



CSC HOLDINGS LIMITED  
ANNUAL REPORT 2015

**40** **CSC**  
YEARS  
OF FOUNDATION BUILDING



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## CORPORATE PROFILE

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### CSC HOLDINGS LIMITED AT A GLANCE

CSC Holdings Limited Group of companies ("the Group") is Singapore's largest foundation and geotechnical engineering specialist and the region's leading ground engineering solutions provider for private and public sector works which include residential, commercial, industrial and infrastructure projects. Founded in 1975, it has been listed on the Main Board of the Singapore Stock Exchange since 1998.

The Group operates principally as foundation and geotechnical engineering specialists and offers a full range of capabilities in this field which includes the construction and installation of large diameter bored piles, diaphragm walls, ground improvement works, driven piles, jack-in piles, micro piles, soil investigation, pile testing and instrumentation services and automatic tunnel and structural monitoring survey. With a total regional workforce of around 2,000 employees, the Group currently operates in Singapore, Malaysia, Thailand and Vietnam.

Backed by strong fundamentals and an experienced management team, the Group's excellent reputation through the years has made professionalism, performance and good corporate governance a trademark of its business.

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## SCOPE OF SERVICES



### Foundation and Geotechnical Engineering Works

- Large Diameter Bored Piles
- Contiguous Bored Pile / Secant Piles
- Barrette Piles
- Diaphragm Walls
- Jack-In-Piles
- Driven Piles (Steel piles, RC Piles and Spun piles)
- Micro Piles (Bored and Driven)
- Pile caps and basement (Malaysia)
- Pile load tests (Compression Load tests, Tension Load Test and Lateral Load Test)

### Ground Engineering Works

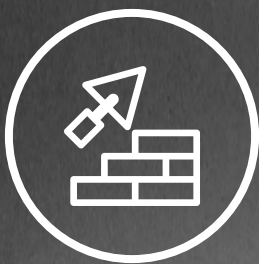
- Jet Grouting / TAM Grouting / Fissure Grouting / Base Grouting
- Deep Cement Mixing
- Soil Nails / Ground Anchors
- Cofferdams / Steel Sheet Piles

### Soil Investigation, Instrumentation and Specialised Surveying Works

- Soil Investigation
- Marine Soil Investigation
- Soil Laboratory Testing, Geotechnical Instrumentation and Monitoring
- Pile Load Test Instrumentation (Conventional Strain Gauge method and Strain Transducer method)
- Automated Structural and Tunnel Deformation Monitoring Survey
- Ground and Topographical Survey
- Geophysical / Resistivity Investigation / Mapping
- Bi-directional Load Testing, Dynamic Pile Testing and Pile Integrity Testing

### Sale and Lease of Foundation Engineering Equipments and Accessories

- Sale and Leasing of hydraulic bored piling rigs, pile driving rigs, jack in piling rigs and other piling rigs
- Sale and Leasing of hydraulic vibrohammers and other foundation engineering equipment
- Sale of parts, accessories and consumables for the foundation engineering industry
- Leasing of steel plates



STRENGTHENING  
FUNDAMENTALS



STRENGTHENING





# FUNDAMENTALS

## BUILDING ON OUR CORE PRINCIPLES

Even as we adapt to changing times, we remain focused on our founding values of Capability, Sustainability and Competency. Beyond shaping our past, these values will also go on to guide our future. Supported by strong fundamentals and an experienced team, we are confident in our abilities and established reputation that will place us on track for achieving greater heights in the years ahead.



## CHAIRMAN'S STATEMENT

Dear Shareholders,

Over the last few years, there were a slew of changes in policy which has a significant impact on the construction industry in Singapore. CSC, as with many other Singapore based contractors, has thus been faced with very challenging and demanding conditions.

A series of cooling measures introduced since 2009 have continued to dampen and erode market sentiment especially in real estates and property developments. In the face of sagging investors' confidence, developers have held back their property launches. The cascading effect of this on the construction industry has compelled us to deal with job tenders being submitted at compressed margins, particularly for the private residential sector. The increase in foreign worker levy put pressure to our cost which in turn compressed our margins.

Our earlier initiative to venture beyond the shores has resulted in some contribution from our overseas projects. Nevertheless,

while growth from our overseas ventures has been steady, the contribution from these ventures is not sufficient to offset the decline in our domestic operations. Inevitably, revenue for the financial year ended 31 March 2015 ("FY15") contracted 12.2% to \$427.9 million, compared to \$487.1 million recorded in the same period the year before ("FY14"). The Group reported a net loss of \$13.6 million for FY15, a reversal from the net profit of \$6.2 million achieved in FY14. The net loss took into account the net effect of impairment losses on certain plant and equipment, and provision made for an unfavourable ruling in an arbitration case in FY15, as well as an impairment loss relating to Changi Motorsports Hub that was reversed during the year.

### YEAR IN REVIEW

As a Singaporean company, the domestic economy remains our key market. Recognising the need to diversify the Group's geographic exposure, we have taken progressive steps to build our expertise into the region over the past

few years. However, the process of understanding the dynamics of each foreign market is slow and laborious even as we are actively managing the risks of unfamiliarity. We hope that our disciplined approach will strengthen the foundation for our future success. Nonetheless, we have been encouraged by the progress made in these overseas markets.

In Malaysia, we have secured foundation contracts for a number of new residential and commercial developments in the Selangor and Kuala Lumpur area. Closer to home, our leadership position continues to help us garner our share of infrastructure, industrial, and private and public residential projects.

Taking the opportunity of malaise to strengthen the Group's core, we have pushed ahead to acquire a land parcel in Tuas on which we hope to build a new modern high-value-added fabrication yard and workshops. We look forward to leveraging technology to optimise our productivity when the building is completed.

### OUTLOOK

The Group expects a protracted challenging environment ahead. The challenge for CSC is not just simply to compete for business, but to better position ourselves to ride out the bumpy road ahead.

Construction demand from the private residential sector will continue to ease as developers remain cautious in a tepid residential market environment and amid uncertainties in the global economic condition. In the past, public residential projects have helped to pick up the slack in the residential space, but we are bracing ourselves for a moderation in public residential activities after the ramp-up in previous years.

While demand for construction services from public sector institutions and the industrial sector should remain healthy, any growth in demand from these sectors is not expected to be sufficient to offset the demand decline from the residential sector. The competitive landscape is thus set to worsen with industry players fighting for a slice of the shrinking pie.

We will continue to invest in the overseas markets to mitigate the challenges faced domestically. Our hard work should put place us well to continue making inroads in these markets. In the longer term, we hope that the overseas contribution to the Group's profitability will become another pillar of support.



Recognising the need to diversify the Group's geographic exposure, we have taken progressive steps to build our expertise into the region over the past few years. We hope that our disciplined approach will strengthen the foundation for our future success. Nonetheless, we have been encouraged by the progress made in these overseas markets.



We remain mindful of our previous experience of financial difficulties in the supply chain. In past years, some clients have gone into financial distress. It is highly likely that the number of these cases may increase in this worsening environment. We are also experiencing rising incidences of customers seeking payment extensions for work rendered. We are stepping up effort to manage our capital more diligently and efficiently.

#### ACKNOWLEDGEMENTS

To all our shareholders, clients, bankers, suppliers and business partners, the Board and I thank you for your steadfast support and belief all through the years. I am also very grateful to the management team and all the employees for the dedication, diligence and commitment they have shown. I would also like to express my appreciation of the guidance and counsel my fellow Board members have provided.

In the year ahead, I look forward to continue growing our strengths and delivering returns and value to our stakeholders.



**Chee Teck Kwong  
Patrick**

*Independent  
Non-Executive Chairman*



### 尊敬的股东：

近几年，新加坡政府实施的一系列政策，为本地建筑业带来了巨大的冲击。公司也如其他新加坡承包商一样，正面对艰巨的营业环境。

自2009年起实施的各项房地产降温措施导致投资者对房地产及新发展项目的推出望而却步。在投资者信心低迷的情况下，发展商相继延后推出新私宅项目，导致建筑项目减少。这情况迫使建筑业者必须减低利润率，以较低的价格来参与投标，这情况在私宅项目方面的投标尤其显著。外籍劳工税的调高增加了我们在成本方面的压力，集团利润率因此被严重挤压。

海外拓展的业务已为集团带来些许收益。然而，海外业务的增长固然稳健，但仍不足以弥补本地业务收益下降的情况。

无可避免地，集团的营业额在截至2015年3月31日的财政年（2015财年）里受到了种种因素的影响，仅取得4亿2790万元，同比截至2014年3月31日的财政年（2014财年）下降12.2%。集团在2015财年里报1360万元的净亏损，2014财年则报620万元的净利润。净亏损里包含了针对一项仲裁案作出的不利裁决所作出的拨款准备以及就厂房与设备所作出的减值损失，和樟宜赛车中心工程拨回的坏账准备。

### 年度回顾

身为新加坡公司，本地市场仍然是我们的业务焦点。然而，集团意识到有必要开拓海外业务，使收入来源更多元化，因此集团在近几年逐步向外发展，在区域国家占有一席之地。进入海外市场是一个需要时间了解并且困难的过程，风险更是无可避免，我们希望在集团有纪律的措施下能够在海外市建立并巩固市场地位，以便能够在未来取得成果。目前，我们对海外业务所取得的进展颇感到鼓舞。

在马来西亚方面，我们在雪兰莪州和吉隆坡一带获得数项私宅和商业发展项目的地基工程合同。

在本地，我们在地基工程方面的市场领导地位促使我们成功夺得数项基础设施、工业、私人和政府住宅项目。

另外，集团决定趁目前市场低迷的情况加强自身实力，在大士一带购得地皮，拟建造新颖、现代化的高附加值制造厂和厂房。我们希望这建筑物竣工后，能通过新科技为我们的劳动力和生产力进行升级。

### 前景展望

我们认为，目前的艰巨环境在短期内很难获得舒缓。集团所面临的挑战不单只是要争取更多的项目合同，也要确保自己能够攻固地位，强化自身，以便能够更好的面对未来的挑战。







全球经济不稳定，私人发展商也因私宅市场的冷却而维持保守态度，我们预计私人住宅方面的建筑需求将继续走低。以往政府推出的政府住宅项目足已弥补私宅需求的衰减，但经过政府近几年推出更多项目后，我们预计政府在未来将逐渐减少所推出的组屋单位数额。

尽管来自政府机构和工业项目的建筑需求预料将保持稳健，但应该仍不足以弥补私宅需求下降所带来的影响。在僧多粥少的情况下，建筑业的竞争环境预计将更加激烈。

集团将继续放眼海外，投资并发展海外业务，来减轻在本地所面对的挑战。我们将更努力开拓海外市场。希望在不久的将来，海外收益足以成为集团另一个盈利支柱。

我们紧记之前客户遇到财务困难的经历，也预计在业内环境逐渐艰巨的情况下或许会有更多类似的情况，我们的客户要求延期付款的次数也比以往来得多。我们将更谨慎、更有效率地管理集团的资本和资源。

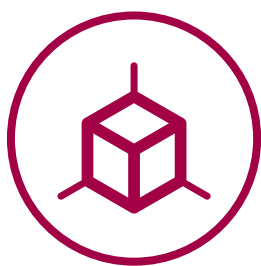
#### 致谢

我与全体董事成员向股东、客户、银行家、供应商和合作伙伴致万分谢意，感谢各位这么多年来对集团坚定的支持和信任。我也很感激管理团队和所有员工的贡献、努力和付出。我也要感谢董事会同僚时时给予的指导和有见地的建议。

未来一年里，我期待集团能够不断进步，继续为股东带来价值和回报。



徐泽光  
独立非执行董事



## OUR PROJECTS IN SOUTH EAST ASIA REGION



### Previous years

#### INFRASTRUCTURE PROJECTS

- Second Penang Bridge (Malaysia)
- Electrified Double Track Project between Seremban and Gemas (Malaysia)
- Bukit Ria Mass Rapid Transit (MRT) Station and Klang Valley MRT (KVMRT) – Intervention Shaft at KL Sentral (Malaysia)
- KVMRT – Several parcels of works from Sungei Buloh to Kajang and works at Cheras and Mutiara Damansara (Malaysia)
- Bac Hung Hai Bridge in Hanoi (Vietnam)

#### RESIDENTIAL PROJECTS

- Westside 2 Condominium, Parkland OUG Condominium, Damansara Foresta

- Condominium and The Greens Service Apartment (Malaysia)
- V-Residence and Twin Galaxy Condominiums (Malaysia)
- DEX Soho Suite, Kuala Lumpur (Malaysia)
- Bora Residences @ Tropicana Danga Bay, Molek Regency Condominium and Horizon Hills, Johor Bahru in Johor (Malaysia)
- Fortune Perdana Kepong Condominium and several private condominiums and apartments in Setapak, Mont Kiara, Bandar Kinrara, Kuala Lumpur (Malaysia)
- The LPN Rattanathibet Condominium, Bangkok (Thailand)
- Villa Arcadia Srinakarin, Bangkok (Thailand)
- U-Delight Condominium at Paholyothin, Bangkok (Thailand)
- Riviera Point High Rise Condominium in Ho Chi Minh City (Vietnam)

#### INDUSTRIAL PROJECTS

- MEMC solar wafer manufacturing plant in Kuching (Malaysia)
- CNT Building at Lasalle Soi 47, Bangkok (Thailand)

- Industrial Complex in Long An Province (Vietnam)

#### COMMERCIAL PROJECT

- CIMB - Mapletree Office Tower in KL Sentral (Malaysia)
- The S B design square and The Crystal at Ratchaphruek (Thailand)
- City Resort Ratchada – Huaykwang, Bangkok (Thailand)
- Lumpini Night Bazaar at Ratchadapisek in Bangkok (Thailand)

#### INSTITUTIONAL PROJECTS

- National Cancer Centre (Malaysia)
- University Institute Teknologi MARA Campus in Seremban (Malaysia)
- Malaysia Multimedia University at Cyberjaya, Selangor (Malaysia)
- UiTM Campus at Puncak Alam, Selangor (Malaysia)
- Royal Thai Navy Hospital (Thailand)
- Singapore International School (Thailand)
- Concordia International School (Thailand)
- New Thai Parliament House (Thailand)

### Current year

#### INFRASTRUCTURE PROJECTS

- Sections of Srirath Expressway, Bangkok (Thailand)

#### RESIDENTIAL PROJECTS

- Parkhill Residence, Novo Ampang Condominium and several private apartments in Kuala Lumpur and Selangor (Malaysia)
- Parque Condominium, Bangkok (Thailand)

#### INDUSTRIAL PROJECTS

- New factory for ROHM Semiconductors, Pathum Thani (Thailand)
- Bangpoo SPP Power Plant, Bangkok (Thailand)
- Siam Pure Rice Power Plant, Ayutthaya Province (Thailand)
- NNEG Cogeneration Power Plant, Ayutthaya Province (Thailand)

#### COMMERCIAL PROJECT

- Eco Sky Residence Mix Development at Kuala Lumpur (Malaysia)
- Kiara 163 Mix Development at Kuala Lumpur (Malaysia)
- Datum Jelatek Mix Development at Kuala Lumpur (Malaysia)

#### INSTITUTIONAL PROJECTS

- Singapore International School Phase 2, Bangkok (Thailand)

## OUR PROJECTS IN SINGAPORE

### Previous years

#### INFRASTRUCTURE PROJECTS

- Mass Rapid Transit (MRT) Stations of Sixth Avenue, King Albert Park, Tan Kah Kee, Stevens Road, Kallang Bahru, Tampines West, Tampines Central, Bedok Reservoir, Tuas West and Tuas Link
- MRT viaduct for Tuas Crescent station
- North-South Transmission Cable Tunnel
- Changi Airport Terminal 4
- Stamford Detention Tank
- Springleaf and Lentor MRT Stations

#### RESIDENTIAL PROJECTS

- D' Leedon Condominium
- Reflections @ Keppel Bay
- Sky Habitat
- The Interlace Condominium
- Watertown at Punggol
- The Scotts Towers
- Public Residential Projects at Choa Chu Kang, Toa Payoh, Bedok, Punggol, Sengkang, Yishun and other townships in Singapore

#### INDUSTRIAL PROJECTS

- Renewable Energy Corporation (REC) Manufacturing Facility
- Neste Oil's NExBTL Renewable Diesel Plant
- Exxon Mobil's Project in Jurong Island
- Singapore LNG Terminal
- Lanxess synthetic rubber plant
- Halliburton HCT Campus
- Mead Johnson Nutrition Facility at Tuas South Avenue
- JAC OSBL project and Dupont Project in Jurong Island, AMGEN Industrial development and MSD Janumet Project at Tuas
- Seagate Singapore Design Centre (the Shugart)

#### COMMERCIAL PROJECTS

- Integrated Resorts at Marina Bay Sands and Resorts World Sentosa
- Fusionopolis
- Marina Bay Financial Centre
- Nex @ Serangoon Central- ION Orchard
- Oxley Tower at Robinson Road / Mccallum Street
- The Seletar Mall
- Ascott Hotel mixed development at Cairnhill Road

#### INSTITUTIONAL PROJECTS

- New Institute of Technical Education (ITE) Colleague Central and Headquarters
- Singapore Sports Hub
- Farrer Park Mediplex
- Singapore University of Technology and Design (SUTD)
- National Heart Centre
- China Cultural Centre at Queen Street
- Overseas Family School in Pasir Ris
- State Courts Complex at Havelock Square

### Current year

#### INFRASTRUCTURE PROJECTS

- Selarang Camp

#### RESIDENTIAL PROJECTS

- Public Residential Projects at Woodlands, Punggol West, Punggol East, Yishun
- Sims Urban Oasis Condominium at Sims Drive

#### INDUSTRIAL PROJECTS

- Extension of fabrication facility for Micron Technology at North Coast Drive
- Tampines Town Hub
- New facility for Philips Electronics Singapore at Toa Payoh
- New Alpha 1 methyl methacrylate plant for Lucite International at Jurong Island
- Manufacturing facility for AbbVie at Tuas South Ave 6
- Manufacturing facility for Huntsman on Jurong Island
- Chemical plant for Exxonmobil Singapore on Jurong Island

#### COMMERCIAL PROJECTS

- Changi Airport Project Jewel at Airport Boulevard
- Robinson Tower at Market Street/ Robinson Road
- Nordcom 1 at Gambas Crescent

#### INSTITUTIONAL PROJECTS

- Raffles Hospital at Victoria Street/North Bridge Road
- New office block at Istana, Orchard Road



## CORPORATE MILESTONES

**1975**

Founding of  
Ching Soon  
Engineering Pte  
Ltd.

