and building were stated on the historical cost basis, the carrying amount would be as follows:

	Group	
	2023 A\$'000	2022 A\$'000
Freehold land	16,499	16,254
Buildings	207,730	200,943
Accumulated depreciation	(35,077)	(28,554)
Net book value	189,152	188,643

Right-of-use assets

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are also disclosed in Note 24.

As at the balance sheet date, the net book value of property, plant and equipment that were under lease liabilities was A\$65,654,000 (2022: A\$60,490,000) (Note 24).

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

Description	Borrowings	Group	
		2023 A\$'000	2022 A\$'000
Leased plant and equipment	Lease liabilities	35,250	33,996
Remaining property, plant and equipment	Corporate market loan, multi-option	441,052	414,096
		476,302	448,092

The details of the borrowings are disclosed in Note 22.

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15. Investment properties

Group	Buildings A\$'000	Leasehold land A\$'000	Total A\$'000
2023			
Cost or valuation			
At 1 July 2022	14,840	2,006	16,846
Revaluation increase – recognised in profit or loss	420	-	420
At 30 June 2023	15,260	2,006	17,266
Accumulated depreciation			
At 1 July 2022	-	(41)	(41)
Depreciation for the year	-	(41)	(41)
At 30 June 2023	-	(82)	(82)
Net carrying amount			
At 30 June 2023	15,260	1,924	17,184
2022			
Cost or valuation			
At 1 July 2021	-	-	-
Transfer from property, plant and equipment (Note 14)	13,200	1,912	15,112
Addition – ROU	-	94	94
Revaluation increase – recognised in profit or loss	1,640	-	1,640
At 30 June 2022	14,840	2,006	16,846
Accumulated depreciation			
At 1 July 2021	-	-	-
Depreciation for the year	-	(41)	(41)
At 30 June 2022	-	(41)	(41)
Net carrying amount			
At 30 June 2022	14,840	1,965	16,805

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NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

15. Investment properties (continued)

Buildings carried at fair value

At 30 June 2023, an independent valuation was carried out by Asset Valuation Advisory on the investment properties of the Group. The fair value is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy due to its specialised nature which is not readily traded in the marketplace.

At the balance sheet date, the investment properties held by the Group is as follows:

Location	Description / Existing use	Tenure
1 Welding Pass, Henderson, Western Australia	Buildings on leasehold land / Submarine rescue facility	Leasehold land leases: 28-year lease from April 2020, with further 22 years option Leasehold land sub-lease: 26-year and 4 months lease from July 2021, with 2 options to renew for a further 3 years each

The fair value measurement for the investment properties of A\$15,260,000 (2022: A\$14,840,000) has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

Valuation techniques used to derive Level 3 fair values

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 30 June 2023 A\$'000	Valuation technique	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Buildings	15,260	Depreciated Replacement Cost (DRC)	Depreciation rates	2%	The higher the depreciation rates, the lower the fair value
			Estimated construction costs per square metre	\$1,391	The higher the construction costs, the higher the fair value.
			Developer profit margin	5% to 8%	The higher the profit margin, the higher the fair value.

Description	Fair value as at 30 June 2022 A\$'000	Valuation technique	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Buildings	14,840	Depreciated Replacement Cost (DRC)	Depreciation rates	2%	The higher the depreciation rates, the lower the fair value
			Estimated construction costs per square metre	\$1,318	The higher the construction costs, the higher the fair value.
			Developer profit margin	5% to 8%	The higher the profit margin, the higher the fair value.

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15. Investment properties (continued)

Leasehold land carried at cost

The asset is depreciated on a straight-line basis over its lease term. The depreciation rate used is 2.1%.

(a) Investment properties is leased to non-related parties under operating leases.

Amounts recognised in profit or loss for investment properties

	Group	
	2023 A\$'000	2022 A\$'000
Rental income	510	329
Direct operating expenses from investment property that generated rental income	(345)	(273)

(b) The carrying amount of investment properties that are pledged for security is as follows:

Description	Borrowings	Group	
		2023 A\$'000	2022 A\$'000
Investment properties	Corporate market loan, multi-option	17,184	16,805

16. Intangible assets

	Group	
	2023 A\$'000	2022 A\$'000
Goodwill	10	10

Goodwill has been allocated to the cash-generating unit, Metals and Minerals division.

Management is of the opinion that the recoverable amount will exceed the carrying amount on the basis that this cash generating unit has been generating profit since acquisition and management forecasts the results of this subsidiary to be in a net profit position for the financial year ended 30 June 2023. In arriving at this assessment, management has determined the recoverable amount using a two (2022: two) years forecasting process based on the current order book, projected orders and a consumer price index ("CPI") factor of 6.0% (2022: 6.1%) per annum on direct costs and overhead costs.

17. Investment in subsidiaries

	Company	
	2023 A\$'000	2022 A\$'000
Unquoted equity shares, at cost	8,324	7,579

During the financial year, Cimec Construction & Engineering Singapore Pte Ltd has issued new ordinary shares of A\$745,000 (equivalent to S\$753,000) to the Company to settle the intercompany payable to the Company.

There is no material non-controlling interest to be disclosed for the financial year ended 30 June 2023.

The details of the Company's subsidiaries are as follows:

Name of entity	Principal activities	Country of incorporation	Equity held by the Group	
			2023 %	2022 %
Held by the Company				
Cimec Construction & Engineering Pty Ltd*	Engineering and construction services	Australia	100	100
Cimec Construction & Engineering Singapore Pte Ltd**	Engineering and construction services	Singapore	100	100

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17. Investment in subsidiaries (continued)

The details of the Company's subsidiaries are as follows: (continued)

Name of entity	Principal activities	Country of incorporation	Equity held by the Group	
			2023 %	2022 %
Held by Civmec Construction & Engineering Pty Ltd				
Civmec Holdings Pty Ltd*	Asset holding company	Australia	100	100
Multidiscipline Solutions Pty Ltd*	Asset holding company and labour supply	Australia	100	100
Civmec Pipe Products Pty Ltd*	Asset holding company	Australia	83.5	83.5
Civmec Electrical and Instrumentation Pty Ltd*	Electrical services	Australia	100	100
Forgacs Marine and Defence Pty Ltd*	Marine and defence services	Australia	100	100
Civmec Construction & Engineering Africa Ltd***	Asset holding company	Mauritius	100	100
Civmec-Mala PNG***	Engineering and construction services	Papua New Guinea	88	88

Held by Civmec Construction & Engineering Africa Ltd

Civmec Construction & Engineering Uganda Ltd***	Asset holding company	Uganda	100	100
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Notes:

* Audited by Moore Australia (WA) Pty Ltd, Australia.

** Audited by Moore Stephens LLP, Singapore.

*** Reviewed by Moore Australia (WA) Pty Ltd, Australia for the purpose of consolidation

18. Investment in joint venture

During the previous financial year, the Group had a share of loss of A\$5,000 in Brown & Root Civmec Pty Ltd and a final cash distribution of A\$52,000 from the joint venture. The joint venture was deregistered in April 2022.

There was no significant investment in joint venture as at 30 June 2023 (2022: Nil).

Details of the Group's joint venture that is accounted for using the equity method at the end of the reporting period are as follows:

Name of entity	Principal activities	Country of incorporation	Equity held by the Group	
			2023 %	2022 %
Held by Civmec Construction & Engineering Pty Ltd				
Australian Maritime Shipbuilding and Export Group Ltd (AMSEG) ⁽¹⁾	Shipbuilding	Australia	-	50

Notes:

(1) Not a significant component. The company was deregistered on 21/06/2023.

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19. Investment in associate

Details of the Group's joint venture that is accounted for using the equity method at the end of the reporting period are as follows:

Name of entity	Principal activities	Country of incorporation	Equity held by the Group	
			2023 %	2022 %
Held by Civmec Construction & Engineering Uganda Ltd				
Civtec Africa Ltd	Engineering and construction services	Uganda	-	32

Civtec Africa Ltd

In March 2023, the Group disposed all its interest in Civtec Africa Ltd to a third party for a proceed of USD\$60,000 (equivalent A\$80,000).

	March 2023 A\$'000
Proceeds of disposal	80
Less: carrying amount of investment on the date of loss of significant influence	-
Gain recognised on disposal of interest in a former associate in profit or loss	80

20. Joint operations

The Group has interests in the following joint operation which is proportionately consolidated:

Name of entity	Principal activities	Country of incorporation	Ownership interest held by the Group	
			2023 %	2022 %
Held by Civmec Construction & Engineering Pty Ltd				
Black & Veatch Civmec JV ("BCJV") ⁽¹⁾	Engineering and construction services	Australia	50	50
Civmec Construction & Engineering Pty Ltd and Seymour Whyte Constructions Pty Ltd and WSP Australia Pty Ltd ("Causeway Link Alliance") ⁽²⁾	Engineering and construction services	Australia	53.78	-

Notes:

- (1) BCJV project is for the design and construction of a wastewater treatment plant upgrade.
- (2) Causeway Link Alliance is for the design and construction of the Causeway Pedestrian and Cyclist Bridges in the Perth metropolitan area.

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21. Trade and other payables

	Group		Company	
	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
Trade creditors	45,972	57,303	-	32
Sundry payables and accruals	58,504	44,605	2,494	160
Goods and services tax payable	6,765	3,524	-	-
Other taxes payable	6,430	6,239	-	-
	117,671	111,671	2,494	192

Trade and other payables are usually paid within 45 days.

22. Borrowings

	Group	
	2023 A\$'000	2022 A\$'000
Current:		
Corporate market loan – secured [Note 22(a)]	8,000	8,000
Trade finance - secured [Note 22(b)]	-	20,000
	8,000	28,000
Non-current:		
Corporate market loan - secured [Note 22(a)]	48,500	46,000
	56,500	74,000

(a) Corporate market loan

The Group is required by the banks to maintain certain financial ratios such as leverage ratio, tangible net worth and debt service cover ratio. As at 30 June 2023, the Group met all of these financial covenants.

As at 30 June 2023, the Group has a commercial bank facility amounting to A\$70 million (2022: A\$54 million) which was 81% utilised (2022: fully utilised). The facility is repaid at an amount of A\$8 million per annum. Interest rates are variable and ranged between 1.53% to 5.01% (2022: 1.37% to 1.53%) per annum during the current financial year.

(b) Trade finance

The Group has a multi-option facility of A\$65 million which was 2% utilised as at 30 June 2023 (2022: 50% utilised). It can be used for trade financing, bank guarantees and letters of credit. Interest rates are fixed at the time of drawing and ranged between 2.59% to 3.99% (2022: 1.29% to 1.80%) per annum during the current financial year.

General security deed

Both the commercial bank and multi-option facilities are secured by certain property, plant and equipment and investment properties as disclosed in Note 14 and Note 15 to the financial statements.

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23. Provisions for employee benefits

	Group	
	2023 A\$'000	2022 A\$'000
Current:		
Provision for short-term employee benefits	16,175	11,350
Non-current:		
Provision for long-term employee benefits	2,411	4,726
	18,586	16,076

The movements in provisions are as follows:

	Group	
	2023 A\$'000	2022 A\$'000
Current:		
At the beginning of the year	11,350	8,950
Provisions made during the year		
- Included in employee benefits	25,336	28,035
Provisions utilised during the year	(22,828)	(25,635)
Reclassified from non-current	2,317	-
At the end of the year	16,175	11,350
Non-current:		
At the beginning of the year	4,726	4,429
Provisions made during the year		
- Included in employee benefits	1,771	1,792
Adjustment due to change in probability %	(1,050)	(916)
Provisions utilised during the year	(719)	(579)
Reclassified to current	(2,317)	-
At the end of the year	2,411	4,726

Short-term benefits

The provisions pertain to employee benefits for annual leave, rostered days off and non-vesting personal leave that are expected to be settled within 12 months of the reporting date. The liability of long service leave that is payable to employees who have completed at least 7 years of continuous employment is also classified as current. They are measured at the amounts expected to be paid when the liability is settled.