**1981**

Incorporation of  
CS Construction &  
Geotechnic Pte Ltd.

**1996**

Incorporation of CS  
Bored Pile System Pte  
Ltd.

Incorporation of CS  
Geotechnic Pte Ltd.

**1997**

Incorporation of CSC  
Holdings Limited.

**1998**

Listing of CSC Holdings  
Limited on the main  
board of the Stock  
Exchange of Singapore.

Incorporation of CS  
Industrial Land Pte Ltd.

**1999**

Joint venture with  
Santarli Construction  
Pte Ltd to form Excel  
Precast Pte Ltd.

**2000**

Incorporation of  
Kolette Pte Ltd.

**2002**

Acquisition of THL  
Engineering Pte Ltd.

**2004**

Joint Venture with  
Tat Hong Group's  
subsidiary, Tat Hong  
HeavyEquipment  
Pte Ltd to form THL  
Foundation Equipment  
Pte Ltd.

**2006**

Incorporation of CS  
India Pte Ltd.

Acquisition of L&M  
Foundation Specialist  
Pte Ltd.

Incorporation of L&M  
Ground Engineering  
Sdn Bhd.

**2007**

Acquisition of G-Pile  
Sistem Sdn Bhd.

Acquisition of Soil  
Investigation Pte  
Limited.

**2008**

Incorporation of CSC  
Ground Engineering  
Sdn Bhd.

Acquisition of 70%  
equity stake in  
Wisescan Engineering  
Services Pte Ltd.

Incorporation of L&M  
Foundation Specialist  
(Vietnam) Limited  
Company.

Incorporation of L&M  
Foundation Specialist  
(Middle East) Limited  
Liability Company.





## 2009

Acquisition of 70% equity stake in Spectest Sdn Bhd.

Incorporation of GPSS Geotechnic Sdn Bhd.

## 2010

Acquisition of 30% stake in DW Foundation Pte Ltd.

Joint Venture with Pathumthani (PACO) to form Siam CSC Engineering Co., Ltd.

## 2011

Acquisition of 70% stake in ICE Far East Pte Ltd.

Acquisition of additional 40% stake in DW Foundation Pte Ltd.

Sale of Excel Precast Pte Ltd.

## 2012

Incorporation of ICE Far East (Thailand) Co., Ltd.

Acquisition of remaining 30% stake in CSC Ground Engineering Sdn Bhd.

Acquisition of remaining 30% stake in DW Foundation Pte Ltd.

Sale of Spectest Group.

## 2013

Incorporation of CS Ground Engineering (International) Pte Ltd.

Incorporation of ICE Far East Offshore Pte Ltd.

Investment of 5% in Joint Venture Company, THAB Development Sdn Bhd.

## 2014

Signing of the Framework Investment Agreement with New Hope Singapore Pte Ltd in relation to the joint venture in connection with the acquisition and development of leasehold industrial land at Tuas South Street 9.

## 2015

Incorporation of CS Industrial Properties Pte Ltd.



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SHAPING  
LANDSCAPES

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# SHAPING



DEVELOPING  
SOLUTIONS FOR  
OUR FUTURE





With four decades of experience and expertise in foundation building, the CSC brand has become synonymous with quality and excellence. Moving forward, we strive to continue doing what we do best – shaping landscapes through innovative solutions – to reinforce our position as Singapore's largest foundation and geotechnical engineering specialist, as well as one of the region's leading ground engineering solutions provider.

# LANDSCAPES

An aerial photograph of a massive construction site, likely for a large-scale infrastructure project. The foreground and middle ground are filled with a dense network of steel reinforcement columns and beams, forming the skeleton of multiple buildings or structures. Numerous tower cranes are positioned throughout the site, some reaching high into the sky. In the background, a large, dark, forested hill rises against a cloudy sky. The overall scene conveys a sense of large-scale engineering and development.



## CEO'S STATEMENT

Dear Shareholders,

The financial year ended 31 March 2015 ("FY15") turned out to be an extremely challenging year for the Group. We experienced a rapidly deteriorating operating environment in our key domestic market. Intensified industry competition, coupled with rising labour costs, exerted substantial pressure on operating margins. Despite our best efforts, the tough business conditions have caused the Group to slip into the red for the year.

### FINANCIAL REVIEW

Revenue for FY15 was \$427.9 million, 12.2% lower than the \$487.1 million recorded for the financial year ended 31 March 2014 ("FY14"), reflecting a softer market demand. While the drop-off in business activity was most pronounced in the Singapore private residential sector contribution from various new public-sector residential and civil infrastructure projects has helped to mitigate the situation.

We reported gross profit of \$24.1 million, a decline of 28.7% from the \$33.8 million recorded in FY14. Accordingly, gross profit margin slipped to 5.6%, from 6.9% in FY14. The contraction in gross profit margin was mainly due to lower fees in general secured for our contracts along with the increase in foreign worker levy imposed by the Singapore government from July 2014.

Other income declined 55.8% to \$3.6 million in FY15, from \$8.1 million in FY14. In FY14, the Group had recorded substantial gains on the disposal of old equipment and the assignment and nomination of purchase rights of a land parcel to a third party in FY14.



Operating expenses increased 14.9% to \$37.4 million from \$32.6 million in FY14. We managed to recover the trade debt due from the Changi Motorsports Hub project in FY15. Consequently, a previous provision of \$6.9 million for doubtful debt was written back to the books. However, the impact from this write-back was offset by a provision of \$3.2 million for an unfavourable ruling in an arbitration case to recover long outstanding receivables for which we are still seeking legal advice, as well as impairment losses of \$6.9 million made on certain plant and equipment. The impairment losses were recorded following an assessment on the plant and equipment of the foundation engineering

business in Singapore, which had incurred losses in FY15.

Net financial expenses declined 9.4% to \$3.6 million from \$4.0 million due to a conscious effort to reduce our bank borrowings.

Meanwhile, our joint venture in Thailand contributed a share of profit of \$0.2 million, a 39.1% decline from \$0.3 million in the previous year. The lower contribution from our Thailand joint venture was a result of the completion of most of the existing projects, while the newly secured projects have yet to commenced work.





Leveraging our well-established engineering capabilities, we continued to secure a good number of foundation and geotechnical contracts domestically and regionally.



Factoring in the above, the Group recorded a loss of \$13.6 million for FY15, a reversal from FY14's net profit of \$6.2 million. Loss per share was 1.38 cents per share, versus earnings per share of 0.25 cent a year ago.

As at 31 March 2015, the net asset value per ordinary share was 14.8 cents compared to 16.4 cents in FY14. As business activity slowed, we improved our asset position through the reduction of inventory to \$27.0 million, from \$71.3 million. We also repaid more of our debt, bringing total borrowings down from \$150.9 million to a healthier \$118.1 million. The debt to equity ratio has also improved to a healthy 0.66x, from 0.76x in FY14.



**See Yen Tarn**  
Group Chief Executive Officer

## OPERATIONS REVIEW

Leveraging our well-established engineering capabilities, we continued to secure a good number of foundation and geotechnical contracts domestically and regionally, with some notable ones being:

### INFRASTRUCTURE PROJECTS

- Selarang Camp
- Sections of Srirath Expressway, Bangkok (Thailand)

### RESIDENTIAL PROJECTS

- Public residential projects in Woodlands, Punggol West, Punggol East, Yishun
- Sims Urban Oasis Condominium at Sims Drive
- Parkhill Residence, Novo Ampang Condominium and several private apartments in Kuala Lumpur and Selangor (Malaysia)
- Parque Condominium, Bangkok (Thailand)

## INDUSTRIAL AND INSTITUTIONAL PROJECTS

- Extension of fabrication facility for Micron Technology at North Coast Drive
- Tampines Town Hub
- New facility for Philips Electronics Singapore at Toa Payoh
- New Alpha 1 methyl methacrylate plant for Lucite International on Jurong Island
- Manufacturing facility for Huntsman (Singapore) on Jurong Island
- Chemical plant for Exxonmobil Singapore on Jurong Island
- Manufacturing facility for AbbVie at Tuas South Ave 6
- Raffles Hospital at Victoria Street/North Bridge Road
- New office block at Istana, Orchard Road
- New factory for ROHM Semiconductors, in Pathum Thani, Thailand Bangpoo SPP Power Plant, Bangkok (Thailand)
- Siam Pure Rice Power Plant, Ayutthaya Province (Thailand)
- NNEG Cogeneration Power Plant, Ayutthaya Province (Thailand)
- Singapore International School Phase 2, Bangkok (Thailand)

## COMMERCIAL PROJECTS

- Changi Airport Project Jewel
- Robinson Tower at Market Street/ Robinson Road
- Nordcom 1 at Gambas Crescent
- Eco Sky Residence Mixed Development at Kuala Lumpur (Malaysia)
- Kiara 163 Mixed Development at Kuala Lumpur (Malaysia)
- Datum Jelatek Mixed Development at Kuala Lumpur (Malaysia)

In August 2014, we announced our intention to consolidate our stake in GPSS Geotechnic Sdn Bhd ("GPSS") by buying out the remaining 35% of the shares that we currently do not hold. GPSS provides geotechnical engineering, micro piling, and ground improvement works in Malaysia. Once the acquisition is completed, the Group will be able to better align GPSS' operations, growth and cost structure with that of the Group, which will allow us to achieve greater cost efficiencies in the long run.

## OUTLOOK

The Group expects the operating environment for the construction industry for year 2015 to remain very challenging. In Singapore, the several rounds of property cooling measures introduced since 2009 will continue to temper market sentiments. Private residential units launched in 2014 recorded a 47% decline to 10,198 units compared to 2013, and the downtrend looks set to continue through 2015. The burgeoning supply of private homes due for completion in the next few years coupled with the paring of land supply available for private housing by the government is likely to keep the construction industry in the doldrums.

The Singapore government has also announced that the number of public housing units planned for launch in 2015 is expected to decline significantly to 16,900 units, from 22,455 units in 2014 and 25,100 units in 2013.

In Malaysia, some large-scale projects, particularly in the transportation and energy infrastructure sectors, may provide a basis for demand growth. This is relatively dependent on oil price remaining stable and the Malaysian government's discipline in the execution of its 2015 Budget. Meanwhile, the

outlook for the Thailand construction industry remains mixed with an uncertain political environment leading to implementation inertia.

As at 31 May 2015, the Group's order book stands at approximately \$210 million. The bulk of these contracts are expected to be completed within the next six to nine months.

Operational costs will remain on an uptrend as the tight manpower policies continue to bite. Accordingly, we will need to downsize our operations to accommodate the structurally smaller new market size. There will be the need to remove equipment from the market and redeploy the resources. No efforts will be spared in cost control.

We have entered into a 49% joint venture with New Hope Group to acquire a plot of land at Tuas South Street 9 in February 2015. The plan is to develop modern high-value-added fabrication yards and workshops to support the operations of the Group. We hope to substantially increase the productivity and efficiency of our repair and maintenance activities. The fabrication yards and workshops will also supplement our existing facilities in the midst of their own upgrade and modernisation.

Higher funding costs is upon us, and on this front, we have been paring down our borrowings, to help make us less vulnerable to leverage. At the same time, our hard learnt lessons of financial distress experienced by some of our clients in past years will prepare us to manage any uptick in customer difficulties. We will preserve our capital.

## ACKNOWLEDGEMENTS

My appreciation goes to all our shareholders and business partners for continuing to stand by us, as well as to our Board members for the support and advice you have given. I am also very grateful to all my colleagues at CSC for their hard work and commitment.

As a Group, we will work hard to achieve growth and enhance shareholders' value in the year ahead, and I look forward to your continuing support.



**See Yen Tarn**  
Group Chief Executive Officer



### 尊敬的股东：

集团在截至2015年3月31日的财政年度（“2015财年”）里度过了充满挑战的一年。我们在国内市场面对了艰巨的营业环境，业内竞争加剧及劳动成本上扬给营业利润率施加了不少压力。不管集团如何努力，却还是不敌艰巨的营业环境所带来的影响而转盈为亏。

### 财务回顾

2015财年集团的营业额为4亿2790万元，同比截至2014年3月31日（“2014财年”）的4亿8710万元，跌幅为12.2%，这反映了市场需求的疲弱。需求疲弱在新加坡私宅项目方面尤其显著，但来自各项新政府住宅及基础设施项目的需求对此稍有弥补。

我们在2015财年里取得2410万元的毛利，同比2014财年的3380万元下降了28.7%。毛利率因此从上一财年的6.9%跌至2015财年的5.6%。毛利率紧缩主要是因为我们以较低的价格标得合同，以及新加坡政府于2014年7月份提高外籍劳工税所致。

其它收入从2014财年的810万元下跌55.8%至2015财年的360万元。这是由于2014财年的其它收入还包含了出售陈旧设备，以及转让地皮购买权于第三方的所得收益。

营运开支从2014财年的3260万元上升14.9%至2015财年的3740万元。我们虽然在2015财年里拨回有关樟宜赛车中心工程作出了690万元坏账准备，但也就一项追回收账款的仲裁案获得的不利裁决，以及2015财年面对亏损的新加坡基础工程业务的厂房与设备，分别作出了320万元的拨款准备以及690万元的减值损失。我们目前正就针对仲裁案寻求法律咨询。

由于集团积极减少银行贷款，财务开支净额从2014财年的400万元下跌9.4%至2015财年的360万元。

我们在泰国的合资公司在2015财年里为集团带来了20万元的利润份额，从上一财年的30万元下跌了39.1%。泰国方面的利润份额减少主要是因为合资公司已完成手上大部分的项目，而新取得的项目仍未开始施工。



综合以上的因素，集团在2015财年里报1360万元净亏损，2014财年则为620万元净利润。每股亏损为1.38分，前一财年则取得每股0.25分的收益。

截至2015年3月31日，每普通股资产净值达14.8分，2014财年为16.4分。随着营业活动减缓，我们乘机改进资产状况，将库存值从前一财年同时期的7130万元，减少至2700万元。我们也偿还了更多债务，将总借款从1亿5090万元减少至1亿181万元。负债权益比率也从前一财年的0.76x改善至0.66x。

### 业务回顾

凭藉着集团强而有力的工程能力，我们继续在国内外争取多项地基工程和核心岩土项目，其中主要包括：

#### 基础设施项目

- Selarang兵营
- 泰国曼谷Sirath 高速公路部分路段

#### 住宅项目

- 兀兰、榜鹅西、榜鹅东及义顺的公共住宅项目
- 沈氏道的Sims Urban Oasis公寓项目
- 马来西亚吉隆坡及雪兰莪州的Parkhill Residence, Novo Ampang 及其它私宅项目
- 泰国曼谷的Parque Condominium





### 工业和大型机构项目

- 北海岸通道的美光科技制造厂扩建
- 大巴窑飞利浦电子新加坡新设施
- 璐彩特国际Alpha 1甲基丙烯酸甲酯生产厂
- 裕廊岛Huntsman新加坡生产厂
- 裕廊岛Exxonmobil化学厂
- 大士南6道AbbVie制药厂
- 维多利亚街及桥北路莱佛士医院
- 乌节路总统府新办公楼
- 泰国巴吞他尼府罗姆半导体集团 (ROHM Semiconductor) 的新厂房
- 泰国曼谷Bangpoo SPP发电厂
- 泰国大城府省Siam Pure Rice发电厂及NNEG Cogeneration发电厂
- 泰国曼谷新加坡国际学校第二阶段建设

### 商业项目

- 机场大道樟宜机场宝石计划
- 马吉街及罗敏申路的罗敏申大厦
- 甘巴士弯的Nordcom 1
- 马来西亚吉隆坡Eco Sky Residence综合发展项目
- 马来西亚吉隆坡Kiara 163综合发展项目
- 马来西亚吉隆坡Datum Jelatek综合发展项目

2014年8月，集团宣布有意收购尚未持有的GPSS Geotechnic Sdn Bhd 其余35%股份，使其成为集团全资拥有。GPSS在马来西亚提供的服务包括核心岩土工程、微型桩打桩工程及地面改善工程。收购GPSS的计划一旦完成，集团将能更有效的使其业务、发展方向和成本结构与集团更一致，让我们在以后能够取得更大的成本效益。

### 前景展望

我们预计建筑业的营运环境在2015年里依旧充满挑战。新加坡政府自2009年起实施的多次房地产降温措施仍旧会抑制市场复苏。2014年里推出的私宅单位仅达10,198个，同比2013年下滑47%，这个下滑趋势预计在2015年里将会持续。随着大量的私宅项目即将在未来几年陆续完成，加上新加坡政府削减供私宅用途的土地供应，建筑业料将持续低迷。新加坡政府也公布，2015年内推出的公共住宅单位将从2013年的25,100个和2014年里的22,455个减少至16,900个。

在马来西亚，大型项目尤其是交通运输及能源基础设施项目的需求预计会增长。但这将取决于油价能否保持平稳以及马来西亚政府在实施2015预算案的坚持性。与此同时，由于泰国政治环境不稳定而在政策实施方面而有所延迟，泰国建筑业前景仍旧不明朗。

截至2015年5月31日，集团取得的项目价值达2亿1000万元，大部分预计将在未来6至9个月内完成。

营运成本在严格的劳动政策压力下预计将持续增加。我们需要适时缩小业务以面对市场结构变小的建筑业。在努力控制成本方面，有必要时，我们会毫不犹豫地撤掉多余的设备，并另行调配资源加强其它部分。

在2015年2月份，我们与New Hope Group签署合资协议，在集团持有49%权益下，合资购得位于大士南第九街的地皮。我们计划发展现代化高附加值的制造厂和厂房来支持集团业务，来改善现有维修活动的生产力和效率。当我们着手为现有设施进行改善和现代化时，新的设施也将同时起着填补作用，以避免影响公司营运。

在预计资金成本走高的情况下，我们积极削减借款，以减少举债经营的影响。同时，我们也吸取了往年一些客户遇到财务危机的经验，为未来可能发生同样状况做好准备。未来一年里，我们将积极保留集团资本。

### 致谢

我要感谢股东们和商业伙伴们持续不断的支持，以及董事们给予的建议和想法。我也很感激公司同事们不遗余力的付出和努力。

在来临的一年里，集团会继续努力争取业务增长并加强股东回报。我期待大家的继续支持。



薛献凡  
集团总裁



## FIVE YEARS FINANCIAL SUMMARY

	FY11	FY12	FY13	FY14	FY15
<b>GROUP PROFIT &amp; LOSS (\$\$'M)</b>					
Revenue	327.7	438.5	533.1	487.1	<b>427.9</b>
Gross Profit	39.9	39.9	40.6	33.8	<b>24.1</b>
Profit/(Loss) After Tax	6.7	10.0	(0.7)	6.2	<b>(13.6)</b>
EBITDA	36.0	40.9	36.3	37.0	<b>19.2</b>
<b>GROUP BALANCE SHEET (\$\$'M)</b>					
Property, Plant & Equipment	138.3	188.3	184.6	166.8	<b>185.6</b>
Other Non-Current Assets	24.4	12.4	16.6	19.0	<b>16.9</b>
Total Current Assets	228.9	293.7	304.1	302.3	<b>249.0</b>
Total Assets	391.6	494.4	505.3	488.1	<b>451.5</b>
Total Equity	186.1	200.3	194.9	198.2	<b>179.0</b>
Other Non-Current Liabilities	41.3	66.1	65.8	49.6	<b>32.3</b>
Total Current Liabilities	164.2	228.0	244.6	240.3	<b>240.2</b>
Total Equity & Liabilities	391.6	494.4	505.3	488.1	<b>451.5</b>
<b>PER SHARE DATA (CENTS)</b>					
Earnings/(Loss) After Tax (Basic)	0.31	0.64	(0.28)	0.25	<b>(1.38)</b>
Net Asset Value	15.21	16.39	15.99	16.38	<b>14.80</b>
Dividends - tax exempt one-tier	0.50	0.17	0.10	0.10	<b>-</b>
<b>FINANCIAL RATIOS</b>					
Return on Equity	2.1%	4.4%	-1.9%	1.7%	<b>-10.2%</b>
Gross Profit Margin	12.2%	9.1%	7.6%	6.9%	<b>5.6%</b>
Debt/Equity Ratio	52.9%	74.5%	86.3%	76.1%	<b>66.0%</b>
Current Ratio	1.39	1.29	1.24	1.26	<b>1.04</b>

## FINANCIAL HIGHLIGHTS

	FY11	FY12	FY13	FY14	FY15
Bored Piles/Diaphragm Walls	178.8	231.6	326.5	300.5	256.3
Driven Piles/Jack – in Piles	55.9	91.4	99.0	73.4	49.8
Micro Piles/Other Foundation – Related Activities	19.6	25.9	31.9	49.8	46.7
Soil Investigation & Instrumentation Works	16.2	16.5	21.9	21.2	22.2
Sale & Lease of Foundation Engineering Equipments & Accessories	52.6	52.7	47.3	40.6	51.9
Others	4.6	20.4	6.5	1.6	1.0
<b>TOTAL</b>	<b>327.7</b>	<b>438.5</b>	<b>533.1</b>	<b>487.1</b>	<b>427.9</b>





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SOLIDIFYING  
GROWTH

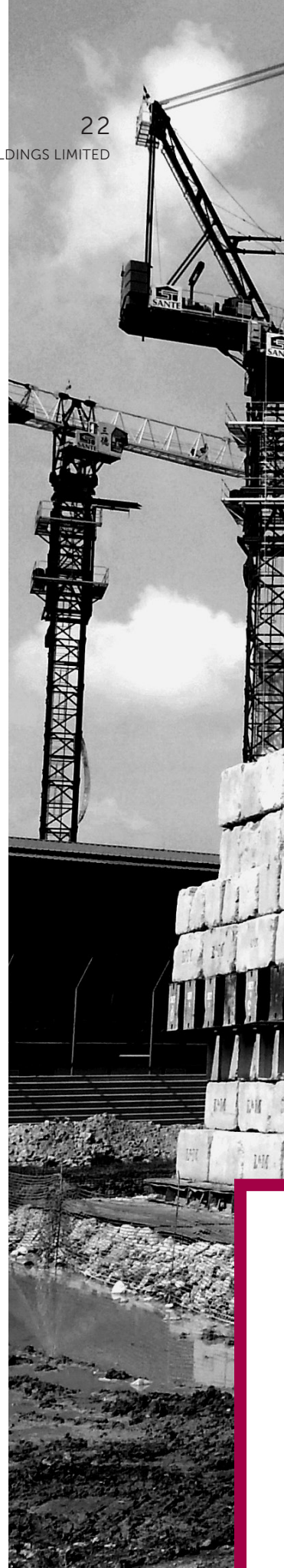
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# SOLIDIFYING GROWTH

DELIVERING  
VALUE TO OUR  
STAKEHOLDERS

22

CSC HOLDINGS LIMITED

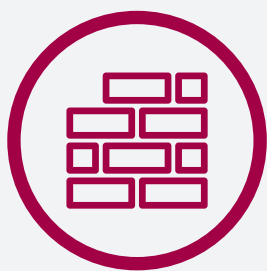




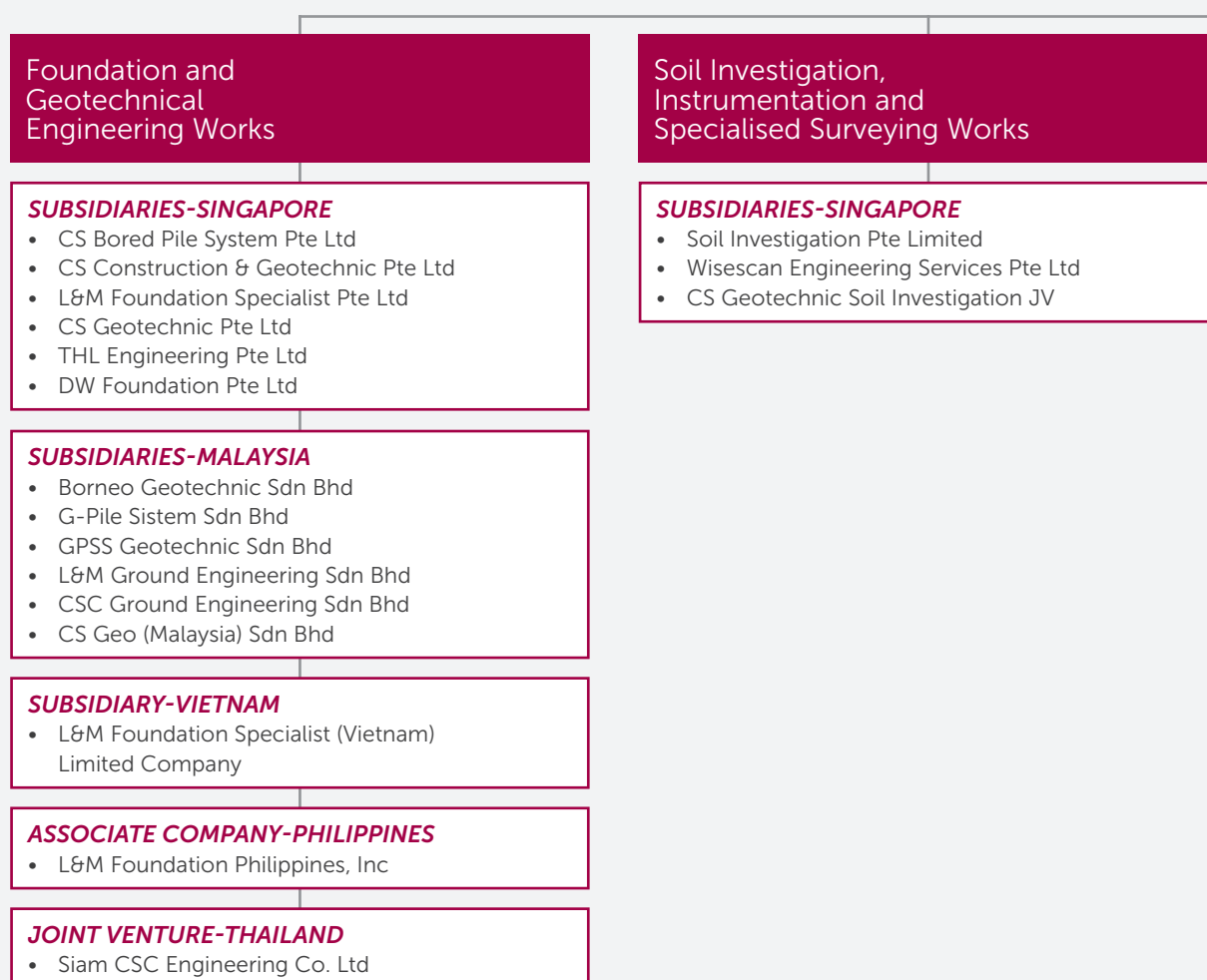


CSC has through the years displayed resilience and perseverance to emerge stronger in the face of challenges. Our pursuit of excellence has also led us to constantly improve the way we operate our business to stay ahead of the game. From the development of efficient solutions to sharpening our corporate strategies, these efforts are testament to our commitment to drive consistent growth and deliver solid results to our stakeholders.





## CORPORATE STRUCTURE



## CSC HOLDINGS LIMITED

### Sales and Lease of Foundation Engineering Equipments and Accessories

#### **SUBSIDIARIES-SINGAPORE**

- THL Foundation Equipment Pte Ltd
- ICE Far East Pte Ltd
- ICE Far East Offshore Pte Ltd

#### **SUBSIDIARY-MALAYSIA**

- ICE Far East Sdn Bhd

#### **SUBSIDIARY-HONG KONG**

- ICE Far East (HK) Limited

#### **SUBSIDIARY-THAILAND**

- ICE Far East (Thailand) Co., Ltd

### Others

#### **SUBSIDIARIES-SINGAPORE**

- Kolette Pte Ltd
- CS Industrial Land Pte Ltd
- CS Ground Engineering (International) Pte Ltd
- CS Industrial Properties Pte Ltd

#### **OTHER INVESTMENT-MALAYSIA**

- THAB Developement Sdn Bhd

#### **JOINT OPERATIONS-SINGAPORE**

- NHCS Investment Pte Ltd
- NH Singapore Biotechnology Pte Ltd



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## BOARD OF DIRECTORS

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### 1. Chee Teck Kwong Patrick

*Independent Non-Executive Chairman*

Joined the Board as an Independent Director in March 1998 and was appointed as Non-Executive Chairman in September 2002. Mr Chee chairs the Nominating Committee and is also a member of the Remuneration, Audit and CSC ESOS 2004 Committees. He holds a Bachelor of Laws (Hons) Degree from the University of Singapore. Mr Chee was admitted as a Solicitor of the Senior Courts of England and Wales. Since 1980 he has been an advocate and solicitor of the Supreme Court of the Republic of Singapore. He is now practicing as a Senior Legal Consultant with KhattarWong LLP.

Mr Chee is a Notary Public and a Commissioner for Oaths. He is a member of Singapore Institute of Arbitrators and Singapore Institute of Directors.

Mr Chee is active in community service and is the Vice Chairman of Teck Ghee Community Club and was the Organising Chairman of

National Street Soccer League. Mr Chee is the recipient of the National Day Awards 2003 – The Public Service Medal (Pingat Bakti Masyarakat) from the President of Singapore.

### 2. See Yen Tarn

*Executive Director / Group Chief Executive Officer / Executive Committee (EXCO) Member of CSC Group*

Joined the Board as an Independent Director in November 2005 and was appointed Group Chief Executive Officer in August 2006. Mr See sits on the Nomination, Risk Management and CSC ESOS 2004 Committees. He is also an EXCO Member of CSC Group.

He holds a Bachelor degree in Accountancy from the National University of Singapore and is also a Chartered Accountant (England and Wales).

Mr See has more than 28 years of working experience at senior management level in various industries and has held such positions as Chief Financial Officer, Executive Director and Deputy Group Managing Director for both listed and non-listed entities in Singapore, Indonesia,

Hong Kong, People's Republic of China and Australia.

### 3. Teo Beng Teck

*Non-Executive Director*

Joined the Group as a Non-Executive Director in November 2003 and was appointed as an Executive Director on 15 January 2007. Mr Teo had relinquished his role as an executive director on 1 April 2011 and now serves the Company as a non-executive director. Mr Teo is currently a member of the Risk Management Committee. He has more than 40 years of experience in engineering and construction in both public and private sectors. He holds a Bachelor of Engineering and a Master of Science in Construction Engineering from The University of Singapore. Mr Teo is also a Chartered Secretary and holds memberships with several professional bodies relating to management and logistic services.

### 4. Ng San Tiong Roland

*Non-Executive Director*

Joined the Board as a Non-Executive Director





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in September 2002. Mr Ng is a member of the Audit, Remuneration and CSC ESOS 2004 Committees.

Mr Ng is the Managing Director of one of the world's largest crawler crane rental company Tat Hong Holdings Ltd and he is vastly experienced in the areas of corporate management, business development and business management. He sits on the board of Tat Hong Holdings Ltd as well as its regional subsidiaries and associates across Malaysia, Indonesia, Australia and China. He also holds directorships in several listed companies in Singapore including Yongmao Holdings Limited.

In addition, Mr Ng is the Vice-President of the Singapore Chinese

Chamber of Commerce & Industry (SCCCI), a member on the Board of Directors of the Business China and a member on the Board of Trustees of the Chinese Development Assistance Council (CDAC).

Mr Ng graduated with a Bachelor of Science (Honours) Degree from Loughborough University, College of Technology, in the United Kingdom. Mr Ng was awarded the Pingat Bakti Masyarakat (Public Service Medal) in 2002 and Bintang Bakti Masyarakat (Public Service Star) in 2010 by the President of Republic of Singapore.

#### 5. Tan Ee Ping

*Independent Director*

Joined the Board as an Independent Director in August 2003. Mr Tan is

currently the Chairman of the Remuneration, Risk Management and CSC ESOS 2004 Committees. He runs his own professional consulting firm, TEP Consultants Pte Ltd since 1970. Mr Tan holds a Bachelor of Civil Engineering (Hons) degree from the University Malaya. He is a Fellow of the Academy of Engineering, Singapore. He was conferred the Honorary Fellowship of ASEAN Federation of Engineering Organizations in 2006 and the Honorary Fellowship of the Institution of Engineers, Singapore in 2008. He is presently an accredited adjudicator, mediator and arbitrator and Panel member, Strata Title Board. He is also a Director of Changi Airport Planners & Engineers Pte. Ltd. He was awarded the Public

Service Medal (PBM) by the President of the Republic of Singapore in 1997.