Long-term benefits

The provisions mainly pertain to employee benefits relating to long service leave. The liability is measured as the present value of the expected future payments to be made. The probability of long service leave being taken is based upon historical data and the discount rate used ranges from 5.16% to 5.61% (2022: 3.61 % to 5.26%)

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24. Leases

(a) The Group as lessee

Nature of the Group's leasing activities

The Group has entered into leases of land and buildings in respect of its offices, facilities and workshops. The Group has the following leases:

- The Henderson land lease at Lot 804 (16) Nautical Drive, Henderson, Western Australia is for a 34-year period from August 2010 with an option to renew for a further 35 years (reasonably certain to be exercised). Rent increases as per the CPI Index.
- The Henderson land lease on extended area at Lot 804 (16) Nautical Drive, Henderson, Western Australia is for a 28-year period from December 2016 with an option to renew for a further 45 years (reasonably certain to be exercised). Rent increases as per the CPI Index.
- The Henderson land lease at Lot 101 (1) Welding Pass, Henderson, Western Australia is 28-year lease from November 2019 with further 22 years option (reasonably certain to be exercised). Rent increases as per the CPI Index.
- A workshop lease at 4/379 Spearwood Avenue, Bibra Lake, Western Australia is for 3-year lease from July 2022 with a first further 2 years option and a second further 3 years option (reasonably certain to be exercised). Rent increases 2.5% on each anniversary of the start date on the initial lease term and subsequently increases as per CPI index.

The Group also leases motor vehicles, workshop equipment and office fitout from non-related parties under lease liabilities. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term. The average lease term is between 4 and 5 years.

The present values of lease liabilities are analysed as follows:

	Minimum lease payments A\$'000	Future finance charges A\$'000	Net present value of minimum lease payments A\$'000
Group			
2023			
Within one year	14,195	(4,002)	10,193
Between two and five years	42,720	(14,068)	28,652
Later than five years	162,104	(143,614)	18,490
	204,824	(157,682)	47,142
	219,019	(161,684)	57,335
2022			
Within one year	14,340	(3,776)	10,564
Between two and five years	44,234	(16,128)	28,106
Later than five years	151,444	(134,193)	17,251
	195,678	(150,321)	45,357
	210,018	(154,097)	55,921

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30 June 2023

24. Leases (continued)

(a) The Group as lessee (continued)

Nature of the Group's leasing activities (continued)

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2023 A\$'000	2022 A\$'000
Present value of lease liabilities		
Within one year	10,193	10,564
Between two and five years	28,652	28,106
Later than five years	18,490	17,251
	47,142	45,357
	57,335	55,921

The effective interest rates range from 2.14% to 8.6% (2022: 2.14% to 8.6%) per annum.

Carrying amount of right-of-use assets within Property, Plant and Equipment

	Group	
	2023 A\$'000	2022 A\$'000
Leasehold land & buildings	30,405	26,494
Small tools	782	885
Plant and equipment	31,625	30,597
Motor vehicles	2,842	2,514
	65,654	60,490

Carrying amount of right-of-use assets within Investment Properties

	Group	
	2023 A\$'000	2022 A\$'000
Leasehold land	1,924	1,965

There was an addition of A\$9,500,000 to right-of-use assets during the year (Note 14 and Note 15).

Amounts recognised in profit or loss

	Group	
	2023 A\$'000	2022 A\$'000
Depreciation charged for the year:		
- Small tools	101	94
- Plant and equipment	2,447	2,139
- Motor vehicles	504	462
- Leasehold land & building	950	677
Interest on lease liabilities (Note 8)	4,083	3,836
Expenses relating to short-term leases	293	249
Other disclosures		
Total cash outflow for leases	8,623	7,533

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NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

24. Leases (continued)

(b) The Group as lessor

The Group sub-leased its investment property under an operating lease which also included pay to build and occupy conditions. A net amount of A\$9,236,000 was received in advance during the year ended 30 June 2021 from the sub-lessee as part of the pay to build conditions. Revenue from the advance is being recognised over the tenure of the land. The sub-lessee does not have an option to purchase the property at the expiry of the lease period. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties is disclosed in Note 15.

Future minimum rental receivables under non-cancellable operating leases as at the end of the reporting period are as follows:

	Group	
	2023 A\$'000	2022 A\$'000
Present value of rental receivables		
Within one year	214	214
Between one year and two years	207	207
Between two years and three years	288	184
Between three years and four years	288	184
Between four years and five years	288	184
Later than five years	1,437	1,724
	2,722	2,697

25. Share capital

(a) Fully paid ordinary shares

	Group and Company			
	2023		2022	
	No. of shares	A\$'000	No. of shares	A\$'000
At the beginning of the year	502,450,000	29,807	501,100,000	29,807
Share issued during the year				
- Conversion of performance rights	2,682,000	-	1,350,000	-
At the end of the year	505,132,000	29,807	502,450,000	29,807

The ordinary shares of the Company have no par value. All issued ordinary shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share without restrictions at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

During the current financial year, 2,682,000 shares were issued pursuant to vesting and conversion of performance rights held by key management personnel (KMP) and other management.

On 13 December 2022 the Company paid a Final dividend of 2.0 Australia cents per ordinary share (2022: 1.0 Australia cents) amounting to A\$10,102,640 for the financial year ended 30 June 2022. On 14 April 2023, the Company also paid an Interim dividend of 2.0 Australia cents per ordinary share amounting to A\$10,102,640 for the financial year ended 30 June 2023.

The Board has recommended a Final dividend of 3.0 Australian cents per ordinary share for the financial year ended 30 June 2023, subject to shareholders' approval at the forthcoming Annual General Meeting.

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25. Share capital (continued)

(b) Treasury shares

	Group and Company			
	2023		2022	
	No. of shares	A\$'000	No. of shares	A\$'000
At the beginning and end of the year	15,000	10	15,000	10

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

(c) Share options

	Group and Company			
	2023		2022	
	No. of shares	Exercise price	No. of shares	Exercise price
At the beginning and end of the year	4,000,000	S\$0.65	4,000,000	S\$0.65

Share options granted under the Civmec Employee Share Option plan carry no rights to dividends and no voting rights. The exercise price is Singapore dollars \$0.65 per share. Further details of the employee option plan are disclosed in Note 26(b) to the financial statements.

26. Share-based payments

(a) Performance share plan

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

Under the CPSP, 1,199,000 ordinary shares with a market value of S\$0.70 equivalent to A\$0.74 per share were fully allotted out of treasury shares issued by the Company on 13 June 2014.

No issuance of share-based payment transactions in the current financial year and the plan lapsed in October 2022.

(b) Employee share option scheme

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

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

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

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

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

On 11 September 2013, 6,000,000 options were granted to employees under the CESOS to take up ordinary shares at an exercise price of S\$0.65 equivalent to A\$0.64 per share. The options are exercisable on or before 11 September 2023.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

26. Share-based payments (continued)

(b) Employee share option scheme (continued)

Options granted to employees are as follows:

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

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

	Group and Company			
	2023		2022	
	No.	WAEP	No.	WAEP
Outstanding at the beginning and the end of the year	4,000,000	S\$0.65	4,000,000	S\$0.65
Exercisable at the end of the year	4,000,000		4,000,000	

The options are exercisable on or before 11 September 2023. The exercise price of outstanding shares was S\$0.65 (2022: S\$0.65) equivalent to A\$0.72 (2022: A\$0.68).

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

The weighted average fair value of options granted was S\$0.35 (2022: S\$0.35) equivalent to A\$0.39 (2022: A\$0.37). These values were calculated using the Binomial option pricing model applying the following inputs:

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

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

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

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

(c) Performance rights plan

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

A Performance Right refers to a right to one issued ordinary share of the Company granted under the scheme for no consideration. To the extent the gateway hurdles are satisfied, 100% of the vesting will be based on the absolute earnings per share (aEPS) outcome. aEPS is based on the achievement of certain predetermined performance targets determined by the Committee. The Committee has the discretion to determine whether the performance targets have been met.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

26. Share-based payments (continued)

(c) Performance rights plan (continued)

The balances of Performance Rights are as follows:

	Issued	Vested	Forfeited /Lapsed /Expired	Balance
Performance period 1 July 2020 to 30 June 2022 (Granted in FY2021)	4,289,000	(2,682,000)	(1,607,000)	-
Performance period 1 July 2020 to 30 June 2023 (Granted in FY2021)	4,289,000	-	(179,000)	4,110,000
Performance period 1 July 2021 to 30 June 2024 (Granted in FY2022)	1,773,000	-	(67,000)	1,706,000
Performance Period 1 July 2022 to 30 June 2025 (Granted in FY2023)	2,134,000	-	-	2,134,000
Balance as at 30 June 2023				7,950,000

For the financial year ended 30 June 2023, the Group has recognised A\$1,073,000 of equity-settled share-based payment expense (2022: A\$1,435,000).

27. Asset revaluation reserve

	Group		Company	
	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
Balance at beginning of year	117,477	80,358	-	-
Gain on revaluation of freehold land and buildings	17,285	53,027	-	-
Deferred tax liability arising on revaluation (Note 9)	(5,185)	(15,908)	-	-
Balance at end of year	129,577	117,477	-	-

28. Other reserves

	Group		Company	
	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
Merger reserve	7,578	7,578	7,578	7,578
Waiver of interest receivable from a subsidiary	-	-	(3,335)	(3,335)
Waiver of loan payable to a related party	277	277	-	-
Equity-settled employee benefits reserve	3,642	3,715	3,642	3,715
	11,497	11,570	7,885	7,958

(a) Merger reserve

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

(b) Equity-settled employee benefits

The equity-settled employee benefits reserve relates to share options granted to employees under the employee share option plan and performance rights.

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29. Capital expenditure commitments

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

	Group	
	2023 A\$'000	2022 A\$'000
Plant and equipment purchases	4,120	816
Capital projects	1,100	3,013
	5,220	3,829

30. Guarantees

Group

The Group is, in the normal course of business, required to provide guarantees in respect of their contractual performance related obligations. These guarantees and indemnities only give rise to a liability in the event that it is unable to perform its contractual obligations.

Company

The Company also provides parent company guarantee (PCG) to clients from time to time when a subsidiary enters into a contractual agreement. These guarantees and indemnities only give rise to a liability in the event that the subsidiary is unable to perform its contractual obligations.

During the course of business, the Company also provides letters of credit for international trading when required.

As at 30 June 2023, the Group has given the following:

	Group	
	2023 A\$'000	2022 A\$'000
Bank guarantees	1,396	1,567
Surety bond facility	140,067	163,192
Letters of credit	-	60
	141,463	164,819

The surety bond facility is provided for the provision of performance bonds to customers of the Group. It has a limit of A\$405 million (2022: A\$370 million) as at 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

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31. Related party transactions

The Group's main related parties are as follows:

Entities exercising control over the Group

The largest shareholders are James Finbarr Fitzgerald and Olive Theresa Fitzgerald (acting as trustees for the JF & OT Fitzgerald Family Trust) (19.35%) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust) (19.33%). Patrick John Tallon is a beneficiary of the Kariong Investment Trust.

Key management personnel

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

Remuneration paid to key management personnel is as follows:

	Group	
	2023 A\$'000	2022 A\$'000
Directors' remuneration		
- Salaries and other related costs	3,552	3,034
- Directors' fees	290	261
- Share-based payment*	1,153	160
- Benefits including defined contribution plans	141	140
Other key management personnel		
- Salaries and other related costs	2,928	2,948
- Share-based payment	480	514
- Benefits including defined contribution plans	246	235
	8,790	7,292

* includes cash-settled share-based payment

Directors' interest in employee share benefit plans

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

	Group	
	2023 A\$'000	2022 A\$'000
Share options		
Key management personnel	1,000,000	2,000,000
Performance rights		
Directors	2,774,000	4,380,000
Key management personnel	2,999,000	3,982,000

Other related parties

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

Transactions with related parties

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

There was no transaction with related parties during the financial year (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS

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32. Financial information by segments

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

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

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

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

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

The Group is organised into the following main business segments:

- Energy
- Resources
- Infrastructure, Marine & Defence

The business activities include heavy engineering, shipbuilding, modularisation, SMP (structural, mechanical, piping), EIC (electrical, instrumentation and control), precast concrete, site civil works, industrial insulation, maintenance, surface treatment, refractory and access solutions.

Although the Operations Management receives separate reports for each project in the Energy, Resources, and Infrastructure, Marine & Defence businesses, these have been aggregated into the respective reportable segments as they have similar long-term average gross margins.

Basis of accounting for purpose of reporting by operating segments

(a) Accounting policies adopted

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

(b) Inter-segment transactions

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

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

(c) Segment assets and liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

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32. Financial information by segments (continued)

Geographical segments (secondary reporting)

Revenue is based on the location of customers regardless of where the services are rendered. Non-current assets are based on the location of those assets:

	Revenue		Non-current assets	
	2023 A\$'000	2022 A\$'000	2023 A\$'000	2022 A\$'000
Australia	830,866	809,295	493,543	466,308

Major customers

The Group has a number of customers to whom it provides both products and services. For the year ended 30 June 2023, the Group supplies to two (2022: two, Resources and Infrastructure, Marine and Defence) external customers in the Resources segment. The major customers account for approximately 51.0% (2022: 52.0%) of external revenue.

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NOTES TO THE FINANCIAL STATEMENTS

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32. Financial information by segments (continued)

	Group							
	2023				2022			
	Energy AS'000	Resources AS'000	Infra-structure, Marine and Defence AS'000	Total AS'000	Energy AS'000	Resources AS'000	Infra-structure, Marine and Defence AS'000	Total AS'000
Revenue	42,960	678,581	109,325	830,866	30,192	630,902	148,201	809,295
Cost of sales (excluding depreciation)	(36,699)	(573,638)	(93,115)	(703,452)	(25,850)	(547,421)	(128,800)	(702,071)
Depreciation expenses	(781)	(15,476)	(1,986)	(18,243)	(929)	(12,155)	(3,303)	(16,387)
Segment results	5,480	89,467	14,224	109,171	3,413	71,326	16,098	90,837
Other income				2,631				2,919
Share of loss of joint venture				-	(5)	-	-	(5)
Unallocated costs								
Administrative expenses*				(24,431)				(19,839)
Depreciation in admin expenses*				(175)				(213)
Finance costs				(4,774)				(4,868)
Trade receivables written off				-	-	(37)	-	(37)
Impairment loss on loan to an associate				-	-	(127)	-	(127)
Reversal of:								
- bad debt				-	-	23	-	23
- impairment loss on loan to an associate				-	-	328	-	328
- revaluation loss on freehold land and buildings				149				967
Other expenses				-				(2)
Profit before income tax				82,571				69,983
Income tax expense				(24,898)				(19,242)
Profit for the year				57,673				50,741
	As at 30 June 2023				As at 30 June 2022			
	Energy AS'000	Resources AS'000	Infra-structure, Marine and Defence AS'000	Total AS'000	Energy AS'000	Resources AS'000	Infra-structure, Marine and Defence AS'000	Total AS'000
Segment assets:								
Intangible assets	-	10	-	10	-	10	-	10
Unallocated assets:								
Assets				772,203				722,422
Other current assets				2,274				1,829
Deferred tax assets				47				1,401
Total assets				774,534				725,662
Segment liabilities:								
Unallocated liabilities								
Liabilities				278,839				264,472
Borrowings				56,500				74,000
Provisions				18,586				16,076
Total liabilities				353,925				354,548
Other segment information								
Capital expenditure during the year				19,880				6,904

* Administrative expenses above exclude depreciation which is disclosed separately above.

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NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. Financial risk management objectives and policies

The Group and the Company financial risk management policies set out the Group's and the Company's overall business strategies and its risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company do not hold or issue derivative financial instruments for speculative purposes.

As at 30 June 2023, the Group's and the Company's financial instruments mainly consisted of cash and cash equivalents, trade and other receivables, contract assets, trade and other payables, contract liabilities, lease liabilities and borrowings.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables, contract assets and cash and cash equivalents. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk; and
- High credit quality counterparties of at least an 'A' rating by external credit rating companies.

Financial assets that are potentially subject to concentration of credit risk consist are principally bank deposits and receivables. The Group places its deposits with financial institutions and other creditworthy issuers and limits the amount of credit exposure to any one party. As at 30 June 2023, the Group has a concentration of credit risk on two debtors (2022: two debtor) that individually represents 27.94% and 27.46% (2022: 26.8% and 26.0%) of total trade and other receivables and contract assets.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except for financial guarantees as disclosed in Note 30 to the financial statements.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement for expected credit losses ("ECL"):

Internal rating grades	Definition	Basis for recognition and measurement of ECL
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition (>60 days past due).	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired (>90 days past due).	Lifetime ECL (credit-impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Trade receivables and contract assets

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group has adopted the policy of dealing with customers with an appropriate credit history as a means of mitigating the credit risk exposures. Credit evaluation which takes into account qualitative and quantitative profile of each customer is performed and approved by management before credit is being granted. The Group also closely monitors customers' payment pattern and credit exposures on an on-going basis.

The Group applies the simplified approach to provide for the ECL for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to the lifetime ECL.

The Group uses a provision matrix to measure the lifetime ECL allowance for trade receivables and contract assets. In measuring the ECL, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate mainly to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the ECL rates, the Group considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data. The Group has identified the gross domestic product ("GDP") growth of the countries in which it sells goods and services to be the most relevant factor, and accordingly adjust the historical loss rates based on expected changes in this factor.

The Group considers a financial asset as in default when the counterparty fail to make contractual payments for a prolonged period of time when they fall due, and the Group may also consider internal and external information, such as significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flow, such as a debtor failing to engage in a repayment plan with the Group and it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management has assessed and concluded that the ECL rate for trade receivables past due less than 1 year approximates Nil and is immaterial, while the ECL rate for trade receivables past due more than 1 year approximates 50% to 100%, except for specific cases where management has assessed the amount is still fully recoverable.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 June 2023 and 2022 are set out in the provision matrix as follows:

Group	Current A\$'000	Past due			Total A\$'000
		Within 60 days A\$'000	61 to 90 days A\$'000	More than 90 days A\$'000	
2023					
Trade receivables	103,676	2,952	3	1,031*	107,662
	103,676	2,952	3	1,031	107,662
2022					
Trade receivables	90,733	3,684	-	20	94,437
Loss allowance	-	-	-	(11)	(11)
	90,733	3,684	-	9	94,426

*A\$1,031,000 was received in full subsequently in July 2023.

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33. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

There is no ageing analysis for contract assets as these mainly relate to variable considerations which have yet to be invoiced.

The Group has assessed and concluded that trade receivables are subject to immaterial credit loss. There has been no change in the estimation techniques or significant assumptions made during the current reporting year.

Other receivables and receivables from subsidiaries and a related party

The Group applies the general approach to provide for the ECL for other receivables and receivables from subsidiaries and a related party. Under the general approach, the loss allowance is measured at an amount equal to the 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

Impairment of these balances have been measured on the 12-month ECL basis which reflects the low credit risk of exposures. These amounts are subject to immaterial credit loss.

Cash and cash equivalents

The cash and bank balances are entered into with bank and financial institution counterparties, which are rated at least AA, based on international credit rating agencies.

For the purpose of impairment, cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(b) 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 2023, approximately 21.6% (2022: 28%) of the Group's debt is fixed. The Group's borrowings at variable rates are denominated mainly in A\$. If the A\$ interest rates increase/decrease by 1% (2022: 1%) with all other variables remain constant, the Group's profit before tax will be approximately lower/higher by A\$565,000 (2022: A\$540,000) as a result of higher/lower interest expenses on these borrowings.

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. Financial risk management objectives and policies (continued)

(b) Interest rate risk (continued)

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

Group	Variable rates		Fixed rates		Non-interest bearing A\$'000	Total A\$'000
	Within 1 year A\$'000	Between 2 to 5 years A\$'000	Within 1 year A\$'000	Between 2 to 5 years A\$'000		
2023						
Financial assets						
Cash and cash equivalents	70,381	-	-	-	-	70,381
Trade and other receivables	-	-	-	-	108,243	108,243
	70,381	-	-	-	108,243	178,624
Financial liabilities						
Trade and other payables	-	-	-	-	104,476	104,476
Contract liabilities	-	-	-	-	44,706	44,706
Lease liabilities	-	-	10,193	47,142	-	57,335
Borrowings						
- Corporate market loan	8,000	48,500	-	-	-	56,500
	8,000	48,500	10,193	47,142	149,182	263,017
2022						
Financial assets						
Cash and cash equivalents	40,834	-	-	-	7	40,841
Trade and other receivables	-	-	-	-	95,030	95,030
	40,834	-	-	-	95,037	135,871
Financial liabilities						
Trade and other payables	-	-	-	-	101,908	101,908
Contract liabilities	-	-	-	-	43,325	43,325
Lease liabilities	-	-	10,564	45,357	-	55,921
Borrowings						
- Corporate market loan	8,000	46,000	-	-	-	54,000
- Trade finance	-	-	20,000	-	-	20,000
	8,000	46,000	30,564	45,357	145,233	275,154

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NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. Financial risk management objectives and policies (continued)

(b) Interest rate risk (continued)

Company	Variable rates		Fixed rates		Non-interest bearing A\$'000	Total A\$'000
	Within 1 year A\$'000	Between 2 to 5 years A\$'000	Within 1 year A\$'000	Between 2 to 5 years A\$'000		
2023						
Financial assets						
Trade and other receivables	-	-	-	-	33,117	33,117
	-	-	-	-	33,117	33,117
Financial liabilities						
Trade and other payables	-	-	-	-	2,494	2,494
	-	-	-	-	2,494	2,494
2022						
Financial assets						
Cash and cash equivalents	-	-	-	-	7	7
Trade and other receivables	-	-	-	-	34,831	34,831
	-	-	-	-	34,838	34,838
Financial liabilities						
Trade and other payables	-	-	-	-	192	192
	-	-	-	-	192	192

(c) Liquidity risk

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

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

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward. Balances due within 12 months equal their carrying amount as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

The table below reflects an undiscounted contractual maturity analysis for financial liabilities (exclude contract liabilities).

Group	Carrying amount A\$'000	Contractual undiscounted cash flows			
		Within 1 year A\$'000	Between 2 to 5 years A\$'000	More than 5 years A\$'000	Total A\$'000
2023					
Financial liabilities					
Trade and other payables	104,476	104,476	-	-	104,476
Lease liabilities	57,335	14,195	42,720	162,104	219,019
Borrowings					
- Corporate market loan	56,500	8,401	50,932	-	59,333
Total financial liabilities	218,311	127,072	93,652	162,104	382,828

2022					
Financial liabilities					
Trade and other payables	101,908	101,908	-	-	101,908
Lease liabilities	55,921	14,340	44,234	151,444	210,018
Borrowings					
- Corporate market loan	54,000	8,123	46,704	-	54,827
- Trade finance	20,000	20,018	-	-	20,018
Total financial liabilities	231,829	144,389	90,938	151,444	386,771

Company	Carrying amount A\$'000	Contractual undiscounted cash flows			
		Within 1 year A\$'000	Between 2 to 5 years A\$'000	More than 5 years A\$'000	Total A\$'000
2023					
Financial liabilities					
Trade and other payables	2,494	2,494	-	-	2,494
Total financial liabilities	2,494	2,494	-	-	2,494

2022					
Financial liabilities					
Trade and other payables	192	192	-	-	192
Total financial liabilities	192	192	-	-	192

The Group's undrawn borrowings facilities and guarantees are disclosed in Notes 22 and 30 to the financial statements respectively.