#### 6. Tan Hup Foi @ Tan Hup Hoi

*Independent Director*

Joined the Board as an Independent Director in April 2006. He is the Chairman of the Audit Committee and is a member of the Nominating Committee. He is the Honorary Vice-President of the International Association of Public Transport (UITP) and Honorary Chairman of UITP Asia-Pacific Division. Mr Tan has over 36 years experience in the transport industry. He was the Chief Executive of Trans-Island Bus Services Ltd from 1994 to 2005 and also the Deputy President of SMRT Corporation Ltd from 2003 to 2005. A Colombo Plan scholar, Mr Tan graduated from Monash University in Australia with a First Class Honours degree in Mechanical Engineering in 1974 and he obtained a Master of Science (Industrial Engineering) degree from University of Singapore in 1979. Mr Tan was awarded the Pingat Bakti Masyarakat (Public Service Medal) in 1996 and Bintang Bakti Masyarakat (Public Service Star) in 2008 by the President of Republic of Singapore.



## KEY MANAGEMENT

### CORPORATE

#### 1. See Yen Tarn

*Executive Director / Group  
Chief Executive Officer /  
Executive Committee (EXCO)  
Member of CSC Group*

Joined the Board as an Independent Director in November 2005 and was appointed Group Chief Executive Officer in August 2006. Mr See sits on the Nomination, Risk Management and CSC ESOS 2004 Committees. He is also an EXCO Member of CSC Group.

He holds a Bachelor degree in Accountancy from the National University of Singapore and is also a Chartered Accountant (England and Wales).

Mr See has more than 28 years of working experience at senior management level in various industries and has held such positions as Chief Financial Officer, Executive Director and Deputy Group Managing Director for both listed and non-listed entities in Singapore, Indonesia, Hong Kong, People's Republic of China and Australia.

#### 2. Koo Chung Chong

*Executive Director of CS  
Construction & Geotechnic  
Pte Ltd / EXCO Member of  
CSC Group*

Mr Koo has been with the Group since 1996. He is currently an Executive Director of CS Construction & Geotechnic Pte Ltd and also Director of other key subsidiaries within the Group. He is an EXCO Member of CSC Group since 2010, and is currently overseeing the group business for Driven Piles, Jack-in Piles, Micro Piles, Soil Improvement and Civil Engineering Works.

Mr Koo has more than 20 years of management experience, in both local and overseas markets. Mr Koo holds a Diploma in Civil Engineering from the Singapore Polytechnic and a Bachelor degree (Hons) in Engineering (Civil & Structural) from the University of Sheffield, England.

#### 3. Lee Quang Loong

*Chief Financial Officer and  
Company Secretary / EXCO  
Member of CSC Group*

Mr Lee joined the Group as Manager to the Chief Executive Officer's Office in December 2006 where he was responsible for the corporate finance activities of the Group. He was subsequently promoted to the position of Deputy Financial Controller in April 2007 and then Chief Financial Officer in February 2010. In April 2015, he was appointed as an EXCO member of CSC Group. Mr Lee is also a director in other subsidiaries within the Group.

Mr Lee has more than 18 years of working experience in the field of finance, tax and audit. Mr Lee obtained his professional accountancy qualification from The Association of Chartered Certified Accountants in 1997 and is currently a member of the Institute of Singapore Chartered Accountants.

#### 4. Lim Yeow Beng

*General Manager,  
Contracts & Legal*

Mr Lim joined the Group as General Manager, Contracts & Legal in January 2003 and is responsible for overseeing the contractual and legal aspects of all projects under the Group. He has more than 28 years experience in this field.

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### 5. Gwee Boon Hong

*Head, Technical*

Mr Gwee joined the Group when the Group acquired L&M Foundation Specialist Pte Ltd in November 2006. He was promoted as Head, Design in April 2012. He has been redesignated as Head, Technical with effect from July 2015. He holds a Bachelor degree in Engineering (Civil) and a Master degree in Engineering from the National University of Singapore in addition to a Certified Diploma in Accountancy and Finance from ACCA. He is currently a registered Professional Engineer (Civil) in Singapore. He has more than 20 years of design and construction experience in geotechnical engineering works including foundation, deep excavation, slope stabilization and soil improvement in Singapore as well as in the South East Asia region.

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### 6. Goh Swee Leng

*Senior Manager, Group Marketing/Tender*

Mr Goh joined the Group as Marketing Manager in Jun 2008 and was promoted to Senior Manager, Group Marketing/Tender in April 2014.

Mr Goh has more than 25 years of experience in Foundation, Geotechnical, Civil and Marine Construction in Singapore. He holds a Bachelor of Science in Civil Engineering from National Taiwan University, Taiwan in 1986.

### 7. Lim Koh Seng

*Head, Group Human Resource & Administration*

Mr Lim joined the Group in January 2012 as Head, Group Human Resource and Administration. He has more than 25 years of Human Resource experience in both the private sector and the public sector. Mr Lim obtained his Bachelor degree in Business Administration from the National University of Singapore and subsequently a post graduate degree in Master of Science in Human Resource Management from the National University of Ireland.



### 8. Eileen Wong Wai Lin

*Senior Purchasing Manager*

Ms Eileen Wong has been with the Group since 2007 as a Senior Manager in Purchasing Department. She has more than 25 years of managerial experiences in Procurement field in various industries which include construction. She obtained her Master Degree in Business Administration with University of Dubuque, IOWA, USA in 1994.

SINGAPORE

BORED PILES  
DIVISION

9. Brandon Toh  
Meng Yeu

Group EHS Manager

Mr Toh joined the Group as an EHS Manager in 2011. He has more than 19 years of experience in safety management and is currently overseeing the safety aspects of all projects under the Group. He has overseen projects of more than \$200 million contract sum in his past experience.

Mr Toh is also a registered Workplace Safety and Health Officer with the Ministry of Manpower, Singapore.

10. Gary Kam  
Wai Chiang

IT & QEHS Manager

Mr Gary Kam joined the Group in 2007 as Group IT & QEHS manager. He has more than 15 years of experience in IT and ISO 9000, 14000 & 18000 in the construction industry.

He holds a Bachelor Degree in Engineering (Mechanical) from the University of Melbourne, Australia and a Master Degree in Business (IT) from RMIT, Australia.

11. Chan Soon Kong

Executive Director of CS Bored Pile System Pte Ltd and DW Foundation Pte Ltd

Mr Chan joined the Group in April 2001 as Project Manager. He rose through the ranks to become the Executive Director of CS Bored Pile System Pte Ltd and DW Foundation Pte Ltd in August 2012.

Mr Chan has more than 25 years of experience in the field of geotechnical and foundation engineering gained from the private sector. He graduated with a Bachelor degree in Civil & Structural Engineering from the National University of Malaysia.



12. Tang Joo Kim

Director of CS Bored Pile System Pte Ltd and DW Foundation Pte Ltd

Mr Tang joined the Group in April 2011 as Deputy General Manager of CS Bored Pile System Pte Ltd. In April 2012, he was promoted to the position of General Manager of CS Bored Pile System Pte Ltd and DW Foundation Pte Ltd. He was appointed as a Director of CS Bored Pile System Pte Ltd and DW Foundation Pte Ltd in April 2015.

Mr Tang has more than 26 years of experience in the field of structural design, geotechnical and foundation engineering. He holds a Diploma and Advance Diploma in Civil Engineering from the Singapore Polytechnic and a Bachelor Degree (1st Class Hons) in Civil Engineering from the University of Glasgow (UK).

9.



10.



11.



12.





**DIAPHRAGM WALLS  
DIVISION**

**13. Albert Koh  
Chwee Ying**

*Director of L&M Foundation  
Specialist Pte Ltd*

Mr Koh joined the Group in April 2010 as Senior Manager, Contracts. In April 2012, he was promoted to the position of Assistant General Manager, Contracts. He was appointed as a Director of L&M Foundation Specialist Pte Ltd in April 2015.

He has 35 years experience in the construction industry with working experience in statutory board, local building contractors and a Japanese construction firm. He was involved in project management and contractual claims in building and civil engineering works, heavy foundation works, construction works in the chemical, oil and gas industry.

He has a Diploma in Building Construction and Degree in Business Administration. He is also a Practicing Associate of the Academy of Experts, Member of The Royal Institution of Chartered Surveyors, Member of The Chartered Institution of Civil Engineering Surveyor and Incorporated Member of The Chartered Institute of Building.

13.



14.



**14. Vincent Chin  
Min Chin**

*General Manager of L&M  
Foundation Specialist Pte Ltd*

Mr Vincent joined the group as Deputy General Manager in Mar 2010. In Mar 2011, he was promoted to General Manager of L&M Foundation Specialist Pte Ltd.

Mr Vincent has over 30 years experience in geotechnical, foundation, building and civil engineering works. He holds a Bachelor of Science (Hons) degree from the University of Strathclyde, UK.

**DRIVEN PILES, JACK-  
IN PILES, MICRO  
PILES AND SOIL  
IMPROVEMENT**

**15. Koo Chung  
Chong**

*Executive Director of CS  
Construction & Geotechnic  
Pte Ltd / EXCO Member of  
CSC Group*

Mr Koo has been with the Group since 1996. He is currently an Executive Director of CS Construction & Geotechnic Pte Ltd and also Director of other key subsidiaries within the Group. He is an EXCO Member of CSC Group since 2010, and is currently overseeing the group business for Driven Piles, Jack-in Piles, Micro Piles, Soil Improvement and Civil Engineering Works.

Mr Koo has more than 20 years of management experience, in both local and overseas markets. Mr Koo holds a Diploma in Civil Engineering from the Singapore Polytechnic and a Bachelor degree (Hons) in Engineering (Civil & Structural) from the University of Sheffield, England.

**16. Chris Loh  
Boon Chong**

*General Manager of CS  
Construction & Geotechnic  
Pte Ltd*

Mr Loh joined the Group as Deputy General Manager in May 2010. In April 2011, he was promoted to his current position of General Manager of CS Construction & Geotechnic Pte Ltd.

Mr Loh has more than 18 years of experience in the field of geotechnical, foundation and civil engineering works. He holds a Bachelor Degree in Engineering (Civil) from Nanyang Technological University, Singapore.

15.



16.



**SOIL INVESTIGATION,  
INSTRUMENTATION  
AND SPECIALISED  
SURVEYING WORKS**

**17. Ting Hua Keong**

*General Manager and Director  
of Soil Investigation Pte  
Limited*

Mr Ting joined Soil Investigation Pte Limited ("SIPL") as a geotechnical engineer in October 1998. He joined the Group when SIPL was acquired in April 2007. Upon joining the Group, he was appointed a director of SIPL and oversaw the technical department of SIPL. He was subsequently promoted to become the General Manager / Director of SIPL in 2011 and is now responsible for overall management of SIPL.

Mr Ting graduated from the National University of Singapore in 1998 with a degree in civil engineering, and later obtained a Master of Science in 2005 in the same field. He has more than 15 years of experience in the area of soil investigation, laboratory testing and geotechnical and structural instrumentation and geophysical methods.

**18. Chua Keng Guan**

*Managing Director of Wisescan  
Engineering Services Pte Ltd*

Mr Chua joined the Group as the Managing Director of Wisescan Engineering Services Pte Ltd ("WES") when the Group acquired WES in April 2008.

Mr Chua has over 38 years of experience in the field of Geomatic Engineering. He is the founder of WES and is currently a qualified Registered Surveyor in Singapore, a Fellow member of the Institution of Civil Engineering Surveyors, UK and a member of the Singapore Institute of Surveyors and Valuers.

**SALES AND LEASE  
OF FOUNDATION  
ENGINEERING  
EQUIPMENTS AND  
ACCESSORIES**

**19. Lawrence Chong  
Jong An**

*Managing Director of THL  
Foundation Equipment Pte Ltd*

Mr Chong was the co-founder and the Managing Director of THL Foundation Equipment Pte Ltd ("THLFE") since July 1994 where he was in charge of the overall business operations and management of THLFE. He joined the Group when the Group acquired THLFE in June 2002.

He has with him more than 30 years of experience in the field of civil engineering, particularly in foundation and geotechnical engineering. Mr Chong holds a Bachelor of Science (Hons) degree in Civil Engineering from the Heriot-Watt University, United Kingdom.

**20. Kaan Chi Loong**

*General Manager of THL  
Foundation Equipment Pte Ltd*

Mr Kaan joined THL Foundation Equipment Pte Ltd ("THLFE") as a sales engineer in June 1994. He was subsequently promoted to his current position of General Manager in July 2008.

Mr Kaan has more than 23 years of experience in the field of foundation and geotechnical engineering including foundation equipment sales. He holds a Bachelor of Engineering (Civil) from the National University of Singapore.

17.



18.



19.



20.



**MALAYSIA**

**BORED PILES /  
DIAPHRAGM WALLS  
DIVISION**

**21. Hah Hen Khean**  
*Managing Director of ICE Far  
East Pte Ltd*

Mr Hah joined ICE Far East Pte Ltd ("ICEFE") in January 1999. He joined the Group when ICEFE sold a majority stake to THL Foundation Equipment Pte Ltd in June 2011. Mr Hah has more than 25 years of experience in the civil and structural engineering field.

Mr Hah graduated from Nanyang Technological University with a Bachelor degree (Hons) in Civil and Structural Engineering and is also a member of the Institution of Engineers, Singapore.

He started his career with Housing & Development Board. He then joined international French contractor Dragages Singapore where he was involved in various projects in Singapore and Indonesia before joining ICEFE.

Mr Hah was promoted to his current position of Managing Director of the ICE Far East Group (with subsidiaries in Malaysia, Hong Kong, Thailand and a liaison office in India) in July 2014.

21.



22.



**22. Tee Soon Teck**  
*General Manager and Director  
of Borneo Geotechnic Sdn  
Bhd*

Mr Tee joined Borneo Geotechnic Sdn Bhd ("BG") as Senior Manager in January 2003. He joined the Group when the Group acquired BG in November 2006. He was subsequently promoted to his current position of General Manager and Director of BG in February 2011.

Mr Tee has more than 20 years of experience in the field of geotechnical and foundation engineering in Malaysia. He holds a Bachelor degree (Hons) in Civil Engineering from the Universiti Teknologi Malaysia in Malaysia. In addition, Mr Tee is also a graduate member of the Institution of Engineers, Malaysia and a registered Engineer with Board of Engineers, Malaysia in civil engineering.

**DRIVEN PILES, JACK-  
IN PILES & MICRO  
PILES DIVISION**

**23. Lim Leong Koo**  
*Managing Director of G-Pile  
Sistem Sdn Bhd*

Mr Lim joined the Group in July 2006 as Senior Manager (International Business/ Special Projects). He was subsequently appointed a

Director of G-Pile Sistem Sdn Bhd ("G-Pile"). He was promoted to his current position as the Managing Director of G-Pile in February 2009.

Mr Lim has more than 34 years of experience in the field of geotechnical and foundation engineering in Malaysia and Singapore. He holds a Bachelor degree (Hons) in Civil Engineering from the Middlesex Polytechnic, UK.

**PROJECT  
MANAGEMENT  
SERVICES**

**24. Lim Thau Kai**  
*General Manager and Director  
of CS Geo (Malaysia) Sdn Bhd*

Mr Lim joined the Group as Marketing Manager in April 2005 and was promoted to the position of Head, Group Marketing/ Tender in March 2010. In 2014, Mr Lim was put in charge of CS Geo (Malaysia) Sdn Bhd as General Manager / Director.

Mr Lim has more than 24 years experience in Foundation, Geotechnical and Marine Construction in Singapore, Malaysia, Thailand and Myanmar. He holds a Bachelor of Engineering (Hons) from Malaya University in 1989. He obtained a Master of Science (Civil & Structural) in 2004 from National University of Singapore and Advanced Diploma (Geotechnical) in 2004 from Nanyang Technological University.

23.



24.



THAILAND

**JACK-IN PILES, BORED  
PILES AND OTHER  
GEOTECHNICAL  
ENGINEERING  
SERVICES**

**26. Phoon Soo Hin**

*Managing Director of Siam  
CSC Engineering Co Ltd*

Mr Phoon joined the Group in May 2008 as a Senior Project Manager of CS Construction & Geotechnic Pte Ltd. He was subsequently appointed the Managing Director of Siam CSC Engineering Co Ltd ("SCE") in March 2011 where he was responsible for the foundation engineering works, business development and management of SCE in Thailand.

Mr Phoon has more than 28 years of working experience, mainly in geotechnical and foundation engineering works. He also involved in the operation of bored piling, diaphragm wall, micro piling works in various countries such as Malaysia, Indonesia and Vietnam for several years before joining the Group. He holds a Bachelor of Science in Civil Engineering from National Cheng Kung University, Taiwan.