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NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. Financial risk management objectives and policies (continued)

(d) Capital management

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

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

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

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

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

	Group	
	2023 A\$'000	2022 A\$'000
Net debt	192,636	234,313
Total equity	420,609	371,114
Net debt-to-equity ratio	0.46	0.63

(e) Fair value estimation

Financial instruments

The fair values of financial assets and financial liabilities can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated.

The fair value of current financial assets and financial liabilities approximate the carrying value due to the liquid nature of these assets and/or the short-term nature of these financial rights and obligations.

The fair value of non-current receivables and borrowings are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the reporting date. The carrying amounts of financial assets and financial liabilities are assumed to approximate their respective fair values. The Group does not anticipate that the carrying amounts recorded at the balance sheet date would be significantly different from the values that would eventually be received or settled.

Fair value hierarchy

The Group categories fair value measurement using a fair value hierarchy that is depend on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

34. Litigation

Perth stadium project

In February 2019, the Group lodged a writ in the Supreme Court of Western Australia against Brookfield Multiplex Engineering and Infrastructure Pty Ltd ("Brookfield Multiplex"), in relation to the valuation of additional time and changes to the works undertaken in the delivery of the new Perth Stadium project in Western Australia.

The Group is seeking a determination from the Supreme Court to recover costs associated with the changes in scope and nature of the works required to be completed and for the granting of Practical Completion.

35. Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2022.

- Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to SFRS(I) 1-37 Provisions – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to SFRS(I) 3 Business Combination – Reference to the Conceptual Framework
- Annual improvements to SFRS(I)s 2018 – 2020 SFRS(I) 9 Financial Instruments – Fees in the '10 per cent' test for derecognition

36. New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning on or after 1 July 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning on or after 1 July 2023:

Applicable to 2024 financial statements:

- Amendments to SFRS(I) 1-1 Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements
- Amendments to SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to SFRS(I) 1-12 International tax Reform – Pillar Two Model Rules

Applicable to 2025 financial statements:

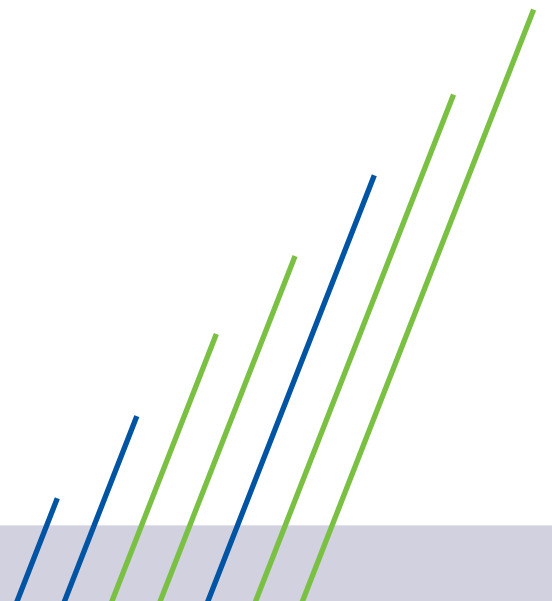
- Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-1 Non-current liabilities with Covenants
- Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-7 and 7: Supplier Finance Arrangements

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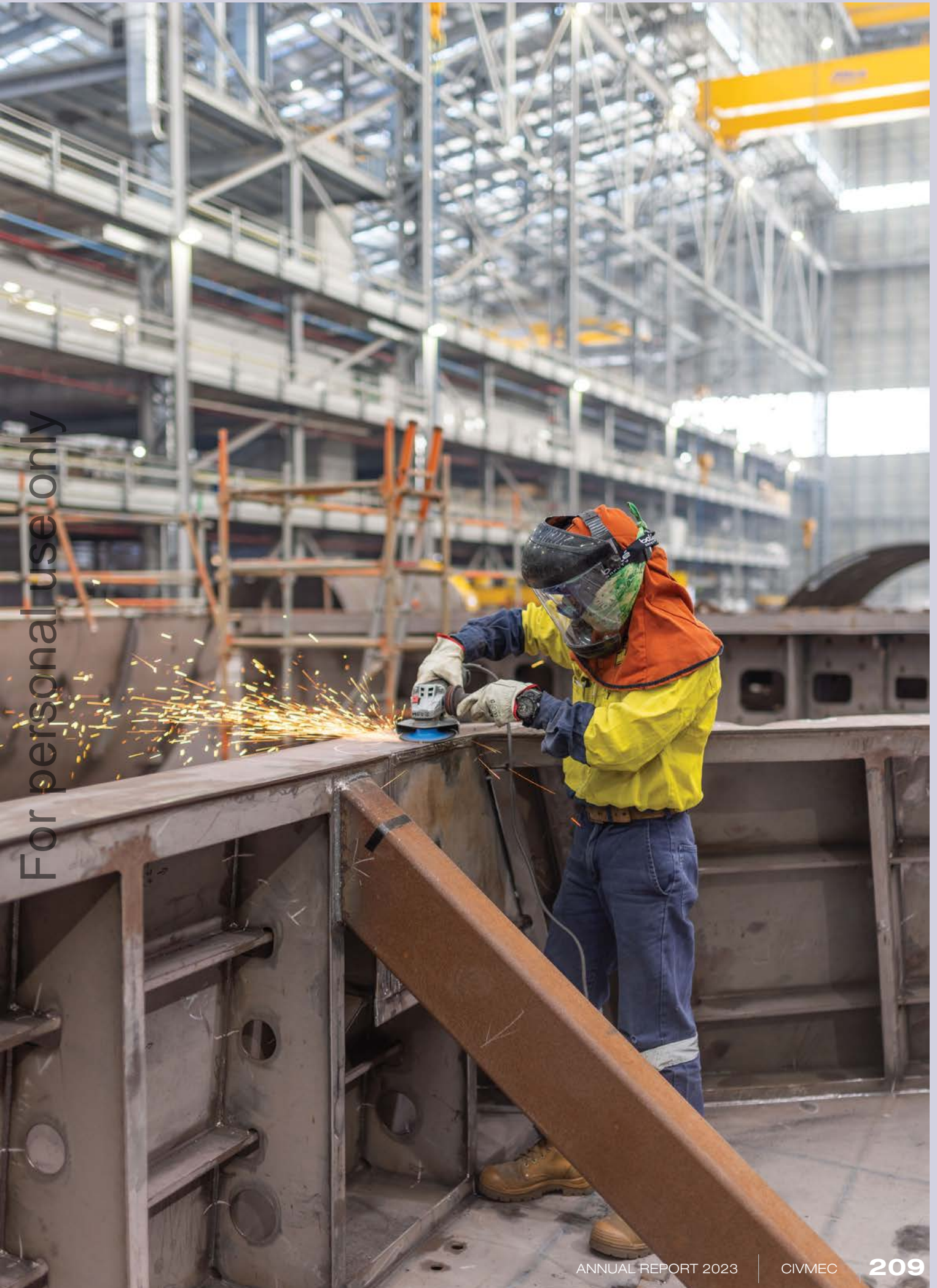
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ADDITIONAL INFORMATION

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STATISTICS OF SHAREHOLDERS

for the year ended 30 June 2023

Shareholders' Statistics and Distribution as at 22 September 2023

Class of Shares:	Ordinary Shares
Voting Rights (excluding treasury shares):	One vote per Ordinary Share
No. of issued shares:	507,546,000
No. of issued shares excluding treasury shares:	507,531,000
No. of treasury shares:	15,000

Distribution of Shareholdings

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	4	0.39	139	0.00
100 - 1,000	51	4.96	36,719	0.01
1,001 - 10,000	448	43.58	2,709,967	0.53
10,001 - 1,000,000	500	48.64	46,391,969	9.14
1,000,001 and Above	25	2.43	458,392,206	90.32
TOTAL	1,028	100.00	507,531,000	100.00

Twenty Largest Shareholders as at 22 September 2023

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	CHESS DEPOSITARY NOMINEES PTY LIMITED	240,696,118	47.42
2	DBS NOMINEES PTE LTD	52,318,934	10.31
3	CITIBANK NOMINEES SINGAPORE PTE LTD	49,335,345	9.72
4	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	34,572,964	6.81
5	MAYBANK SECURITIES PTE. LTD.	18,812,974	3.71
6	RAFFLES NOMINEES (PTE) LIMITED	7,672,102	1.51
7	LEE TECK LENG	5,700,200	1.12
8	PHILLIP SECURITIES PTE LTD	5,496,600	1.08
9	FOO SIANG GUAN	5,015,249	0.99
10	GOH GEOK LING	4,994,434	0.98
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,240,200	0.84
12	NG KEE CHOE	3,330,134	0.66
13	LAI VOON NEE	3,300,000	0.65
14	HENG KHENG LONG	3,130,845	0.62
15	HO KONG CHEW	3,030,000	0.60
16	PANG CHIN FATT	2,273,000	0.45
17	WONG YEW MENG	2,069,455	0.41
18	DB NOMINEES (SINGAPORE) PTE LTD	2,000,000	0.39
19	DIANA SNG SIEW KHIM	1,964,000	0.39
20	OCBC SECURITIES PRIVATE LTD	1,862,400	0.37
	TOTAL:	451,814,954	89.03

Note: The percentage is based on 507,531,000 shares (excluding shares held as treasury shares) as at 22 September 2023.

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ADDITIONAL INFORMATION

STATISTICS OF SHAREHOLDERS

for the year ended 30 June 2023

Substantial Shareholders

NAME	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
JF & OT Fitzgerald Family Trust ⁽¹⁾	97,720,806	19.25%		-
Kariong Investment Trust ⁽²⁾	97,566,806	19.22%		-
Michael Lorrain Vaz ⁽³⁾	13,114,000	2.58%	23,812,000	4.69%
James Finbarr Fitzgerald (and Olive Teresa Fitzgerald) ⁽¹⁾	-	-	97,720,806	19.25%
Goldfirm Pty Ltd ⁽²⁾	-	-	97,566,806	19.22%
Patrick John Tallon ⁽²⁾	54,000	0.01%	97,566,806	19.22%

Note:

1. Mr James Finbarr Fitzgerald and his spouse (Olive Teresa Fitzgerald) are the trustees of the JF & OT Fitzgerald Family Trust. Pursuant to Section 4(3) of the Securities and Futures Act (SFA), Mr James Finbarr Fitzgerald and his spouse (Olive Teresa Fitzgerald), their children (Sean Fitzgerald, Claire Fitzgerald and Sarah Fitzgerald) and Parlade Holdings Pty Ltd (which is equally held by Mr James Finbarr Fitzgerald and his spouse) are deemed to have an interest in the Shares owned by JF & OT Fitzgerald Family Trust, which are legally held in the names of Mr James Finbarr Fitzgerald and his spouse, Olive Teresa Fitzgerald, as trustees.
2. Goldfirm Pty Ltd is the trustee of the Kariong Investment Trust. Mr Patrick John Tallon has a deemed interest in the Shares which are held by Goldfirm Pty Ltd as trustee. Pursuant to Section 4(3) of the SFA, Mr Patrick John Tallon is also deemed to have interest in the Shares owned by the Kariong Investment Trust, which are legally held in the name of Goldfirm Pty Ltd, as trustee.
3. Michael Lorrain Vaz has deemed interest in 23,812,000 shares which are held by Clarendon Pacific Ventures Pte. Ltd.

Percentage of Shareholding in Public's Hands

Based on Shareholders' Information as at 22 September 2023 and to the best knowledge of the Directors, approximately 52.2% of the issued ordinary shares of the Company is held in the hands of the public (on basis of information available to the Company). Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

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Business Overview

Operational Review

Sustainability

Governance

Financial Report

Additional Information

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting ('AGM') of the Company will be held at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore on Tuesday, 31 October 2023 at 10:30 a.m. to transact the following businesses:

As Ordinary Business:

1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Directors' Statement and Independent Auditors' Report thereon.	Ordinary Resolution 1
2	To approve the payment of a tax exempt (foreign sourced) Final Dividend of 3.0 Australian cents per ordinary share for the financial year ended 30 June 2023.	Ordinary Resolution 2
3	To approve the payment of Directors' fees of S\$265,000 for the financial year ending 30 June 2024, to be paid quarterly in arrears. (FY2023: S\$265,000) [See Explanatory Note (i)]	Ordinary Resolution 3
4	For the purposes of ASX Listing Rule 10.17, to approve the increase in payment of non-executive Directors' fees of S\$103,000 (i.e. aggregate of S\$368,000) for the financial year ending 30 June 2024, to be paid quarterly in arrears. (FY2023: S\$265,000). This increase will allow appointment of an additional Independent Director to aid Board renewal (S\$89,000) and increase fees of existing Independent Directors (S\$14,000). [See Explanatory Note (ii)] Voting Exclusion: In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out by or on behalf of a Director or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by: (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.	Ordinary Resolution 4
5	To re-elect the following Directors retiring pursuant to Regulation 118 of the Company's Constitution and for the purposes of ASX Listing Rule 14.5:	
	(a) Mr James Finbarr Fitzgerald [See Explanatory Note (iii)]	Ordinary Resolution 5
	(b) Mr Patrick John Tallon [See Explanatory Note (iii)]	Ordinary Resolution 6
	(c) Mr Kevin James Deery [See Explanatory Note (iii)]	Ordinary Resolution 7
	(d) Mr Chong Teck Sin [See Explanatory Notes (iii)]	Ordinary Resolution 8
	(e) Mr Wong Fook Choy Sunny [See Explanatory Notes (iii)]	Ordinary Resolution 9
	(f) Mr Douglas Owen Chester [See Explanatory Notes (iii)]	Ordinary Resolution 10
6	To re-appoint Messrs Moore Stephens LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 11

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ADDITIONAL INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

As Special Business:

To consider and, if thought fit, to pass with or without modifications the following resolutions, will be proposed as Ordinary Resolutions:

7	<p>Authority to allot and issue shares</p> <p>THAT pursuant to Section 161 of the Companies Act 1967 of Singapore (the “Companies Act”), and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), and subject to the Company’s compliance with the requirements of the ASX Listing Rules, authority be and is hereby given for the Directors of the Company (“Directors”) at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:</p> <ul style="list-style-type: none"> (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, ‘Instruments’) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; <p>and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuant to any Instrument made or granted by the Directors while the Resolution was in force, provided always that:</p> <ul style="list-style-type: none"> (a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the Company’s total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) shall be the Company’s total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) at the time this Resolution is passed, after adjusting for: <ul style="list-style-type: none"> (i) new shares arising from the conversion or exercise of convertible securities, or (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, and (iii) any subsequent bonus issue, consolidation or subdivision of the Company’s shares; <p>Adjustments in accordance with (i), (ii) and (iii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution.</p> (b) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and <p>such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.</p> <p>[See Explanatory Note (iv)]</p>	Ordinary Resolution 12
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NOTICE OF ANNUAL GENERAL MEETING

As Special Business (continued)

8	<p>Proposed Grant of Performance Rights to Mr Kevin James Deery, a Director of the Company, under the Civmec Key Senior Executives Performance Rights Plan</p> <p>THAT, for the purposes of ASX Listing Rule 10.14, and for all other purposes:</p> <p>(a) approval be given for the grant of Performance Rights covering 306,000 fully-paid Shares to Mr Kevin James Deery, upon such terms to be determined by the Remuneration Committee, in accordance with the rules of the Civmec PRP; and</p> <p>(b) the Directors be and are hereby authorised to allot and issue from time to time such number of fully-paid Shares as may be required to be delivered pursuant to the vesting of such Performance Rights under the Civmec PRP.</p> <p>[See Explanatory Note (v)]</p> <p>Voting Exclusion: In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Kevin James Deery) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:</p> <p>(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or</p> <p>(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or</p> <p>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:</p> <p>(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and</p> <p>(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</p>	Ordinary Resolution 13
9	To transact any other business which may properly be transacted at an Annual General Meeting.	

BY ORDER OF THE BOARD

James Finbarr Fitzgerald
Executive Chairman

9 October 2023

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ADDITIONAL INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Ordinary Resolution 3 seeks Shareholder approval for the payment of fees to directors. The Singapore Companies Act 1967 requires shareholders' approval to approve the payment of fees to directors each year.
- (ii) Ordinary Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.17 to increase the total aggregate amount of fees payable to non-executive Directors to S\$368,000. This increase will allow appointment of an additional Independent Director to aid Board renewal (S\$89,000) and increase fees of existing Independent Directors (S\$14,000).

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Directors' fees include all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any of its child entities (including attending and participating in any board committee meetings), superannuation contributions for the benefit of a non-executive director and any fees which a non-executive director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with an entity's constitution, or securities issued to a non-executive director under the ASX Listing Rules 10.11 or 10.14 with the approval of the holders of its ordinary securities.

If Ordinary Resolution 4 is passed, the maximum aggregate amount of fees payable to the non-executive Directors will increase by S\$103,000 to S\$368,000. The increase to maximum aggregate amount of fees payable may enable the Company to:

- (a) Increase the number of Independent directors on the Board to allow for Board renewal;
- (b) fairly remunerate both existing and any new non-executive directors joining the Board;
- (c) remunerate its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (d) have the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

If Ordinary Resolution 4 is not passed, the maximum aggregate amount of fees payable to non-executive directors will remain at S\$265,000. This may inhibit the ability of the Company to remunerate, attract and retain appropriately skilled non-executive directors.

In the past three years, the Company has not issued any securities to non-executive Directors pursuant to ASX Listing Rules 10.11 and 10.14.

- (iii) Each of Resolutions No. 5 to 10 are also included for the purpose of ASX Listing Rule 14.5, which provides that an entity which has directors must hold an election of directors at each annual general meeting.
- (iv) Resolution No. 12, if passed, will empower the Directors of the Company from the date of the passing of Resolution No. 12 to the date of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares (excluding treasury shares and shares (if any) held by a subsidiary) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares and shares (if any) held by a subsidiary) for issues other than on a pro-rata basis to shareholders.

Upon the passing of Resolution No. 12, pursuant to SGX Listing Rule 806, approval by an issuer's shareholders under SGX Listing Rule 805(1) is not required as the shareholders had, by ordinary resolution in a general meeting, given a general mandate to the directors of the issuer to issue shares or convertible securities.

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However, any issue of securities pursuant to Resolution No. 12 will be made subject to the Company's compliance with ASX Listing Rule requirements including, but not limited to, the Company's ability to issue securities under ASX Listing Rule 7.1 at any given time. Resolution No. 12 is not a prior approval for the issue of securities pursuant to ASX Listing Rule 7.1.

- (v) Resolution No. 13 seeks shareholders' approval for the grant of Performance Rights covering 306,000 Shares to Mr Kevin James Deery upon such terms to be determined by the Remuneration Committee in accordance with the rules of the Civmec PRP, and the allotment and issuance from time to time such number of fully-paid Shares as may be required to be delivered pursuant to the vesting of such Performance Rights under the Civmec PRP. Mr Kevin James Deery is Chief Operating Officer of the Company.

ASX Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity; or
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in ASX Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Performance Rights to Mr Kevin James Deery falls within ASX Listing Rule 10.14.1 and therefore requires the approval of shareholders under ASX Listing Rule 10.14.

If Resolution No. 13 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Kevin James Deery under the Civmec PRP within 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under ASX Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

If Resolution No. 13 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Kevin James Deery under the Civmec PRP.

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Performance Rights.

- (a) The Performance Rights will be issued to Mr Kevin James Deery, who falls within the category set out in Listing Rule 10.14.1, by virtue of being a Director.
- (b) The maximum number of Performance Rights to be issued to Mr Kevin James Deery is 306,000.
- (c) The current total fixed annual remuneration package for Mr Kevin James Deery is A\$727,398.80, comprising of salary and allowances of A\$700,000 and a superannuation payment of A\$27,398.80. Mr Deery is also eligible to up to A\$400,000 in short term and long term incentives if certain performance measures are met. If the Performance Rights are issued, the total remuneration package of Mr Kevin James Deery will increase by A\$192,382.20, being the value of the Performance Rights (based on the Black-Scholes methodology), to a maximum of A\$1,319,781.00.
- (d) The Civmec PRP was last adopted by shareholders on 29 October 2021. 2,691,000 Performance Rights have previously been issued to Mr Kevin James Deery for nil cash consideration under the Civmec PRP. Of those Performance Rights previously issued, 522,000 have been cancelled, 1,418,000 have vested and been converted to shares and 751,000 remain.
- (e) The Performance Rights are unquoted performance rights. The Company has chosen to grant the Performance Rights to Mr Kevin James Deery for the following reasons:
 - a. the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on shareholders;
 - b. the issue of Performance Rights to Mr Kevin James Deery will align the interests of Mr Kevin James Deery with those of shareholders;

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- c. the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Kevin James Deery; and
 - d. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.
- (f) The Company values the Performance Rights at A\$192,382.20 (being A\$0.6287 per Performance Right) based on the Black-Scholes methodology using the following assumptions:

Valuation of the underlying Shares	S\$0.735
Valuation date	03 July 2023
Commencement of performance/vesting period	03 July 2023
Performance measurement/vesting date	30 June 2026
Expiry date	30 June 2033
Term of the Performance Right	3 Years
Volatility (discount)	25%
Risk free interest rate	3.381%
Gross Dividend Yield	8.75%

- (g) The issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights.
- h) A summary of the material terms and conditions of the Civmec PRP is set out in the Schedule.
- (i) No loan is being made to Mr Kevin James Deery in connection with the acquisition of the Performance Rights.
- (j) Details of any Performance Rights issued under the Civmec PRP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- (k) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Civmec PRP after Resolution No. 13 is approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.
- (l) Key Senior Executives (including Controlling Shareholders and Associates of such Controlling Shareholders, each as defined in the Listing Manual of the SGX-ST) who have attained the age of 21 years and hold such rank as may be designated by the Remuneration Committee from time to time, are eligible to participate in the Civmec PRP. Directors, James Finbarr Fitzgerald, Patrick John Tallon and Kevin James Deery, are eligible to participate in the Civmec PRP. Non-Executive Directors are not eligible to participate in the Civmec PRP. Subject to the absolute discretion of the Remuneration Committee, Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Civmec PRP, provided that (i) the participation of each Controlling Shareholder or his Associate, and (ii) the actual number and terms of the Performance Rights to be granted to them have been approved by independent shareholders in separate resolutions for each such person – accordingly approval is being sought for the issue of Performance Rights to Mr Kevin James Deery.
- (m) The Performance Rights will be issued to Mr Kevin James Deery no later than 12 months after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date.
- (n) The terms of the Performance Rights are in accordance with the Civmec PRP subject to the key terms and conditions of the Performance Rights set out below.

The Performance Rights to be granted to Mr Kevin James Deery will vest based on the performance of Mr Kevin James Deery over a three (3) year performance period from 1 July 2023 to 30 June 2026.