VIETNAM

**BORED PILES  
AND OTHER  
GEOTECHNICAL  
ENGINEERING  
SERVICES**

**25. Yee Lip Chee**

*General Director of L&M  
Foundation Specialist  
(Vietnam) Limited Company*

Mr Yee joined the Group in 2008 as General Director of L&M Foundation Specialist (Vietnam) Limited Company ("LMVN") where he was responsible for the business operation and management of LMVN.

Mr Yee has more than 23 years of experience in the field of deep foundation works. He holds a Bachelor degree in Civil Engineering from the National Taiwan University.

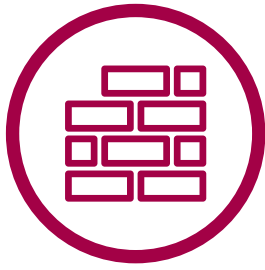


25.



26.





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## CSC EVENTS

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1. Shou Gong Dinner on 13 Feb 2015
2. Kai Gong Ceremony on 24 Feb 2015
3. X'Mas Eve Lunch on 24 Dec 2014
4. Mid-Autumn Festival on 4 Sep 2014
5. AGM on 24 July 2014



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CSC Holdings Limited (the "Company") continues to nurture a high standard of corporate governance and confirms its commitment to comply with the principles and guidelines of the Code of Corporate Governance 2012 (the "Code"), with the aim to preserve and enhance shareholders' value. This report describes the corporate governance framework and practices that the Company has adopted with reference to the Code.

**PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS**

The Board of Directors' (the "Board") role is to:

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company and its subsidiaries (the "Group") to meet its objectives;
- establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- review Management's performance;
- identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- set the Group's values and standards (including ethical standards), and ensure that obligations to the Shareholders and others are understood and met; and
- consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Matters which are specifically reserved to the full Board for decision are those involving corporate plans and budgets, material acquisitions and disposals of assets, share issuances, dividends and other returns to shareholders. The Board also delegates certain of its functions to the Audit Committee (the "AC"), Nominating Committee (the "NC"), Remuneration Committee (the "RC"), The CSC Executive Share Option Scheme 2004 Committee (the "ESOSC") and Risk Management Committee (the "RMC"), which would make recommendations to the Board. Each Committee has its own defined terms of reference and operating procedures.

Formal board meetings are held quarterly to oversee the business affairs of the Group, and to approve, if applicable, any financial or business objectives and strategies. Ad-hoc meetings are convened when the circumstances require. In addition, the Directors also received updates on the business of the Group through regular presentations and meetings. The Articles of Association of the Company (the "Articles") allow board meetings to be conducted by means of telephone conference, or other methods of simultaneous communication by electronic or other communication facilities. When a physical board meeting is not possible, the Board can communicate through electronic means or via circulation of written resolutions for approval.

The attendance of Directors at meetings of the Board and Board Committees for the financial year ended 31 March 2015 is set out below:

Name of Directors	Board Meeting		Audit Committee		Remuneration Committee	
	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Chee Teck Kwong Patrick	4	4	4	4	2	2
See Yen Tarn	4	4	NA	NA	NA	NA
Teo Beng Teck	4	4	NA	NA	NA	NA
Ng San Tiong Roland	4	4	4	4	2	2
Tan Ee Ping	4	4	NA	NA	2	2
Tan Hup Foi @ Tan Hup Hoi	4	4	4	4	NA	NA

Name of Directors	Nominating Committee		*The CSC Executive Share Option Scheme 2004 Committee		Risk Management Committee	
	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Chee Teck Kwong Patrick	1	1	1	1	NA	NA
See Yen Tarn	1	1	1	1	4	4
Teo Beng Teck	NA	NA	NA	NA	4	4
Ng San Tiong Roland	NA	NA	1	1	NA	NA
Tan Ee Ping	NA	NA	1	1	4	4
Tan Hup Foi @ Tan Hup Hoi	1	1	NA	NA	NA	NA

\* Note: The CSC Executive Share Option Scheme 2004 had expired on 21 July 2009. Following that, The CSC Executive Share Option Scheme 2004 Committee had dissolved on 22 May 2014.

All newly appointed Directors will be given letters explaining the terms of their appointment as well as their duties and obligations. The newly appointed Directors will also receive an orientation that includes briefing by Management on the Group's structure, businesses, operations and policies, as well as their duties and obligations.

The Directors of the Company are encouraged to attend relevant courses, conference and seminars conducted by professional organisations. The Company may fund the appropriate training and development programmes for the Directors.

As an on-going exercise, the Company Secretary updates the Directors on the accounting updates, amendments and requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), key changes to the Corporate Governance Code, proposed amendments to the Companies Act (Chapter 50) and other statutory and regulatory changes which have an important bearing on the Company and the Directors' obligations to the Company, from time to time.



**PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE**

The Board consists of six Directors, three of whom are Independent Directors. The independence of each Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an Independent Director in its review. The Board of Directors is as follows:-

Name of Directors	Date of appointment / Date of last re-election	Functions	Current directorships in other listed companies and other major appointments	Past directorships in other listed companies and major appointments over the preceding three years
Mr Chee Teck Kwong Patrick	20 March 1998 / 24 July 2014	Independent Non-Executive Chairman  Chairman of the Nominating Committee and member of the Remuneration, Audit and ESOS Committees	Director of – China International Holdings Limited – Hai Leck Holdings Limited – Hanwell Holdings Limited – Ramba Energy Limited – Tat Seng Packaging Group Ltd	Director of – Singapore Windsor Holdings Limited – Hengxin Technology Ltd
Mr See Yen Tarn	11 November 2005/ 25 July 2013	Group Chief Executive Officer  Member of the Nomination, Risk Management, ESOS and Executive Committees	Director of – Longcheer Holdings Limited – Lizhong Wheel Group Ltd	Director of – Linair Technologies Limited – Changjiang Fertilizer Holdings Limited
Mr Teo Beng Teck	24 November 2003/ 25 July 2013	Non-Executive Director  Member of the Risk Management Committee	Nil	Director of Linair Technologies Limited
Mr Ng San Tiong Roland	25 September 2002/ 24 July 2014	Non-Executive Director  Member of the Audit, Remuneration and ESOS Committees	Managing Director of Tat Hong Holdings Ltd  Deputy Chairman and Non-Executive Director of Yongmao Holdings Limited	Alternate Director of Intraco Limited
Mr Tan Ee Ping	28 August 2003/ 24 July 2014	Independent Director  Chairman of the Remuneration, Risk Management and ESOS Committees	Nil	Nil

Name of Directors	Date of appointment / Date of last re-election	Functions	Current directorships in other listed companies and other major appointments	Past directorships in other listed companies and major appointments over the preceding three years
Mr Tan Hup Foi @ Tan Hup Hoi	3 April 2006/ 25 July 2012	Independent Director  Chairman of the Audit Committee and member of the Nominating Committee	Director of Cityneon Holdings Limited	Independent Non-Executive Chairman of Linair Technologies Limited  Director of – SHC Capital Asia Limited – ECS Holdings Limited

The Board has determined that it is of an appropriate size to meet the objective of having a balance of skills and experience. The Board comprises business leaders and professionals with legal, finance, engineering, business and management backgrounds and its composition enables the Management to benefit from a diverse and objective external perspective, on issues raised before the Board. Each Director has been appointed on the strength of his calibre, experience and his potential to contribute to the Group and its business.

Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. When challenging management's proposal or decisions, they will bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities. When necessary, the Company co-ordinates informal meetings for Non-Executive and Independent Directors to meet without the presence of the Executive Directors and/or Management.

### PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

There is a clear division of roles and responsibilities between the Chairman and the CEO.

Mr Chee Teck Kwong Patrick is presently the Group's Independent Non-Executive Chairman. He leads the Company's compliance with guidelines on corporate governance and is free to act independently in the best interests of the Company and its shareholders. As Chairman, Mr Chee is responsible for amongst others, the proper carrying out of the business of the Board at its meeting, and he represents the collective leadership of the Company's Board of Directors and ensures that Management provides the Board with complete, adequate and timely information and there is effective communication with shareholders of the Company. The Chairman, with the assistance of the Company Secretary ensures that the board meetings are held when necessary and sets the board meeting agenda in consultation with the CEO. He encourages constructive relations, mutual respect and trust within the Board and between the Board and Management and facilitates the effective contribution of Non-Executive Directors.

The Group CEO is Mr See Yen Tarn, who is responsible for the day-to-day operations of the Group, as well as monitoring the quality and timeliness of information flow between the Board and the Management.

The Board is of the view that the current leadership structure is in the best interests of the Group. The decision making process of the Group would not be unnecessarily hindered as there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence. In addition, all the Board Committees are chaired by Independent Directors of the Company.

**PRINCIPLE 4: BOARD MEMBERSHIP  
PRINCIPLE 5: BOARD PERFORMANCE****NOMINATING COMMITTEE**

The NC comprises Mr Chee Teck Kwong Patrick (Chairman), Mr Tan Hup Foi @ Tan Hup Hoi and Mr See Yen Tarn, the majority of whom, including the Chairman, are independent. The NC is responsible for *inter alia* the following:

- to review the Board and Board Committees' structure, size and composition and make recommendations to the Board, where appropriate;
- to recommend the nomination of Directors who are retiring for rotation to be put forward for re-election;
- to decide whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company particularly when he has multiple board representations;
- to determine, on an annual basis, if a Director is independent; and
- to assess the effectiveness of the Board as a whole and for assessing the contribution of each of the Director to the effectiveness of the Board.

New Directors of the Company and the Group are appointed by way of Board resolutions of the respective companies. The NC identifies suitable candidates for appointment to the Board having regard to the background, experience, professional skills and personal qualities of the candidates. The NC makes recommendations to the Board on candidates it considers appropriate for appointment. The NC has formalised this process and has adopted procedures for the selection, appointment and re-appointment of Directors, in order to increase transparency of the nominating process. According to the Articles, such new Directors of the Company shall submit themselves for re-election at the next Annual General Meeting ("AGM") of the Company.

In addition, the Articles also provide that at least one-third of the Directors will be subjected to re-election by rotation at each AGM. The NC makes recommendations to the Board as to whether the Board should support the re-election of a Director who is retiring in accordance with the Articles. Accordingly, the Directors submit themselves for re-nomination or re-election at regular intervals.

Although the Independent Directors hold directorships in other companies which are not in the Group, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as Directors. These Directors would widen the experience of the Board and give it a broader perspective.

For the financial year ended 31 March 2015, the NC also assessed and reviewed the independence of the Independent Directors, namely Mr Chee Teck Kwong Patrick, Mr Tan Ee Ping and Mr Tan Hup Foi @ Tan Hup Hoi based on the new guidelines set out in the Code.

Three of the Independent Directors, Mr Chee Teck Kwong Patrick, Mr Tan Ee Ping and Mr Tan Hup Foi @ Tan Hup Hoi have served on the Board for more than nine years. The Board does not impose a limit on the length of service of the Independent Directors. The Board's emphasis is on the Director's contribution in terms of skill, experience, professionalism, integrity, objectivity and independent judgement to discharge the Director's duties in the best interest of the Company. Such attributes are more critical in ascertaining the effectiveness of the Directors' independence than the years of service.

In assessing objectivity and independent judgement, the NC with the concurrence of the Board considers, *inter alia*, the approach, character and attitude of the Independent Directors including whether such Directors:-

- are free from any interest, business or other relationship with the Company and its subsidiaries, its related corporations, substantial shareholders which could reasonably be perceived to interfere with the exercise of Director's independent business judgement with a view to the best interest of the Company;
- has any material contractual relationship with the Group other than as a Director; and
- have the ability to give time, participate and contribute to the meetings.

The NC also considered there was a change of composition of Executive Directors, Management and controlling shareholders when the founding shareholders sold their shares.

The qualification and expertise of the Independent Directors provide reasonable checks and balances for the Management. In addition, the Independent Directors provide overall guidance and act as a safeguard for the protection of the Company's assets and shareholders' interest.

The NC also reviews the independence of Board members annually based on the internal assessment criteria and guidance as set out in the Code. The Independent Non-Executive Directors are required to confirm their independence annually, and disclose any relationships or appointments which would impair their independence to the Board.

In furtherance to rigorous review of independence of Independent Directors, the NC had re-designed and enhanced the internal assessment criterias. The rigorous review is applied equally to all Independent Directors and not just to Independent Directors who have served on the Board for more than nine years. Factors considered in this rigorous approach include questions on family connections, voting arrangements at shareholders'/directors' meetings, financial dependency on director fees and level of objectivity demonstrated at meetings.

After rigorous review, the Board concludes that Mr Chee Teck Kwong Patrick, Mr Tan Ee Ping and Mr Tan Hup Foi @ Tan Hup Hoi remain independent.

The NC has recommended the nomination of Mr Teo Beng Teck and Mr Tan Hup Foi @ Tan Hup Hoi for re-election as Directors at the forthcoming AGM. The Board has accepted this recommendation and being eligible, Mr Teo Beng Teck and Mr Tan Hup Foi @ Tan Hup Hoi will be offering themselves for re-election at the AGM.

Mr Tan Ee Ping, who is over the age of 70 years, will retire at the forthcoming AGM. The NC has recommended the nomination of Mr Tan Ee Ping for re-appointment under Section 153(6) of the Companies Act (Chapter 50). The Board has accepted this recommendation and being eligible, Mr Tan Ee Ping, will offer himself for re-appointment at the forthcoming AGM.

A Director abstains from voting on any resolution pertaining to his appointment or re-election.

Details of academic and professional qualifications of all the Directors are set out in the Board of Directors' section of this Annual Report.

The NC has put in place a process for selection and appointment of new Directors. This provides the procedure for identification of potential candidates, evaluation of candidate skills, knowledge and experience, assessment of candidates' suitability and recommendation for nomination to the Board.



The composition of the Board, including the selection of candidates for new appointments to the Board, is determined based on the following principles:

- there should be a strong and independent element on the Board, with Independent Directors making up at least one-third of the Board where:
  - (a) the Chairman of the Board and the CEO is not the same person;
  - (b) the Chairman of the Board should be an Independent Non-Executive Director;
- the Board should comprise business leaders and professionals with legal, finance, engineering business and management backgrounds.

The NC is of the view that the Board comprises Directors capable to exercise objective judgement on corporate affairs independently from Management and that no individual or small group of individuals is allowed to dominate the Board's decision making.

The NC, in considering the re-appointment of any Director, evaluates the performance of the Director. The NC has implemented a self-assessment process that requires each Director to assess the performance of the Board as a whole for financial year ended 31 March 2015. The self-assessment process took into consideration, *inter alia*, board structure, corporate strategy and planning, risk management and internal control, performance measurement and compensation, succession planning, financial reporting, conduct of meetings and communication with shareholders. The findings were then collated and analysed, and thereafter presented to the NC for discussion.

Although the Directors are not evaluated individually, the factors taken into considerations for the re-nomination of the Directors for the current year are based on the contributions made by the Directors at the meetings.

The review of the Board's performance is undertaken collectively by the Board annually.

#### **PRINCIPLE 6: ACCESS TO INFORMATION**

In order to ensure that the Board is able to fulfill its responsibilities, the Management provides the Board members with quarterly management accounts and all relevant information. In addition, all relevant information on material events and transactions are circulated to Directors as and when they arise. Whenever necessary, senior management staff will be invited to attend the Board meetings and AC meetings to answer queries and provide detailed insights into their areas of operations. A quarterly report of the Group's activities is also provided to the Directors.

The Board, either individually or as a group, in the furtherance of their duties, has access to independent professional advice, if necessary, at the Company's expense.

The Board has separate and independent access to the Company Secretary and other senior management executives of the Company and the Group at all times in carrying out their duties. The Company Secretary attends all Board and Board Committee meetings and prepares minutes of the meetings. The Company Secretary provides advice, secretarial support and assistance to the Board and ensures adherence to the Board procedures and relevant rules and regulations applicable to the Company. The appointment and removal of the Company Secretary is a decision made by the Board as a whole.

**PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES****PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION****PRINCIPLE 9: DISCLOSURE ON REMUNERATION****REMUNERATION COMMITTEE**

The RC comprises three Non-Executive Directors, namely Mr Tan Ee Ping (Chairman), Mr Chee Teck Kwong Patrick and Mr Ng San Tiong Roland, the majority of whom, including the Chairman, are independent. The RC has access to external expert advice, if required.

The key functions of the RC under the terms of reference are, *inter alia*:-

- to review and recommend to the Board a framework of remuneration for Non-Executive and Executive Directors and key executives;
- to review and approve the remuneration packages of the Executive Directors and senior executives after taking into consideration their responsibilities, skills, expertise and contribution to the Company's performance and the appropriateness of the remuneration packages to attract, retain and motivate the best available executive talents; and
- to review the Company's obligations in the event of termination of the Executive Directors and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The members of the RC shall not participate in any decision concerning their own remuneration. No Director will be involved in determining his own remuneration.

The RC also has access to independent and professional advice on remuneration matters, if required.

The RC reviews the terms and conditions of service agreements of the Executive Directors before their execution.

The remuneration for the Company's Executive Directors and key senior executives comprise a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance.