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The aggregate number of Performance Rights which shall vest in favour of Mr Kevin James Deery, will be based on the achievement of certain predetermined performance targets (which are based on absolute earnings per share (“aEPS”)) as determined by the Remuneration Committee in accordance with the Civmec PRP. The vesting schedule is as follows:

Long Term Incentive Proportion Vesting – Number of Performance Rights to be vested, calculated as a percentage of the number of Performance Rights for each performance period	Absolute Earnings per Share
50%	Target – If the aEPS achieved is equal to 90% of the three-year average annual result
On a pro rata basis between 50% and 100%	Between Target and Stretch – If the aEPS achieved is more than 90% but not more than 110% of the three-year average annual result
100%	Stretch – If the aEPS achieved is more than 110% of three-year average annual result

In addition:

- Upon satisfaction of the relevant vesting condition attached to a Performance Right, the Performance Right shall vest and will convert into 1 fully paid ordinary share in the capital of the Company.
- A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- The Performance Rights are not transferable.
- If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules at the time of reorganisation.
- The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- If the vesting condition attached to the relevant Performance Right has not been satisfied within the relevant time period set out above, the relevant Performance Rights will automatically lapse.

Notes:

- The AGM will be held in a wholly physical format, at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore on Tuesday, 31 October 2023 at 10:30 a.m. There will be no option for shareholders to participate virtually.
- Members may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 10:30 a.m. on 24 October 2023:
 - in hard copy by sending by post and lodging the same at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898; or
 - by email to agm@civmec.com.au.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

- the member’s full name as it appears on his/her/its CDP/CPF/SRS/Scrip-based share records;
- the member’s NRIC/Passport/UEN number;
- the member’s contact number and email address; and
- the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP, CPF, SRS or Scrip-based).

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The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address all substantial and relevant questions received from Shareholders before 10.30 a.m. on 24 October 2023 relating to the resolutions tabled for approval at the AGM by 25 October 2023 via an announcement to be published on the Company's website at the URL civmec.com.au and SGXNet. Questions submitted after 10:30.a.m on 24 October 2023 will be answered at the AGM.

- iii. Save for members which are nominee companies, a member of the Company shall not be entitled to appoint more than two proxies to attend and vote at the general meeting of the Company. A proxy need not be a member of the Company. The Chairman of the meeting, as proxy, need not be a member of the Company. A member may appoint the Chairman as his/her/its proxy.
- iv. Where a member appoints two proxies, they shall specify the proportion of their shares (expressed as a percentage of the whole) to be represented by each proxy.
- v. Pursuant to Section 181 of the Companies Act 1967, any member (who is a Relevant Intermediary*) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
- vi. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act 1967, to attend and vote for and on behalf of such corporation.
- vii. The instrument appointing a proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a company, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
- viii. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 10:30 a.m. on 28 October 2023), as certified by The Central Depository (Pte) Limited to the Company.
- ix. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") who wishes to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10:30 a.m. on 20 October 2023). SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to the appointment of a proxy for the AGM.
- x. In the case of joint shareholders, all shareholders must sign the instrument appointment a proxy or proxies.
- xi. Voting by holders of CDIs: Holders of CHESS Depository Interests over Shares ("CDIs") are entitled to attend the Annual General Meeting, provided that they cannot vote at the meeting, and if they wish to vote they must direct CHESS Depository Nominees Pty Ltd ("CDN"), the holder of legal title of the CDIs, how to vote in advance of the meeting pursuant to the instructions set out in the accompanying voting instruction form. If you are a holder of CDIs, please sign and date the enclosed voting instruction form and return it in accordance with the instructions on your voting instruction form.
- xii. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
 - (a) be deposited at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898; or
 - (b) be sent via electronic mail to agm@civmec.com.au enclosing signed a PDF copy of the Proxy Form;

not less than seventy-two (72) hours before the time appointed for the AGM.

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*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Record Date

Subject to members' approval to the proposed final dividend at the forthcoming Annual General Meeting, the Register of Members and Share Transfer Books of Civmec Limited (the "Company") will be closed on 1 December 2023, for the preparation of dividend warrants to the proposed tax exempt (Foreign Sourced) Final dividend of A\$0.03 for the financial year ended 30 June 2023 ("Final Dividend").

Duly completed registrable transfers in respect of the shares in the Company received up to 5:00 p.m. on 30 November 2023 ("Record Date") by the Company's Singapore Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00 Singapore 068898 will be registered to determine Members' entitlements to the Final Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5:00 p.m. on the Record Date will be entitled to the Final Dividend.

The Proposed Final Dividend, if approved at the forthcoming Annual General Meeting, will be paid on 14 December 2023.

Personal Data Privacy

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

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Schedule - Summary of Civmec PRP

The key terms of the Civmec PRP are as follows:

(a) Eligibility

Key Senior Executives (including Controlling Shareholders and Associates of such Controlling Shareholders, each as defined in the Listing Manual) who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time, will be eligible to participate in the Civmec PRP.

Subject to the absolute discretion of the Committee, Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Civmec PRP, provided that (i) the participation of each Controlling Shareholder or his Associate, and (ii) the actual number and terms of the Performance Rights to be granted to them have been approved by independent Shareholders in separate resolutions for each such person.

Non-Executive Directors shall not be eligible to participate in the Civmec PRP.

(b) Performance Rights

Performance Rights represent the right of a Participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets are met and/or after expiry of the prescribed vesting period(s) (where applicable), in accordance with the rules of the Civmec PRP.

A Performance Right shall be personal to the Participant to whom it is granted and, prior to the delivery to the Participant of the Award Shares, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.

(c) Participants

The selection of a Participant and the number of Award Shares to be granted to a Participant in accordance with the Civmec PRP shall be determined at the discretion of the Committee, which may take into account such criteria as it considers fit, including (but not limited to) his rank, job performance, creativity, innovativeness, entrepreneurship, resourcefulness, years of service and potential for future development, his contribution to the success and development of the Group and the degree of difficulty of fulfilling the performance condition(s) within the performance period.

(d) Details of Performance Rights

The Committee shall decide, in relation to each Performance Right to be granted to a Participant:

- (i) the Award Date;
- (ii) the performance condition(s) and relevant performance period;
- (iii) the number of Performance Rights which shall vest on the performance condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;
- (iv) the vesting date(s);
- (v) the vesting period(s), if any; and
- (vi) whether:
 - (1) the Award Shares shall be delivered within the prescribed automatic timeline stipulated in the Civmec PRP; or

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- (2) the Participant has the ability to elect to choose a deferred timeline whereby the Company shall deliver the Award Shares to the Participant, subject to the following:
 - (a) such election must be made by the Participant and notified to the Company prior to expiration of the Relevant Period; and
 - (b) in the event that no election is made by the Participant in respect of a vested Performance Right prior to the expiration of the Relevant Period, the Company shall deliver the aggregate number of Award Shares underlying the aggregate corresponding number of vested Performance Rights within [14] calendar days from the expiration of the Relevant Period;
- (vii) the time and circumstances when Performance Rights lapse, provided that once vested, the Performance Rights shall not lapse; and
- (viii) any other condition which the Committee may determine in relation to that Performance Right.

(e) Timing

The Committee may grant Performance Rights at any time during the period when the Civmec PRP is in force. An Award Letter confirming the Performance Right and specifying, inter alia, the Award Date, the number of Award Shares, the prescribed performance condition(s), the performance period during which the prescribed performance condition(s) is/are to be attained or fulfilled, the extent to which the Award Shares will vest on satisfaction of the prescribed performance condition(s), the vesting date(s) and the vesting period(s) (if any) will be sent to each Participant as soon as is reasonably practicable after the grant of a Performance Right.

(f) Events Prior to Vesting

Special provisions for the vesting and lapsing of Performance Rights apply in certain circumstances including the following:

- (i) the Participant ceasing to be in the employment of the Group for any reason whatsoever (other than as specified in paragraphs (vi), (vii) and (viii) below);
- (ii) the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Performance Right;
- (iii) the misconduct on the part of a Participant as determined by the Committee in its discretion;
- (iv) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency;
- (v) any breach of the rules of the Civmec PRP by the Participant;
- (vi) the retirement of the Participant;
- (vii) the Participant ceasing to be in the employment of the Group by reason of retirement, or ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee) or death, or redundancy, or any other reason approved in writing by the Committee; or
- (viii) the Participant ceasing to be in the employment of the Group by reason of:
 - (1) the company by which he is employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;
 - (2) (where applicable) the Participant's transfer of employment between members of the Group; or
 - (3) any other event approved by the Committee.

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Upon the occurrence of any of the events specified in paragraphs (i), (ii), (iii), (iv) and (v) above, a Performance Right then held by a Participant shall, as provided in the rules of the Civmec PRP and to the extent not yet vested, lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in paragraphs (vi), (vii) and (viii) above, the Committee may, in its discretion, determine whether a Performance Right then held by such Participant, to the extent not yet vested, shall lapse or that all or any part of such Performance Right shall be vested. If the Committee determines that a Performance Right (to the extent not yet vested) shall lapse, then such Performance Right shall lapse without any claim whatsoever against the Company. If the Committee determines that a certain number of, or all Performance Rights shall be vested, the aggregate number of Award Shares underlying that aggregate number of vested Performance Rights shall be delivered to the Participant within the prescribed automatic timeline stipulated in the Civmec PRP.

In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the prescribed performance condition(s) has/have been satisfied.

(g) Size and Duration

The total number of Award Shares which may be delivered pursuant to Performance Rights granted under the Civmec PRP on any date, when added to:

- (i) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares delivered and/or to be delivered, pursuant to Performance Rights granted under the Civmec PRP; and
- (ii) the number of new Shares allotted and issued and/or to be allotted and issued and issued Shares delivered and/or to be delivered, in respect of any other options or grants under share option schemes or share schemes adopted by the Company for the time being in force, as the case may be,

shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (or such other limit as may be prescribed by the SGX-ST) of the Company on the date preceding the date of grant of the relevant Performance Right.

The maximum limit of 15% will provide for sufficient Shares to support the use of Performance Rights in the Company's overall long-term incentive and compensation strategy. In addition, it will provide the Company with the means and flexibility to grant Performance Rights as incentive tools in a meaningful and effective manner to encourage staff retention and to align Participants' interests more closely with those of Shareholders.

Furthermore, the aggregate number of Award Shares available to Controlling Shareholders and their Associates shall not exceed 25% of all Award Shares available under the Civmec PRP, and the number of Award Shares available to each Controlling Shareholder or his Associate shall not exceed 10% of all Awards Shares available under the Civmec PRP.

The Civmec PRP shall continue in force at the absolute discretion of the Committee, subject to a maximum of 10 years commencing from the date it is adopted by the Company in general meeting, provided always that the Civmec PRP may continue beyond this stipulated period with the approval of Shareholders in general meeting and relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Civmec PRP, any Performance Rights granted to Participants prior to such expiry or termination, whether such Performance Rights have been vested (whether fully or partially) or not, will continue to remain valid.

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(h) Operation

Subject to the prevailing legislation and the Listing Manual, the Company will have the flexibility to deliver Award Shares to Participants by way of:

- (a) an issue of new Shares; and/or
- (b) the delivery of existing Shares (including treasury shares).

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the vesting of a Performance Right, shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank pari passu with other existing Shares then in issue.

The Committee shall have the discretion to determine whether the performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee may make reference to the audited results of the Company or the Group (as the case may be), taking into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the Committee shall have the right to amend the performance condition if the Committee decides that a changed performance target would be a fairer measure of performance from the Company's perspective.

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In this Schedule, the following definitions apply unless otherwise stated:

"Associate"	Associate shall bear the same meaning as set out in the Listing Manual.
"Award Date"	The date on which the Performance Right is granted pursuant to the Civmec PRP.
"Award Letter"	A letter in such form as the Committee shall approve confirming a Performance Right granted to a Participant.
"Award Shares"	Means a fully paid Ordinary Share in the capital of the Company.
"Board"	The board of Directors of the Company from time to time.
"CDP"	The Central Depository (Pte) Limited.
"Companies Act"	The Companies Act 1967.
"Controlling Shareholder"	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the Company. The SGX-ST may determine that a person who satisfies the aforesaid is not a Controlling Shareholder; or (b) in fact exercises control over the Company.
"Civmec PRP"	The Civmec Key Senior Executives Performance Rights Plan.
"Committee"	A committee comprising Directors duly authorised and appointed by the Board of Directors to administer the Civmec PRP.
"Directors"	The directors of the Company for the time being.
"Executive Director"	A Director who performs an executive function.
"Group"	The Company and its subsidiaries.
"Key Senior Executive"	Means: <ul style="list-style-type: none"> (a) the Executive Chairman; (b) the Chief Executive Officer ('CEO'); (c) Executives who report directly to the CEO; and (d) selected other individuals, being employees of any member of the Group holding the rank of senior manager (or such other equivalent rank which may from time to time be determined by the Committee) and above, who do not fall within the ambit of paragraphs (a) to (c) above, who have been selected to participate in the Civmec PRP.
"Listing Manual"	The listing manual of the SGX-ST.
"Non-Executive Director"	A Director, other than an Executive Director, and "Non-Executive Directors" shall be construed accordingly.
"Participant"	A Key Senior Executive who has been granted a Performance Right or Performance Rights.
"Performance Right"	A right to one Share granted under, and which shall be subject to the satisfaction of performance conditions in accordance with, the rules of the Civmec PRP and "Performance Rights" shall be construed accordingly.
"Relevant Period"	In relation to a Performance Right, a period of ten (10) years from the Award Date.
"Shareholders"	Registered holders of Shares except that where the registered holder is CDP, the term 'Shareholders' shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares.
"Shares"	Issued ordinary shares of the Company.
"Subsidiary holdings"	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.
"%" or "per cent"	Per centum or percentage.

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DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

James Finbarr Fitzgerald, Patrick John Tallon, Kevin James Deery, Chong Teck Sin, Wong Fook Choy Sunny and Douglas Owen Chester are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 31 October 2023 ('AGM') (collectively, the 'Retiring Directors' and each a 'Retiring Director').

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	James Finbarr Fitzgerald	Patrick John Tallon	Kevin James Deery	Chong Teck Sin	Wong Fook Choy Sunny	Douglas Owen Chester
Date of Appointment	27 March 2012	27 March 2012	27 March 2012	27 March 2012	27 March 2012	2 November 2012
Date of last re-appointment	28 October 2022	28 October 2022	28 October 2022	28 October 2022	28 October 2022	28 October 2022
Age	60	53	52	68	67	70
Country of principal residence	Australia	Australia	Australia	Singapore	Singapore	Australia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Refer to Report on Corporate Governance (Board Membership) included in this Annual Report (pages 103 to 106).					
Whether appointment is executive, and if so, the area of responsibility	Refer to overview of Board of Directors included in this Annual Report (pages 18 to 19).					
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Chief Executive Officer	Chief Operating Officer / acting Chief Financial Officer	Lead Independent Director • Audit Committee Chairman • Nominating Committee Member • Remuneration Committee Member • Risks and Conflicts Committee Chairman	Independent Director • Audit Committee Member • Nominating Committee Member • Remuneration Committee Chairman • Risks and Conflicts Committee Member	Independent Director • Audit Committee Member • Nominating Committee Chairman • Remuneration Committee Member • Risks and Conflicts Committee Member
Professional qualifications	Refer to overview of Board of Directors included in this Annual Report (pages 18 to 19).					
Working experience and occupation(s) during the past 10 years	Refer to overview of Board of Directors included in this Annual Report (pages 18 to 19).					
Shareholding interest in the listed issuer and its subsidiaries	97,720,806	97,620,806	10,193,250	Nil	Nil	70,000
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None	None	None	None

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ADDITIONAL INFORMATION

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	James Finbarr Fitzgerald	Patrick John Tallon	Kevin James Deery	Chong Teck Sin	Wong Fook Choy Sunny	Douglas Owen Chester
Conflict of Interest (including any competing business)	None	None	None	None	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years) Present	Refer to Report on Corporate Governance (Board Membership) included in this Annual Report (pages 103 to 106).					
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.						
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No	No

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DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	James Finbarr Fitzgerald	Patrick John Tallon	Kevin James Deery	Chong Teck Sin	Wong Fook Choy Sunny	Douglas Owen Chester
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No	No
(j))Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No	No
Disclosure applicable to the appointment of Director only						
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N/A	N/A	N/A	N/A	N/A	N/A

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CORPORATE REGISTRY

30 June 2023

Board of Directors

Mr James Finbarr Fitzgerald
(Executive Chairman)

Mr Patrick John Tallon
(Chief Executive Officer)

Mr Kevin James Deery
(Chief Operating Officer)

Mr Chong Teck Sin
(Lead Independent Director)

Mr Wong Fook Choy Sunny
(Independent Director)

Mr Douglas Owen Chester
(Independent Director)

Audit Committee

Mr Chong Teck Sin
(Chairman)

Mr Douglas Owen Chester
Mr Wong Fook Choy Sunny

Remuneration Committee

Mr Wong Fook Choy Sunny
(Chairman)

Mr Douglas Owen Chester
Mr Chong Teck Sin

Nominating Committee

Mr Douglas Owen Chester
(Chairman)

Mr Wong Fook Choy Sunny
Mr Chong Teck Sin

Risks & Conflicts Committee

Mr Chong Teck Sin
(Chairman)

Mr Douglas Owen Chester
Mr Wong Fook Choy Sunny

Company Secretaries

Ms Chan Lai Yin

Registered Office

80 Robinson Road, #02-00
Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 4399

Principal Office and Contact Details

16 Nautical Drive,
Henderson WA 6166
Australia
Tel: (61) 8 9437 6288
Fax: (61) 8 9437 6388

Share Registrar and Share Transfer Agent

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte Ltd)
80 Robinson Road, #02-00
Singapore 068898

Computershare
Level 7
221 St Georges Terrace
Perth WA 6000
Australia

Auditor

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

Partner in Charge: Christopher Bruce Johnson
*(Appointed since the financial year ended
30 June 2021)*

Principal Banker

National Australia Bank
Level 14
100 St Georges Terrace
Perth WA 6000
Australia

Corporate Website

<http://www.civmec.com.au>

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GRI CONTENT INDEX

Civmec Limited has reported in accordance with the GRI Standards for the period 1 July 2022 to 30 June 2023 (FY23).

Indicator	Description	Location of Information
GRI 2: General Disclosures		
The organisation and its reporting practices		
2-1	Organisational details	About This Report Page 1 About Civmec Pages 4–5 Key Projects Pages 24–25 Notes to the Financial Statements/1 Page 148
2-2	Entities included in the organisation's sustainability reporting	Notes to the Financial Statements/2 Pages 149 – 163 Notes to the Financial Statements/17 Pages 184 – 185
2-3	Reporting period, frequency and contact point	About This Report Page 1 Sustainability Reporting Page 44 Corporate Registry Page 229
2-4	Restatements of information	No restatements of information to report.
2-5	External assurance	Civmec did not seek external assurance on sustainability reporting in FY23.
Activities and workers		
2-6	Activities, value chain and other business relationships	About Civmec Pages 4–5 Operational Review Pages 22–41 Contributing to Local Industry, Australian Industry Participation Pages 80–81 Procurement Breakdown, Socioeconomic Compliance Pages 82–83
2-7	Employees	Employment Page 67 Information unavailable Given that our current reporting system does not differentiate between employees hired for short-term shutdown and/or maintenance contracts, and other casual employees, new employee hires and turnover rates have been excluded so as not to provide an inaccurate representation of employee satisfaction levels. We are currently investigating ways to expand our resources reporting in order to provide an accurate representation of turnover and retention.
2-8	Workers who are not employees	Information unavailable This information is unavailable in our current reporting system. We are currently investigating ways to expand our resources reporting.
Governance		
2-9	Governance structure and composition	Report on Corporate Governance/Board Matters/Board Composition and Guidance Pages 99–100 TCFD/Governance Pages 122–123
2-10	Nomination and selection of the highest governance body	Report on Corporate Governance/Board Matters/Board Membership Pages 103–106 Report on Corporate Governance/Board Matters/Board Composition and Guidance Pages 99–100
2-11	Chair of the highest governance body	Report on Corporate Governance/Board Matters/The Board's Conduct of Affairs Pages 95–98 Report on Corporate Governance/Board Matters/Board Composition and Guidance Pages 99–100

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Indicator	Description	Location of Information
Governance (continued)		
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Reporting Pages 44–45 Report on Corporate Governance/Board Matters/The Board's Conduct of Affairs Pages 95–98 Report on Corporate Governance/Managing Stakeholders' Relationships Page 121 TCFD/Governance Pages 122–123
2-13	Delegation of responsibility for managing impacts	Executive Chairman's Report Page 8 Sustainability Reporting/Board Statement Page 45 TCFD/Governance Pages 122–123
2-14	Role of the highest governance body in sustainability reporting	Sustainability Reporting/Board Statement Page 45 Stakeholder Information and Materiality Pages 46–47 TCFD/Governance Pages 122–123
2-15	Conflicts of interest	Report on Corporate Governance/Board Matters/The Board's Conduct of Affairs Pages 95–98 Report on Corporate Governance/Accountability and Audit/Audit Committee Pages 114–117
2-16	Communication of critical concerns	Non-discrimination Page 75 Report on Corporate Governance/Accountability and Audit/Audit Committee Pages 114–117
2-17	Collective knowledge of highest governance body	Sustainability Reporting/Board Statement Page 45 Report on Corporate Governance/Board Matters/The Board's Conduct of Affairs Pages 95–98
2-18	Evaluation of the performance of the highest governance body	Report on Corporate Governance/Board Matters/Board Membership Pages 103–106 Report on Corporate Governance/Board Matters/Board Performance Page 106 TCFD/Governance Pages 122–123
2-19	Remuneration policies	Report on Corporate Governance/Remuneration Matters Pages 107–111
2-20	Process to determine remuneration	Report on Corporate Governance/Remuneration Matters Pages 107–111
2-21	Annual total compensation ratio	Confidentiality constraints For competitive reasons and the sensitive nature of such information, the Board is of the opinion that it is in the best interests of the Company to not disclose remuneration of each individual Director for the year ended 30 June 2023. Instead, the Company discloses the bands of remuneration to avoid such information being exploited by competitors and to maintain personal confidentiality on remuneration matters. Refer: Remuneration Matters/Disclosure on Remuneration Page 110
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Sustainability Reporting, Board Statement Pages 44–45
2-23	Policy commitments	Sustainability Pages 42–87 Governance Pages 88–125 Corporate Website/Policies https://www.civmec.com.au/approach/policies/
2-24	Embedding policy commitments	Sustainability Reporting/Board Statement Page 45 Modern Slavery Page 81 Anti-corruption Page 91 Report on Corporate Governance/Accountability and Audit/Risk Management and Internal Controls Pages 112–113