The annual review of the remuneration package of Directors will be carried out by the RC to ensure that the remuneration of the Executive Directors and key senior management commensurate with their performance, giving due consideration to the financial and commercial health and business needs of the Group.

The performance of the Company's Executive Directors (together with other key senior executives) will be reviewed periodically by the RC and the Board.

During the financial period under review, the RC had recommended to the Board an amount of \$331,000 as Directors' fees. This recommendation had been endorsed by the Board and will be tabled at the forthcoming AGM for shareholders' approval.

The annual remuneration bands of the Directors are set out below:-

Remuneration Band	Name of Directors	Directors'					
		Fees (%) *	Service Fees (%)	Salaries <sup>(1)</sup> (%)	Bonus <sup>(2)</sup> (%)	PSS (%)	Total (%)
\$500,000.01 to \$750,000	See Yen Tarn	–	–	73	27	–	100
Below \$250,000	Chee Teck Kwong	100	–	–	–	–	100
	Patrick						
	Ng San Tiong Roland	100	–	–	–	–	100
	Teo Beng Teck	65	35	–	–	–	100
	Tan Ee Ping	100	–	–	–	–	100
	Tan Hup Foi @ Tan Hup Hoi	100	–	–	–	–	100

\* Directors' fees are subject to approval at the AGM.

(1) The salary amount shown is inclusive of allowances, benefits in kinds and CPF.

(2) The bonus amount shown is inclusive of CPF.

The Company has decided not to disclose the actual remuneration in dollar terms paid to the Directors as the Company believes that such disclosure would be prejudicial the Company's interest and hamper its ability to retain its Board of Directors.

The Code recommends that the Company should name and disclose the remuneration of at least the top five executives. However, the RC believes such disclosure would be disadvantageous to the Group's business interests, given the highly competitive environment in the construction industry where poaching of staff is prevalent.

In order to provide a macro perspective of the remuneration patterns of key executives, while maintaining the confidentiality, the disclosure of the top ten executives' remuneration (who are not Directors of the Company) of the Group for the year ended 31 March 2015 are set out below:-

Remuneration Bands	Number of Key Executives
\$500,000.01 to \$750,000	–
\$250,000.01 to \$500,000	10
\$250,000 and below	–

The aggregate total remuneration paid to the top ten executives (who are not Directors of the Company) of the Group for the year ended 31 March 2015 is approximately \$3,360,000.

None of the employees of the Group, who are immediate family members of a Director or the CEO, had remuneration exceeding \$50,000 during the year under review.

The remuneration policy for staff adopted by the Company comprises a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the Group's and individual's performance.

**THE CSC PERFORMANCE SHARE SCHEME 2008 ("PSS SCHEME")**

The PSS Scheme was approved by shareholders at the EGM held on 25 July 2008.

The PSS Scheme shall be in place for a maximum period of 10 years commencing on the adoption date. The termination of the PSS Scheme shall not affect any awards which have been granted, whether such awards have been released (whether fully or partially) or not.

The PSS Scheme is administered by the RC.

The main responsibility of the RC with respect to the PSS Scheme is to:

- Ensure that the rules of the PSS Scheme are adhered to;
- Select eligible Directors and employees of the Group to participate in the PSS Scheme; and
- Determine the number of shares to be offered to each participant taking into consideration, the service and performance of the participant.

No grant or award was vested under the PSS Scheme in the financial year ended 31 March 2015.

**PRINCIPLE 10: ACCOUNTABILITY**

The Board is mindful of its overall responsibility to shareholders for ensuring that the Group is well guided by its strategic objectives so as to deliver long term shareholder value. The Board is supported by board committees with certain areas of responsibilities and the provision of a continual flow of relevant information on a timely basis by the Management enables the Board to effectively discharge its duties. In addition, the Board also aims to present a balanced and fair assessment of the Group's position and prospects in its annual financial statements, results announcements and all announcements on its business and operations.

**PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS****RISK MANAGEMENT POLICIES AND PROCESSES**

Risk management practices are in place in the Group. Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as measures to control these risks. Management also reviews all significant control policies and procedures and highlights all significant matters to the Board and AC.



**RISK MANAGEMENT COMMITTEE**

The RMC formed in May 2004, comprises Mr Tan Ee Ping (Chairman), Mr See Yen Tarn and Mr Teo Beng Teck.

The RMC holds at least four meetings a year. The RMC assists the Board in reviewing risk policies and matters relating to management of risks.

The key area of focus for RMC includes:

- review the operating risk management philosophy, guidelines and major policies for effective risk management, including risk profile, risk tolerance level and risk strategy;
- review of tendering procedure for major projects and risk management control in project management;
- Oversee and advise the Board on the current operating risk exposure and future risk strategy of the Company;
- keep under review the effectiveness of the Group's internal controls and risk management systems and framework to manage and mitigate risk within the agreed strategy; and
- Evaluation of risks in new business and in new markets.

The internal auditors also assist the Management, AC and the Board by identifying and highlighting any areas of concern it comes across while conducting the audit.

**INTERNAL CONTROLS**

The Group maintains a robust and effective system of internal controls and risk management policies, addressing financial, operational, compliance and information technology risks, for all companies within the Group, to safeguard shareholders' interests and the Group's business and assets.

The Group has engaged Ernst & Young to assist in implementation and enhancement of an Enterprise Risk Management (ERM) programme on the identification, prioritisation, assessment, management and monitoring of key risks covering, *inter alia*, financial, operational, compliance and information technology faced by the Group. The key risks identified are reviewed by Management regularly and significant controls measures and procedure to control these risks are being implemented and highlighted to the Board and the AC.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group's assets and investments are safeguarded. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities. The Board reviews the adequacy and effectiveness of the Group's risk management and internal controls systems, including financial, operational, compliance and information technology controls, and risk management systems on an on-going basis.

The Group's key internal controls include:

- establishment of risk management policies and systems;
- establishment of policies and approval limits for key financial and operational matters, and issues reserved for the Board;
- maintenance of proper accounting records;
- the reliability of financial information;
- safeguarding of assets;
- ensuring compliance with appropriate legislation and regulations;
- engaging qualified and experienced persons to take charge of important functions; and
- implementation of safety, security and internal control measures and taking up appropriate insurance coverage for employees.

The Board has received the assurances from the CEO and the Chief Financial Officer ("CFO") that:-

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the system of risk management and internal controls in place within the Group (including financial, operational, compliance and information technology controls) are adequate and effective in addressing the material risks in the Group in its current business environment.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliances and information technology risks were adequate as at 31 March 2015 to meet the needs of the Group in its current business environment.

The Board, together with the AC and Management, will continue to enhance and improve the existing internal control framework to mitigate the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

## **PRINCIPLE 12: AUDIT COMMITTEE**

### **AUDIT COMMITTEE**

The AC comprises three Non-Executive Directors, namely Mr Tan Hup Foi @ Tan Hup Hoi (Chairman), Mr Chee Teck Kwong Patrick and Mr Ng San Tiong Roland, the majority of whom, including the Chairman, are independent. At least two members, including the Chairman have relevant accounting and related financial management expertise or experience.

The AC carries out its functions as set out under its terms of reference. The AC monitors the changes in accounting policies, reviews internal audit appraisals and adequacy of the Group's internal controls, reviews interested person transactions, and discusses accounting implications of major transactions so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance. In addition, the AC reviews together with the external auditor, the audit plan, audit issues, audit report and Management's responses.

Most of the accounts of the Company and its Singapore-incorporated subsidiaries are audited by KPMG LLP, except one dormant subsidiary which is audited by Singapore Assurance PAC. KPMG and Singapore Assurance PAC are the auditing firms registered with the Accounting and Corporate Regulatory Authority ("ACRA"). The Company has complied with Rules 712 and 715 of the SGX-ST Listing Rules respectively. Pursuant to Listing Rule 716, the Board and the AC are satisfied that the appointment of different auditing firms for its Singapore-incorporated subsidiary would not compromise the standard and effectiveness of the audit of the Company.

The Company's foreign incorporated subsidiaries are audited by separate auditing firms. The AC is of the view that the external auditors are a suitable auditing firm that meets the Group's audit obligations, its size and complexity, and having also considered the external auditors' professional standing, the reputation of its audit engagement partner and the adequacy of the number and experience of its supervisory and auditing staff assigned for the audit. The Board and the AC are satisfied that the appointment of different auditors for certain subsidiaries and associates would not compromise the standard and effectiveness of the audit of the Group.

The external auditors have full access to the AC and the AC has full access to the Management.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets at least four times a year. The AC also meets with both the internal and external auditors, without the presence of Management at least once a year to review any matter that might be raised.

The AC takes reference from the principles and best practices recommended in the "Guidebook for Audit Committees in Singapore" issued by the Audit Committee Guidance Committee jointly established by the Monetary Authority of Singapore (MAS), the ACRA and Singapore Exchange Limited ("SGX"), and the "Guidance to Audit Committees on Evaluation of Quality of Work Performed by External Auditors" issued by ACRA and SGX. In addition, the external auditors updates the AC on changes to accounting standards and issues which have a direct impact on financial statements of the Company.

The AC has also conducted a review of all non-audit services provided by the auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the auditors. The audit and non-audit fees paid / payable to the external auditors for the financial year ended 31 March 2015 were \$435,644 and \$200,245 respectively. The AC, with the concurrence of the Board, had recommended the re-appointment of KPMG LLP as external auditors at the forthcoming AGM of the Company.

## **WHISTLE-BLOWING POLICY**

The Company has put in place a Whistle-Blowing Policy which provides an avenue for employees of the Group, and any other persons to raise concerns in good faith with the reassurance of being protected from reprisals or victimisation, about possible corporate improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for independent investigations of such matters and for appropriate follow-up actions.

## **PRINCIPLE 13: INTERNAL AUDIT**

The Group has outsourced its Internal Audit ("IA") function to Ernst & Young Advisory Pte Ltd, a professional consultancy firm ("Internal Auditors"). The objective of the IA function is to determine whether the internal controls established by the Group are adequate and functioning in the required manner. The Internal Auditors performed its review in accordance to the audit plan reviewed and approved by the AC. The AC ensures that procedures are in place to follow up on the recommendations by the Internal Auditors in a timely manner and to monitor any outstanding issues.

The Internal Auditors are staffed by qualified personnel with the relevant qualifications and experience to carry out its function in line with the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Internal Auditors reports their findings on IA matters to the Chairman of the AC and reports their findings, action plans as well as the administrative matters to the Management. The AC approves the hiring, removal, evaluation and compensation of the Internal Auditors.

The scope of the IA function is as follows:-

- (a) to evaluate the reliability, adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls of the Company and its subsidiaries in scope;
- (b) to highlight key business issues and operational weaknesses to the AC for deliberation with copies of these reports extended to the Group CEO, CFO and other relevant senior management officers; and
- (c) to discuss the summary of findings and recommendations as well as the status of implementation of the actions agreed by Management at the AC meetings.

The AC meets the Internal Auditors at least once annually without the presence of the Management. The Internal Auditors have unfettered access to all the Group's documents, records, properties and personnel, including the AC and the Management.

The AC reviews all IA plans and all IA reports are released to the AC, the CEO and the CFO. Processes are in place such that material control weaknesses raised in the IA reports are dealt with in a timely manner, with outstanding exceptions or recommendations being closely monitored and reported back to the AC on a quarterly basis.

The AC reviews the IA function at least annually and is of the opinion that the IA function is effective, adequately resourced to perform its functions and has appropriate standing within the Group.

Material associates and joint arrangements which the Company does not control are not dealt with for the purposes of this statement.

#### **PRINCIPLE 14: SHAREHOLDER RIGHTS**

#### **PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS**

#### **PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS**

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights and continually reviews and updates such governance arrangements.

The Company recognises the need to communicate with shareholders on all material matters affecting the Group and does not practice selective disclosure. Price sensitive announcements, including quarterly and full-year results and press release (the "Corporate Announcements") are released to shareholders on an equal and timely basis through SGXNET. The Corporate Announcements can also be found on the Company's website at [www.cschl.com.sg](http://www.cschl.com.sg).

The Company encourages shareholders to participate actively in general meetings. Shareholders are informed of Shareholders' Meeting through notices published in the national newspapers. The Company sends electronic Annual Report, Circular including the Notice of AGM (by way of a CD-ROM) to all shareholders at least 14 days before the AGM to ensure that all the shareholders have adequate time to review the Annual Report before the AGM. Upon request, hardcopies of the Annual Report are provided to shareholders.

In line with continuous obligations of the company to the SGX-ST listing rules and the Companies Act (Chapter 50), the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group or the Company.

The Company does not have a formal dividend policy. The Board considers the Company's capital structure, cash requirements and future plans in deciding whether to declare dividends.

The Articles allows a member of the Company to appoint up to two proxies to attend and vote in place of the member. Proxies need not be a member of the Company. At the moment, the Company has not provided in the Articles to allow for voting in absentia and electronic voting methods such as by mail, email, fax etc.

At AGMs, shareholders are given the opportunity to air their views and ask questions regarding the Group and its businesses. Separate resolutions on each distinct issue are proposed at general meetings for approval. The Board members and Chairman of the Board, AC, NC and RC are present and available to address shareholders' questions at the AGM. The external auditors are present to address shareholders' queries about the conduct of audit and the preparation and content of auditors' report. The legal advisors will also be invited to attend the AGM (if necessary).

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management.

For greater transparency, the Company will put all resolutions to vote by poll for general meetings to be held on and after 1 August 2015 and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentage will be made on the same day.

## **EXECUTIVE COMMITTEE**

The Executive Committee is headed by the Group CEO, Mr See Yen Tarn and comprises Mr Koo Chung Chong and Mr Lee Quang Loong. It meets weekly to review strategic, business and operational issues and determine policies of the Group to ensure the smooth functioning of the Group. The Executive Committee implements and communicates the directions and guidelines of the Board and Board Committees to relevant departments and employees.

## **DEALING IN SECURITIES**

The Group has adopted internal policies that are consistent with Rule 1207(19) of the listing manual issued by SGX-ST in relation to dealings in the Company's securities.

The Directors, officers and employees of the Company and its subsidiaries are notified that they are prohibited from trading in the Company's shares while in possession of unpublished material price-sensitive information, and during the period commencing two weeks before the announcement of Company's quarterly results and one month before the announcement of the Company's full year results and ending on the date of the announcement of the relevant results.

The Directors, officers and employees of the Company and its subsidiaries are also expected to observe insider-trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short-term considerations.

The guidelines on share buyback under the Share Buyback Mandate, to be renewed at the Company's forthcoming AGM also provides that the Company will not effect any purchases of shares on the SGX-ST during the period of one month immediately preceding the announcement of the Company's full year results and two weeks immediately before the announcement of the Company's financial results for each of the first three quarters of its financial year.

Directors are required to report to the Company Secretary whenever they deal in the Company's shares and latter will make the necessary announcements in accordance with requirements of SGX-ST.

The Company has complied with Rule 1207(19) of the Listing Manual of the SGX-ST.



## MATERIAL CONTRACTS

Save as disclosed in the Directors' Report and the financial statements, no material contracts (including loans) of the Company or its subsidiaries involving the interests of the CEO or any Director or controlling shareholders subsisting at the end of the financial year have been entered into since the end of the previous financial year.

## INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has adopted a policy in IPTs and has established procedures to monitor and review such transactions. All IPTs are subject to review by the AC at its quarterly meetings to ensure that such transactions are conducted on an arm's length basis and not prejudicial to the interests of the shareholders.

The aggregate value of IPTs entered into during the financial period under review pursuant to the Shareholders' Mandate obtained under Chapter 9 of the Listing Manual was as follows:

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Tat Hong Plant Leasing Pte Ltd <sup>(1)</sup>	NIL	\$1,582,032
CMC Construction Pte Ltd <sup>(1)</sup>	NIL	\$1,954,701
Tat Hong Heavyequipment (Pte.) Ltd <sup>(1)</sup>	NIL	\$1,704,549
Tat Hong Heavyequipment (HK) Ltd <sup>(1)</sup>	NIL	\$1,582,696

It was noted that the IPTs were within the threshold limits set out under Chapter 9 of the Listing Manual of SGX-ST and no announcement or shareholders' approval was, therefore, required.

Note:

(1) Tat Hong Plant Leasing Pte Ltd, CMC Construction Pte Ltd, Tat Hong Heavyequipment (Pte.) Ltd and Tat Hong Heavyequipment (HK) Ltd are related companies of TH Investments Pte Ltd, a substantial shareholder of the Company.

**RENEWAL OF SHAREHOLDERS' MANDATE FOR IPT****1. INTRODUCTION**

The Directors of the Company propose to renew the Shareholders' Mandate for IPT ("IPT Mandate") that will enable the Company and its subsidiaries and associated companies ("CSC Group" or the "Group"), or any of them, to enter into transactions with the Company's interested person ("Interested Person").

The approval of shareholders of the Company for the renewal of the IPT Mandate will be sought at the AGM of the Company to be held at 4th Floor, No. 2, Tanjong Penjuru Crescent, Singapore 608968 on Monday, 27 July 2015 at 10.00 a.m.

SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this IPT Mandate.

General information with regards to listing rules of the SGX-ST relating to IPT, including meanings of terms such as "associate", "entity at risk", "interested person" and "interested person transaction" used in Chapter 9 of the Listing Manual, is also set out in page 62 of this Annual Report.

**2. RATIONALE FOR THE PROPOSED RENEWAL OF IPT MANDATE**

It is envisaged that the Group which is considered to be the entity at risk within the meaning of Chapter 9 of the Listing Manual (the "EAR Group"), or any of them, would, in the ordinary course of their businesses, enter into Interested Person Transactions ("IPT or IPTs") with certain classes of Interested Persons in the categories of transactions as set out in paragraphs 5 and 6 below.

Given that such IPTs will occur with some degree of frequency and may arise at any time, the IPT Mandate is intended to facilitate transactions in the normal course of business of CSC Group provided that such IPTs are made on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

**3. SCOPE OF IPT MANDATE**

The IPT Mandate will cover a range of transactions arising in the ordinary course of business operations of the EAR Group as set out in paragraph 6 below.

The IPT Mandate will not cover any IPT, which has a value below \$100,000 as the threshold, and aggregate requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

Transactions by the EAR Group with Interested Persons that do not fall within the ambit of the IPT Mandate (including any renewal thereof) will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

#### **4. BENEFITS OF IPT MANDATE**

The IPT Mandate is intended to facilitate specified categories of IPTs in the normal course of business of the EAR Group which are transacted, from time to time, with the specified classes of Interested Persons, provided that they are carried out on the EAR Group's normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

Where the IPT relates to the purchase / sale of products and supply / receipt of services from Interested Persons, the EAR Group will benefit from having access, where applicable, to competitive quotes from, or transacting with, Interested Persons, and may also derive savings in terms of cost efficiencies and greater economies of scale in its transactions with Interested Persons. By having the IPT relating to corporate support transactions with the Interested Persons, the EAR Group will enjoy sharing of resources and economies of scale and eliminate duplication of efforts. Where the IPT relates to treasury transactions, the EAR Group will benefit from the competitive rates or quotes from its Interested Persons, thus leveraging on the financial strength and credit standing of the Interested Persons.

The IPT Mandate will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when such IPTs with the Interested Persons arise, thereby reducing substantial administrative time and expenses associated with the convening of such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the EAR Group.

#### **5. CLASSES OF INTERESTED PERSONS**

The IPT Mandate will apply to transactions described in paragraph 6 below that are carried out with the following classes of Interested Persons:

- (a) TH Investments Pte Ltd and their associates;
- (b) Mr Ng San Tiong Roland and his associates; and
- (c) Directors and CEO of the Company and their respective associates.

## **6. CATEGORIES OF IPTs**

The IPTs with the Interested Persons as described in paragraph 5 above that will be covered by the IPT Mandate are as follow:

### **(a) General Transactions**

This category relates to general transactions ("General Transactions") on the provision to, or obtaining from, Interested Persons of products and services in the ordinary course of the business of the EAR Group. The transactions for the supply / receipt of products and / or services to / from Interested Persons are as follows:

- (i) rental and purchase of machinery / site equipment and accessories, purchase of spare parts and repair of machinery by the EAR Group from Interested Persons;
- (ii) rental and sale of machinery / site equipment and accessories, sale of spare parts and repair of machinery by the EAR Group to Interested Persons;
- (iii) provision or receipt of transportation services by the EAR Group to or from Interested Persons;
- (iv) rental of office space and land by the EAR Group to or from Interested Persons;
- (v) provision or receipt of training services by the EAR Group to or from Interested Persons;
- (vi) provision or receipt of foundation work services by EAR Group to or from Interested Persons; and
- (vii) trading of construction materials.

### **(b) Corporate Support Transactions**

This category relates to corporate management and support services ("Corporate Support Transactions"). The EAR Group may, from time to time, receive corporate management and support services from its Interested Persons. These services include computer support, personnel, and administration and / or accounting services.

### **(c) Treasury Transactions**

Treasury transactions ("Treasury Transactions") comprise the borrowing of funds from any Interested Persons.

**7. REVIEW PROCEDURES FOR IPTs**

In general, the EAR Group has internal control procedures to ensure that the IPTs are undertaken on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders. Save for the Corporate Support Transactions which are carried out on a cost reimbursement basis, all IPTs are to be carried out:-

- (a) at the prevailing market rates / prices of the services or product providers (including, where applicable, preferential rates / prices / discounts accorded to a class of customers or for bulk / long term purchases, where the giving of such preferential rates / prices / discounts are commonly practised within the applicable industry and may be extended to unrelated third parties, provided that there is no difference in terms of preferential rates / prices / discounts accorded to unrelated third parties vis-à-vis interested persons), or otherwise in accordance with applicable industry norms; and
- (b) on terms which, in relation to services or products to be provided to an Interested Person, are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties; or in relation to services or products to be obtained from an Interested Person, are no more favourable than those extended to the EAR Group by unrelated third parties.

In particular, the following review procedures have been established by the Company under the IPT Mandate:

**(a) General Transactions****(i) Purchase of Products or Services**

The review procedures applicable to the purchase of machinery / site equipment and accessories, construction materials, spare parts, repair of machinery, and receipt of foundation work services, transportation services and training services are as follows:

- (aa) in determining whether the price and terms offered by the Interested Person are fair and reasonable and comparable to those offered by unrelated third parties to the EAR Group for the same or substantially similar type of product or service, the Management of the relevant company of the EAR Group will obtain at least two other quotations from unrelated third party vendors or suppliers for similar or substantially similar type of product or service as bases for comparison. The Management will then submit the recommendation to a Director of the relevant company of the EAR Group (who has no interest, direct or indirect, in the transactions) for approval; and
- (bb) where it is impractical or not possible for such quotations to be obtained (for example, there are no unrelated third party vendors or suppliers of similar type of product or service, or the product or service is proprietary), a Director of the relevant company of the EAR Group (who has no interest, direct or indirect, in the transaction) will ensure that the price and terms offered to the EAR Group are fair and reasonable and that the terms of supply from the Interested Persons will (where applicable) be in accordance with industry norms.



**7. REVIEW PROCEDURES FOR IPTs (CONT'D)****(a) General Transactions (cont'd)****(ii) Sale of Products or Services**

The review procedures applicable to the sale of machinery / site equipment and accessories, construction materials, spare parts, repair of machinery, and receipt of foundation work services, transportation services and training services are as follows:

- (aa) selling prices will be determined with reference to a standard price list in relation to sales of such products or provision of such services to unrelated third parties ("Standard Price"). Should there be any variation between the selling price and the Standard Price, the extent to which the selling price deviates from the Standard Price and the reasons for such variation will be analysed and shall be subjected to the approval of a Director of the relevant company of the EAR Group (who has no interest, direct or indirect, in the transaction).
- (bb) where the Standard Price is not available due to the unique nature of the product to be sold or service to be provided, a Director of the relevant company of the EAR Group (who has no interest, direct or indirect, in the transaction) and subject to the relevant approval levels as set out in part (iv) below, will determine the pricing of such products to be sold or services to be provided to an Interested Person in accordance with industry norms and be consistent with the usual business practices and pricing policies of the relevant company of the EAR Group.

**(iii) Rental of Office Space and Land**

The review procedures are as follows:

- (aa) a Director of the relevant company of the EAR Group (who has no interest, direct or indirect, in the transaction) will determine that the rental arrangements between the EAR Group and the Interested Persons, including but not limited to, the rental rates and terms offered to / by the Interested Persons are comparable to the prevailing market rates and terms for other properties within its vicinity of similar or comparable standing and facilities, after taking into account the tenure of the lease, the areas of the leased premises and any other factors which may affect the rental rates or terms of the lease;
- (bb) where it is impractical or not possible for such prevailing market rates and terms for other properties within its vicinity of similar or comparable standing and facilities to be obtained, a Director of the relevant company of the EAR Group (who has no interest, direct or indirect, in the transaction) will determine whether the rental rates and terms accorded to the EAR Group are fair and reasonable and, where applicable, are in accordance with industry norms; and
- (cc) any change in the rental arrangements between the EAR Group and the Interested Persons is subject to the review of the AC.

## 7. REVIEW PROCEDURES FOR IPTs (CONT'D)

### (a) General Transactions (cont'd)

- (iv) In addition, to streamline the review procedures for General Transactions, all General Transactions will be approved by the authorised persons in the manner hereinafter stated:

Value of each transaction	Approval level
Greater than or equal to \$100,000 but less than or equal to 3% of the Company's latest audited Net Tangible Asset ("NTA")	The approval of the head of relevant company in the EAR Group and verification and confirmation by the CEO (who shall not be an Interested Persons in respect of the particular transaction) prior to making any commitment to the transaction.
Greater than 3% but less than or equal to 5% of the Company's latest audited NTA	The approval of the CEO or Executive Director (who shall not be an Interested Person in respect of the particular transaction) prior to making any commitment to the transaction.
Greater than 5% of the Company's latest audited NTA	The approval of the majority of the members of the AC prior to making any commitment to the transaction.

### (b) Corporate Support Transactions

The fees in consideration for corporate management and support services received will be on a cost reimbursement basis and are subject to adjustment at the end of the relevant financial year for any variation in services provided.

The invoice issued by the Interested Person to the EAR Group, which indicates the basis of the cost reimbursement, for the provision of Corporate Support Transactions is subject to the approval of a Director of the relevant company of the EAR Group. In addition, a transaction exceeding \$100,000 in value must be approved by the AC prior to its entry, and any transaction which is equal to or less than \$100,000 in value must be approved by the CEO or Executive Director of the Company (who shall not be an Interested Person in respect of the particular transaction) prior to its entry, and reviewed by the AC on a half-yearly basis.

### (c) Treasury Transactions

In respect of borrowing of funds from Interested Person by the EAR Group, the Company will require quotations to be obtained from such Interested Person and at least two banks within the same country for loans of an equivalent amount and for an equivalent period. The EAR Group will only borrow funds from such Interested Person provided that the terms quoted are no less favourable than the terms quoted by such banks. The approval of the CEO or Executive Director (who shall not be an Interested Person) will be required prior to such borrowing of such funds.

In addition, where the aggregate value of funds loaned to the EAR Group shall at any time exceed the consolidated shareholders' funds of the Company (based on its latest audited accounts), each subsequent amount of funds loaned to the EAR Group shall require the prior approval of the AC.

## **7. REVIEW PROCEDURES FOR IPTs (CONT'D)**

### **(d) Other Review Procedures**

In addition to the guidelines set out above, the Company will maintain a register of transactions carried out with Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into), and the Company's annual internal audit plan will incorporate a review of IPTs entered into in the relevant financial year pursuant to the IPT Mandate. The internal auditors shall, on the quarterly basis, perform a compliance review on IPTs entered into with Interested Persons during the preceding quarters and forward the quarterly report to the AC on such transactions.

The Company shall, on a quarterly basis, report to the AC on all IPTs, and the basis of such transactions, entered into with Interested Persons during the preceding quarter. The AC shall review such IPTs at its quarterly meetings except where such IPTs are required under the review procedures to be approved by the AC prior to the entry thereof. The AC shall also review the quarterly internal audit report.

If during the periodic reviews by the AC, the AC is of the view that the guidelines and review procedures for IPTs have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the EAR Group or the Interested Persons are conducted, the Company will revert to the Shareholders for a fresh shareholders mandate based on new guidelines and review procedures so that IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

For the purposes of the above review and approval process, any Director, who is not considered independent for purposes of the IPT Mandate and/or any IPT, will abstain from voting in relation to any respective resolution, and/or abstain from participating in the AC's decision during its review of the established review procedures for the IPTs or during its review or approval of any IPT.

## **8. EXPIRY AND RENEWAL OF THE IPT MANDATE**

If approved by the Shareholders at the AGM, the IPT Mandate will take effect from the date of receipt of the Shareholders' approval, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company and will apply to IPTs entered into from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent AGM, subject to review by the AC of its continued application to the IPTs.

## **9. DISCLOSURES**

Pursuant to Rule 920(a) of the Listing Manual, the Company will disclose in its annual report the aggregate value of IPTs conducted pursuant to the IPT Mandate during the financial year as well as in the annual reports for subsequent financial years that the IPT Mandate continues in force. In addition, the Company will announce the aggregate value of transactions conducted pursuant to the IPT Mandate for the financial periods that it is required to report pursuant to Rule 905 of The Listing Manual within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.

**10. STATEMENT OF THE AUDIT COMMITTEE**

The AC of the Company confirms that:

- (a) methods and procedures for determining the transaction prices of the IPTs conducted under the IPT Mandate have not changed since the last approval of the IPT Mandate on 24 July 2014; and
- (b) the methods and procedures referred to in (a) above continue to be sufficient to ensure that these IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

**11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST**

The interest of the Directors' and substantial shareholders' interests of the Company as at 21 April 2015 and as at 17 June 2015 respectively can be found on pages 63 to 64 and pages 140 to 141 of this Annual Report.

Directors and his alternate Director of the Company will abstain from voting their shareholdings in the Company, if any, on Resolution 9 relating to the renewal of the IPT Mandate at the forthcoming AGM.

Controlling Shareholders and their respective associates, being Interested Persons under the IPT Mandate, will abstain from voting their respective shareholdings in the Company on Resolution 9 relating to the renewal of the IPT Mandate at the forthcoming AGM.

**12. INDEPENDENT DIRECTORS' RECOMMENDATION**

The Independent Directors having considered, *inter alia*, the terms, the rationale and the benefits of the IPT Mandate, are of the view that the IPT Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the Resolution 9 relating to the renewal of the IPT Mandate at the forthcoming AGM.

**13. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated herein are fair and accurate and that there are no material facts or omission of which would make any statement in this report misleading.

## GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

### 1. CHAPTER 9 OF THE LISTING MANUAL

- 1.1 Chapter 9 of the Listing Manual governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be “at risk”, with the listed company’s interested persons.
- 1.2 Except for any transaction which is below \$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual. When this Chapter applies to a transaction and the value of the transaction alone or in aggregation with other transactions conducted with the interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company’s latest consolidated NTA<sup>1</sup>), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:
- (a) 5% of the listed company’s latest audited consolidated NTA<sup>1</sup>; or
  - (b) 5% of the listed company’s latest audited consolidated NTA<sup>1</sup>, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.3 Chapter 9 of the Listing Manual, however, allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not for the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company’s interested persons. A general mandate is subject to annual renewal.

Note:

- 1 Based on the latest audited consolidated accounts of the Company and its subsidiaries for the financial year ended 31 March 2015, the NTA of the Group was \$177,586,000. Accordingly, in relation to the Company, for the purposes of Chapter 9 of the Listing Manual, in the current financial year, 5% of the Company’s consolidated NTA would be \$8,879,000.



## 2. DEFINITIONS

For the purposes of Chapter 9 of the Listing Manual:

- (a) an **"entity at risk"** means:
  - (i) the listed company;
  - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; and
  - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries ("listed group"), or the listed group and its interested person(s), has control over the associated company.
- (b) an **"interested person"** means a Director, Chief Executive Officer or controlling shareholder of the listed company or an associate of any such Director, Chief Executive Officer or controlling shareholder;
- (c) an **"associate"** means:

in relation to an interested person who is a Director, Chief Executive Officer or controlling shareholders includes:-

  - (i) the spouse, child, adopted child, step-child, sibling and parent ("immediate family") of such Director, Chief Executive Officer or controlling shareholder;
  - (ii) the trustees of any trust of which the Director / his immediate family, the Chief Executive Officer / his immediate family or the controlling shareholders / his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object;
  - (iii) any company in which the Director / his immediate family, the Chief Executive Officer / his immediate family or the controlling shareholder / his immediate family together (directly or indirectly) have an interest of 30% or more; and
  - (iv) where a controlling shareholder being a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and / or they have (directly or indirectly) an interest of 30% or more.
- (d) an **"approved exchange"** means a stock exchange that has rules which safeguard the interest of shareholders against interested person transactions according to similar principles as Chapter 9;
- (e) an **"interested person transaction"** means a transaction between an entity at risk and an interested person; and
- (f) a **"transaction"** includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly.

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2015.

## DIRECTORS

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

Chee Teck Kwong Patrick	(Chairman)
See Yen Tarn	(Group Chief Executive Officer)
Teo Beng Teck	
Ng San Tiong Roland	
Tan Ee Ping	
Tan Hup Foi @ Tan Hup Hoi	

## DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
<b>The Company</b>		
<b>Chee Teck Kwong Patrick</b>		
– ordinary shares		
– interest held	4,462,000	4,462,000
<b>See Yen Tarn</b>		
– ordinary shares		
– interest held	6,350,000	–
– deemed interest	–	6,350,000
<b>Teo Beng Teck</b>		
– ordinary shares		
– interest held	3,945,000	3,945,000
<b>Ng San Tiong Roland</b>		
– ordinary shares		
– interest held	3,457,000	3,457,000
– deemed interest	345,325,771	345,325,771
<b>Tan Ee Ping</b>		
– ordinary shares		
– interest held	4,567,000	4,567,000
– deemed interest	50,000	50,000

By virtue of Section 7 of the Act, Ng San Tiong Roland is deemed to have an interest in the shares of the wholly owned subsidiaries of the Company at the beginning and at the end of the financial year.