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GRI CONTENT INDEX

Indicator	Description	Location of Information
Strategy, policies and practices (continued)		
2-25	Processes to remediate negative impacts	Sustainability Pages 42–87 Socioeconomic Compliance Page 83 Anti-corruption Page 91 Anti-competitive Behaviour Pages 92–93 Report on Corporate Governance/Accountability and Audit/Audit Committee Pages 114–118
2-26	Mechanisms for seeking advice and raising concerns	Report on Corporate Governance/Accountability and Audit/Audit Committee Pages 114–118
2-27	Compliance with laws and regulations	Health and Safety Performance Pages 51–52 Environment Page 57 Socioeconomic Compliance Page 83 Anti-competitive Behaviour/Policy Compliance Page 93
2-28	Membership associations	Contributing to Local Industry Page 80
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement Pages 84–85 Investor Engagement Pages 86–87 Report on Corporate Governance/Shareholder Rights and Engagement Pages 118–120
2-30	Collective bargaining agreements	We have a wide variety of employment arrangements across the Company, including individual contracts of employment and collective agreements. More than 75% of our workforce is covered by collective agreements.
GRI 3: Material Topics		
3-1	Process to determine material topics	Stakeholder Information and Materiality Pages 46–47
3-2	List of material topics	Sustainability Pages 42–87
3-3	Management of material topics	Governance Pages 88–125
Economic Topics		
GRI 201: Economic Performance		
103-1	Explanation of the material topic and its boundary	Executive Chairman's Statement Pages 6–8 Financial Summary FY23 Pages 16–77
103-2	The management approach and its components	Independent Auditor's Report Pages 134–141
103-3	Evaluation of the management approach	
201-1	Direct economic value generated and distributed	Executive Chairman's Statement Pages 6–8 Financial Summary FY23 Pages 16–77 Directors' Statement Pages 128–133 Financial Statements Pages 142–207
GRI 204: Procurement Practices		
103-1	Explanation of the material topic and its boundary	Contributing to Local Industry, Australian Industry Participation Pages 80–81
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
204-1	Proportion of spending on local suppliers	Procurement Breakdown Page 82

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Indicator	Description	Location of Information
Economic Topics (continued)		
GRI 205: Anti-corruption		
103-1	Explanation of the material topic and its boundary	Anti-corruption Page 91 Report on Corporate Governance/Accountability and Audit/Audit Committee Pages 114–118
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
205-1	Operations assessed for risks related to corruption	
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behaviour		
103-1	Explanation of the material topic and its boundary	Anti-competitive Behaviour Pages 92–93
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	
GRI 207: Tax		
103-1	Explanation of the material topic and its boundary	Taxation Page 94
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
207-1	Approach to tax	
207-2	Tax governance, control and risk management	
207-3	Stakeholder engagement and management of concerns related to tax	
207-4	Country-by-country reporting	
Environmental Issues		
GRI 302: Energy		
103-1	Explanation of the material topic and its boundary	Environment Pages 57–64 TCFD/Strategy, Metrics and Targets Pages 123–125
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
302-1	Energy consumption within the organisation	Environment/Environmental Performance Page 58
302-3	Energy intensity	Environment/Energy and Emissions Pages 61–63
302-4	Reduction of energy consumption	TCFD/Strategy, Metrics and Targets Pages 123–125

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GRI CONTENT INDEX

Indicator	Description	Location of Information
Environmental Issues (continued)		
GRI 303: Water and Effluents		
103-1	Explanation of the material topic and its boundary	Environment Pages 57–64 TCFD/Strategy, Metrics and Targets Pages 123–125
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
303-1	Interactions with water as a shared resource	Environment/Water Consumption Page 64
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
303-4	Water discharge	
303-5	Water consumption	
GRI 305: Emissions		
103-1	Explanation of the material topic and its boundary	Environment Pages 57–64 TCFD/Strategy, Metrics and Targets Pages 123–125
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
305-1	Direct (Scope 1) GHG emissions	Environment/Environmental Performance Page 58
305-2	Energy indirect (Scope 2) GHG emissions	Environment/Energy and Emissions Page 61–63
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
GRI 307: Environmental Compliance		
103-1	Explanation of the material topic and its boundary	Environment Pages 57–64
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
307-1	Non-compliance with environmental laws and regulations	Environment Page 57
Social Topics		
GRI 401: Employment		
103-1	Explanation of the material topic and its boundary	People Pages 65–77
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
401-1	New employee hires and turnover	Information unavailable Given that our current reporting system does not differentiate between employees hired for short-term shutdown and/or maintenance contracts, and other casual employees, new employee hires and turnover rates have been excluded so as not to provide an inaccurate representation of employee satisfaction levels. We are currently investigating ways to expand our resources reporting in order to provide an accurate representation of turnover and retention.

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Indicator	Description	Location of Information
Social Topics (continued)		
GRI 403: Occupational Health and Safety		
103-1	Explanation of the material topic and its boundary	Health and Safety Pages 49–54
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
403-1	Occupational health and safety management system	HSEQ Integration Pages 48–49
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety Pages 49–54 People/Employee Benefits Page 68 People/Training and Education Pages 69–73
403-3	Occupational health services	
403-4	Worker participation, consultation and communication on occupational health and safety	
403-5	Worker training on occupational health and safety	
403-6	Promotion of worker health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
403-8	Workers covered by an occupational health and safety management system	
403-9	Work-related injuries	
403-10	Work-related ill health	
GRI 404: Training and Education		
103-1	Explanation of the material topic and its boundary	People Pages 65–77
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
404-1	Average hours of training per year per employee	Information unavailable Although we have access to training data, our current system does not fully encompass the extensive range of training programs offered throughout our entire organisation. We are presently in the process of evaluating improved methods for accurately measuring and reporting training data.
404-2	Programs for upgrading employee skills and transition assistance programs	Chief Executive Officer's Report Page 11 People/Employee Benefits Page 68 People/Training and Education Pages 69–73
404-3	Percentage of employees receiving regular performance and development reviews	People/Career Development Page 73
GRI 405: Diversity and Equal Opportunity		
103-1	Explanation of the material topic and its boundary	People Pages 65–77
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
405-1	Diversity of governance bodies and employees	People/Diversity and Equal Opportunity Pages 74–75
405-2	Ratio of basic salary and remuneration of women to men	

GRI CONTENT INDEX

Indicator	Description	Location of Information
Social Topics (continued)		
GRI 406: Non-Discrimination		
103-1	Explanation of the material topic and its boundary	People Pages 65–77
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
406-1	Incidents of discrimination and corrective actions taken	People/Non-discrimination Page 75
GRI 409: Forced or Compulsory Labour		
103-1	Explanation of the material topic and its boundary	Community/Modern Slavery Page 81
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	
GRI 413: Local Communities		
103-1	Explanation of the material topic and its boundary	Community Pages 78–83
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
413-1	Operations with local community engagement, impact assessments, and development programs	Community/Contributing to Local Communities Pages 78–79
GRI 419: Socioeconomic Compliance		
103-1	Explanation of the material topic and its boundary	Community/Socioeconomic Compliance Page 83
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
419-1	Non-compliance with laws and regulations in the social and economic area	

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TCFD INDEX

Disclosure	Location of Information
Governance	
The Board's oversight of climate-related risks and opportunities	TCFD/Governance Pages 122–123 Sustainability Reporting/Board Statement Page 45
Management's role in assessing and managing climate-related risks and opportunities	TCFD/Governance Pages 122–123
Strategy	
Climate-related risks and opportunities the organisation has identified over the short, medium, and long term	TCFD/Strategy Pages 123–124 Sustainability/Climate Change Page 59
Impact of climate-related risks and opportunities on the organisation's business strategy and financial planning	
Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management	
Processes for identifying and assessing climate-related risks	TCFD/Strategy Pages 123–124
Processes for managing climate-related risks	
Processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	
Metrics and Targets	
Metrics used to assess climate-related risks and opportunities in line with strategy and risk management process	TCFD/Metrics and Targets Page 125
Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and related risks	TCFD/Metrics and Targets Page 125 Environment/Energy and Emissions Page 61–63
Targets to manage climate-related risks and opportunities and performance against targets scenarios, including a 2°C or lower scenario	TCFD/Metrics and Targets Page 125

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Proxy Form

2023 Annual General Meeting



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





Proxy Form

2023 Annual General Meeting

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 October 2023.

*I/We (name):

NRIC/Passport No./Co. Registration No.:

of (Address):

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

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

and/or:

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

or failing him/her, the Chairman (the "**Chair**") of the Annual General Meeting of the Company (the "**Annual General Meeting**") as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore on Tuesday, 31 October 2023 at 10:30 a.m. and at any adjournment thereof.

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Proxy Form

Annual General Meeting

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES WHERE THE CHAIR IS APPOINTED AS THE PROXY

The Chair intends to vote undirected proxies where the Chair has been appointed as the proxy in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX and SGXNET announcement will be made immediately disclosing the reasons for the change.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Annual General Meeting and at any adjournment thereof.

Voting will be conducted by poll.

*Please delete accordingly

No.	Ordinary Resolutions	For [#]	Against [#]	Abstain [#]
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Directors' Statement and Independent Auditors' Report thereon.			
2.	Approval of payment of a tax exempt (foreign sourced) Final Dividend of 3.0 Australian cents per ordinary share for the financial year ended 30 June 2023.			
3.	Approval of the payment of Directors' fees of S\$265,000 for the financial year ending 30 June 2024 to be paid quarterly in arrears.			
4.	For the purposes of ASX Listing Rule 10.17, to approve the increase in payment of non-executive Directors' fees of S\$103,000 (i.e. aggregate of S\$368,000) for the financial year ending 30 June 2024, to be paid quarterly in arrears. This increase will allow appointment of an additional Independent Director to aid Board renewal (S\$89,000) and increase fees of existing Independent Directors (S\$14,000)			
5.	Re-election of Mr James Finbarr Fitzgerald as a Director of the Company.			
6.	Re-election of Mr Patrick John Tallon as a Director of the Company.			
7.	Re-election of Mr Kevin James Deery as a Director of the Company.			
8.	Re-election of Mr Chong Teck Sin as a Director of the Company.			
9.	Re-election of Mr Wong Fook Choy Sunny as a Director of the Company.			
10.	Re-election of Mr Douglas Owen Chester as a Director of the Company			
11.	Re-appointment of Messrs Moore Stephens LLP as the Auditors.			
12.	Authority to allot and issue shares.			
13.	Grant of Performance Rights to Mr Kevin James Deery, a Director of the Company, under the Civmec Key Senior Executives Performance Rights Plan.			

Dated this _____ day of October 2023

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/Common Seal

* Delete accordingly

If you wish to exercise all your votes 'For' or 'Against' the relevant resolution, please indicate with an 'X' within the box provided. Alternatively, if you wish to exercise your votes both 'For' and 'Against' the relevant resolution, please insert the relevant number of shares in the box provided. If you mark the "Abstain" box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a poll and your votes will not be counted in computing the required majority on a poll.

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Proxy Form

Annual General Meeting

IMPORTANT. PLEASE READ NOTES BELOW.

Notes:

- a. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- b. A member who is not a Relevant Intermediary* is entitled to appoint not more than two proxies to attend and vote at the general meeting of the Company. A proxy need not be a member of the Company.

*A Relevant Intermediary has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.
- c. Where a member appoints two proxies, they shall specify the proportion of their shares (expressed as a percentage of the whole) to be represented by each proxy.
- d. Pursuant to Section 181 of the Companies Act 1967, any member (who is a Relevant Intermediary) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
- e. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act 1967, to attend and vote for and on behalf of such corporation.
- f. The instrument appointing a proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a company, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
- g. In the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 10:30 a.m. on 28 October 2023), as certified by The Central Depository (Pte) Limited to the Company.
- h. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") who wishes to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10:30 a.m. on 20 October 2023). SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to the appointment of a proxy for the AGM.
- i. In the case of joint shareholders, all shareholders must sign the instrument appointment a proxy or proxies.
- j. Voting by holders of CDIs: Holders of CHESSE Depository Interests over Shares ("CDIs") are entitled to attend the Annual General Meeting, provided that they cannot vote at the meeting, and if they wish to vote they must direct CHESSE Depository Nominees Pty Ltd ("CDN"), the holder of legal title of the CDIs, how to vote in advance of the meeting pursuant to the instructions set out in the accompanying voting instruction form. If you are a holder of CDIs, please sign and date the enclosed voting instruction form and return it in accordance with the instructions on your voting instruction form.
- k. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
 - (a) be deposited at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898; or
 - (b) be sent via electronic mail to agm@civmec.com.au enclosing a signed PDF copy of the Proxy Form;not less than seventy-two (72) hours before the time appointed for the AGM.
- l. By submitting an instrument appointing a proxy or proxies and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 October 2023.

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