**DIRECTORS' INTERESTS (CONT'D)**

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2015.

Except as disclosed under the "Share Options" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, 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.

Since the end of the previous financial year, in the normal course of business, the Company and its related corporations entered into transactions with companies in which a director has substantial financial interests as disclosed in note 33 to the financial statements. However, the director has neither received nor become entitled to receive any benefit arising out of these transactions other than those to which he is ordinarily entitled to as shareholder of these companies. In addition, professional fees amounting to \$30,000 (2014: \$81,000) were paid to directors as disclosed in note 26 to the financial statements.

Except as disclosed above and in the accompanying financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

**SHARE OPTIONS***The CSC Performance Share Scheme 2008*

The CSC Performance Share Scheme 2008 (the PSS Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 25 July 2008. The PSS Scheme is administered by the Company's Remuneration Committee, comprising three directors, Tan Ee Ping, Chee Teck Kwong Patrick and Ng San Tiong Roland.

Other information regarding the PSS Scheme is set out below:

- (i) Awards represent the right of a participant to receive fully-paid shares free of charge, upon the participant satisfying the criteria set out in the PSS Scheme.
- (ii) The Committee has the absolute discretion on the following in relation to an award:
  - (a) select eligible directors and employees to participate in the PSS Scheme;
  - (b) determine the number of shares to be offered to each participant; and
  - (c) assess the service and performance of the participants.
- (iii) All awards are settled by physical delivery of shares.

No shares have been granted to the directors or the controlling shareholders of the Company or their associates or participants under the PSS Scheme since the commencement of the PSS Scheme. At the end of the financial year, there were no shares granted under the PSS Scheme.

**AUDIT COMMITTEE**

The members of the Audit Committee during the year and at the date of this report are:

- Tan Hup Foi @ Tan Hup Hoi (Chairman), independent director
- Chee Teck Kwong Patrick, independent director
- Ng San Tiong Roland, non-executive director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- adequacy and effectiveness of the internal audit function;
- report of the internal auditor on the Group's internal control system;
- quarterly financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- independence of the external auditors of the Company and the nature and extent of the non-audit services provided by the external auditors; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors as required under Section 206(1A) of the Act and determined that the external auditors were independent in carrying out their audit of the financial statements. The Audit Committee has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

**AUDITORS**

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

**Chee Teck Kwong Patrick**  
Chairman

**See Yen Tarn**  
Group Chief Executive Officer

1 July 2015



In our opinion:

- (a) the financial statements set out on pages 69 to 138 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

**Chee Teck Kwong Patrick**  
Chairman

**See Yen Tarn**  
Group Chief Executive Officer

1 July 2015

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## INDEPENDENT AUDITORS' REPORT

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To the Members of CSC Holdings Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of CSC Holdings Limited ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2015, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 69 to 138.

#### *Management's responsibility 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 Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

#### *Auditors' responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

#### **KPMG LLP**

Public Accountants and  
Chartered Accountants

#### **Singapore**

1 July 2015

# STATEMENT OF FINANCIAL POSITION

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CSC HOLDINGS LIMITED

As at 31 March 2015

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	4	185,617	166,832	*	*
Intangible assets	5	1,452	1,452	–	–
Investments in:					
– subsidiaries	6	–	–	94,418	87,418
– an associate	8	–	–	–	–
– a joint venture	9(a)	1,613	1,302	–	–
Other investment	10	828	1,917	–	–
Trade and other receivables	13	12,902	14,295	–	–
Deferred tax assets	19	–	–	29	29
		202,412	185,798	94,447	87,447
<b>Current assets</b>					
Inventories	11	27,001	71,295	–	–
Derivatives		–	22	–	–
Trade and other receivables	13	202,879	217,915	31,788	29,572
Cash and cash equivalents	14	19,167	13,020	508	609
Non-current assets classified as held for sale	12	–	83	–	–
		249,047	302,335	32,296	30,181
<b>Total assets</b>		451,459	488,133	126,743	117,628
<b>Equity attributable to owners of the Company</b>					
Share capital	15	64,953	64,953	64,953	64,953
Reserves	16	89,366	109,262	45,497	44,745
		154,319	174,215	110,450	109,698
<b>Non-controlling interests</b>	7	24,719	24,019	–	–
<b>Total equity</b>		179,038	198,234	110,450	109,698
<b>Non-current liabilities</b>					
Loans and borrowings	18	31,739	46,348	–	–
Deferred tax liabilities	19	570	3,294	–	–
		32,309	49,642	–	–
<b>Current liabilities</b>					
Loans and borrowings	18	86,358	104,528	–	–
Derivatives		–	2	–	–
Trade and other payables	20	139,035	126,593	16,192	7,858
Excess of progress billings over construction work-in-progress	21	7,806	8,136	–	–
Current tax payable		1,749	998	101	72
Provision for liquidated damages	22	5,164	–	–	–
		240,112	240,257	16,293	7,930
<b>Total liabilities</b>		272,421	289,899	16,293	7,930
<b>Total equity and liabilities</b>		451,459	488,133	126,743	117,628

\* Less than \$1,000

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
Revenue	23	427,925	487,125
Cost of sales		(403,835)	(453,325)
<b>Gross profit</b>		24,090	33,800
Other income		3,572	8,083
Distribution expenses		(557)	(618)
Administrative expenses		(31,812)	(30,208)
Other operating expenses		(5,049)	(1,745)
<b>Results from operating activities</b>		(9,756)	9,312
Finance income		232	310
Finance expenses		(3,848)	(4,299)
<b>Net finance expenses</b>	24	(3,616)	(3,989)
Share of profit of a joint venture (net of tax)		168	276
<b>(Loss)/profit before tax</b>		(13,204)	5,599
Tax (expense)/credit	25	(429)	580
<b>(Loss)/profit for the year</b>	26	(13,633)	6,179
<b>Attributable to:</b>			
Owners of the Company		(16,699)	2,980
Non-controlling interests		3,066	3,199
<b>(Loss)/profit for the year</b>		(13,633)	6,179
<b>(Loss)/earnings per share</b>	27		
Basic (loss)/earnings per share (cents)		(1.38)	0.25
Diluted (loss)/earnings per share (cents)		(1.38)	0.25

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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CSC HOLDINGS LIMITED

Year ended 31 March 2015

	2015 \$'000	2014 \$'000
<b>(Loss)/profit for the year</b>	(13,633)	6,179
<b>Other comprehensive income</b>		
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	(828)	(768)
Translation differences relating to liquidation of interests in a subsidiary reclassified to profit or loss	—	(211)
<b>Other comprehensive income for the year, net of tax</b>	(828)	(979)
<b>Total comprehensive income for the year</b>	(14,461)	5,200
<b>Attributable to:</b>		
Owners of the Company	(17,608)	2,068
Non-controlling interests	3,147	3,132
<b>Total comprehensive income for the year</b>	(14,461)	5,200

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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CSC HOLDINGS LIMITED

Year ended 31 March 2015

	Note	Share capital \$'000	Capital reserve \$'000	Reserve for own shares \$'000
At 1 April 2013		64,953	17,798	(1,424)
<b>Total comprehensive income for the year</b>				
Profit or loss		–	–	–
<b>Other comprehensive income</b>				
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture		–	–	–
Translation differences relating to liquidation of interest in a subsidiary reclassified to profit or loss		–	–	–
Total other comprehensive income		–	–	–
Total comprehensive income for the year		–	–	–
<b>Transactions with owners of the Company, recorded directly in equity</b>				
Effect of share options forfeited/expired during the financial year		–	–	–
Purchase of treasury shares		–	–	(912)
Final dividend declared of 0.06 cents per share (tax-exempt one-tier) in respect of financial year 2013		–	–	–
Dividends paid to non-controlling interests		–	–	–
Total transactions with owners of the Company		–	–	(912)
At 31 March 2014		64,953	17,798	(2,336)
At 1 April 2014		64,953	17,798	(2,336)
<b>Total comprehensive income for the year</b>				
Profit or loss		–	–	–
<b>Other comprehensive income</b>				
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture		–	–	–
Total other comprehensive income		–	–	–
Total comprehensive income for the year		–	–	–
<b>Transactions with owners of the Company, recorded directly in equity</b>				
Acquisition of non-controlling interests without a change in control	28.1(b)	–	–	–
Purchase of treasury shares		–	–	(18)
Final dividend declared of 0.10 cents per share (tax-exempt one-tier) in respect of financial year 2014		–	–	–
Dividends paid to non-controlling interests		–	–	–
Total transactions with owners of the Company		–	–	(18)
At 31 March 2015		64,953	17,798	(2,354)

The accompanying notes form an integral part of these financial statements.



	Reserve on consolidation \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
	116	732	(1,122)	137	92,597	173,787	21,082	194,869
	–	–	–	–	2,980	2,980	3,199	6,179
	–	–	(701)	–	–	(701)	(67)	(768)
	–	–	(211)	–	–	(211)	–	(211)
	–	–	(912)	–	–	(912)	(67)	(979)
	–	–	(912)	–	2,980	2,068	3,132	5,200
	–	(732)	–	–	732	–	–	–
	–	–	–	–	–	(912)	–	(912)
	–	–	–	–	(728)	(728)	–	(728)
	–	–	–	–	–	–	(195)	(195)
	–	(732)	–	–	4	(1,640)	(195)	(1,835)
	116	–	(2,034)	137	95,581	174,215	24,019	198,234
	116	–	(2,034)	137	95,581	174,215	24,019	198,234
	–	–	–	–	(16,699)	(16,699)	3,066	(13,633)
	–	–	(909)	–	–	(909)	81	(828)
	–	–	(909)	–	–	(909)	81	(828)
	–	–	(909)	–	(16,699)	(17,608)	3,147	(14,461)
	–	–	–	(1,060)	–	(1,060)	(1,847)	(2,907)
	–	–	–	–	–	(18)	–	(18)
	–	–	–	–	(1,210)	(1,210)	–	(1,210)
	–	–	–	–	–	–	(600)	(600)
	–	–	–	(1,060)	(1,210)	(2,288)	(2,447)	(4,735)
	116	–	(2,943)	(923)	77,672	154,319	24,719	179,038

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(13,633)	6,179
Adjustments for:			
Allowance for foreseeable losses on construction work-in-progress	21	316	–
Allowance for obsolete inventories	11	*	44
Bad debts written off		272	181
Depreciation of property, plant and equipment	4	28,799	27,385
Gain on assignment and nomination of purchase rights of an industrial land	26	–	(2,797)
(Gain)/loss on disposal of:			
– property, plant and equipment	26	(1,472)	(1,968)
– a subsidiary	26	–	2
– assets held for sale		(56)	(492)
Impairment losses recognised/(reversed) on:			
– property, plant and equipment	4	6,876	–
– trade and other receivables	13	(5,378)	1,254
Inventories written down	11	94	586
Inventories written off	26	8	3
Loss on liquidation of a subsidiary	28.2	–	212
Net finance expenses	24	3,616	3,989
Property, plant and equipment written off	26	–	4
Provision for liquidated damages	22	5,197	–
Share of profit of a joint venture		(168)	(276)
Tax expense/(credit)	25	429	(580)
		24,900	33,726
Changes in working capital:			
Inventories		7,212	857
Trade and other receivables		22,304	6,632
Trade and other payables		12,053	5,497
Cash generated from operations		66,469	46,712
Taxes paid		(2,384)	(2,416)
Interest received		73	37
<b>Net cash generated from operating activities</b>		<b>64,158</b>	<b>44,333</b>

\* Less than \$1,000

The accompanying notes form an integral part of these financial statements.

Year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(9,633)	(4,503)
Proceeds from assignment and nomination of purchase rights of an industrial land		–	2,797
Proceeds from disposal of:			
– property, plant and equipment		3,021	4,594
– subsidiaries in previous year		337	342
– assets held for sale	12	139	3,816
Disposal of a subsidiary, net of cash disposed of		–	(4)
Acquisition of non-controlling interests		(2,133)	–
Acquisition of other investment		–	(1,924)
<b>Net cash (used in)/generated from investing activities</b>		<b>(8,269)</b>	<b>5,118</b>
<b>Cash flows from financing activities</b>			
Interest paid		(3,805)	(4,286)
Dividends paid:			
– owners of the Company		(1,210)	(728)
– non-controlling interests of subsidiaries		(600)	(195)
Proceeds from:			
– bank loans and finance lease loans		50,194	46,333
– bills payable		48,800	81,765
– cash grant from Productivity and Innovation Credit Scheme for acquisition of property, plant and equipment		68	129
Purchase of treasury shares		(18)	(912)
Redemption of preference shares		–	(1,100)
Repayment of:			
– bank loans		(46,815)	(38,321)
– bills payable		(55,900)	(90,248)
– finance lease liabilities		(36,333)	(37,796)
<b>Net cash used in financing activities</b>		<b>(45,619)</b>	<b>(45,359)</b>
<b>Net increase in cash and cash equivalents</b>		<b>10,270</b>	<b>4,092</b>
Cash and cash equivalents at 1 April		7,927	3,920
Effect of exchange rate changes on balances held in foreign currencies		98	(85)
<b>Cash and cash equivalents at 31 March</b>	14	<b>18,295</b>	<b>7,927</b>

**Significant non-cash transactions**

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$19,702,000 (2014: \$10,964,000) of which \$5,771,000 (2014: \$5,360,000) were acquired by means of finance leases. At the reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to \$4,298,000 (2014: \$1,101,000).

The accompanying notes form an integral part of these financial statements.

Year ended 31 March 2015

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 1 July 2015.

## **1 DOMICILE AND ACTIVITIES**

CSC Holdings Limited ("the Company") is incorporated in the Republic of Singapore and has its registered office at No. 2, Tanjong Penjuru Crescent, Singapore 608968.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in note 6 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries together (referred to as the Group) with the Group's interests in an associate, a joint venture and a joint operation.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policies below.

### **2.3 Functional and presentation currency**

These financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

### **2.4 Use of estimates and judgements**

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 4 – Classification of plant and equipment as property, plant and equipment or inventories.
- Note 32 – Assessment of contingent liabilities

Year ended 31 March 2015

## 2 BASIS OF PREPARATION (CONT'D)

### 2.4 Use of estimates and judgements (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, are included in the following notes:

- Note 4 – Estimation of recoverable amounts, useful lives and residual values of property, plant and equipment
- Note 5 – Assumptions relating to recoverable amounts of intangible assets
- Note 6 – Measurement of impairment losses on interests in subsidiaries
- Note 11 – Measurement of allowance for obsolete inventories
- Note 13 – Measurement of impairment losses on trade, progress billings and other receivables
- Note 21 – Measurement of allowance for foreseeable losses on construction work-in-progress
- Note 23 – Estimation of revenue and profit recognised on foundation engineering contracts

#### **Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is 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 (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 29 fair value hierarchy.

Year ended 31 March 2015

**2 BASIS OF PREPARATION (CONT'D)****2.5 Changes in accounting policies**

The adoption of new standards, amendments to standards and interpretations that became effective for the financial year beginning 1 April 2014 did not have any effect on the financial statements of the Group and of the Company except for those discussed below:

**(i) Subsidiaries**

As a result of FRS 110 *Consolidated Financial Statements*, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. FRS 110 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

In accordance with the transitional provisions of FRS 110, the Group reassessed the control conclusion for its investees at 1 April 2014. The adoption of the standard does not have an impact to the financial statements.

**(ii) Joint Arrangements**

From 1 April 2014, as a result of FRS 111 *Joint Arrangements*, the Group has changed its accounting policy for its interests in joint arrangements. Under FRS 111, the Group has classified its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification. The adoption of the standard does not have an impact to the immediate preceding year's financial statements.

**(iii) Disclosure of interests in other entities**

From 1 April 2014, as a result of FRS 112 *Disclosure of Interests in Other Entities*, the Group has expanded its disclosures about its interests in subsidiaries (see notes 6 and 7), and joint arrangements (see note 9).

**(iv) Disclosures of recoverable amount for non-financial assets**

From 1 April 2014, as a result of the Amendments to FRS 36: *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets*, the Group has expanded its disclosures of recoverable amounts when they are based on fair value less costs of disposals and an impairment is recognised (see note 4).



Year ended 31 March 2015

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

#### **3.1 Basis of consolidation**

##### ***Business combinations***

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it 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.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

##### ***Subsidiaries***

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.1 Basis of consolidation (cont'd)*****Investments in associate and joint venture (equity-accounted investees)***

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligation for its liabilities.

Investments in associate and joint venture are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

***Joint operation***

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

***Loss of control***

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

***Business combination achieved in stages***

In business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree when it has control over the acquiree. The Group recognises a gain or loss to profit or loss based on the fair value of identifiable assets and liabilities on the date when control is established.

***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

***Subsidiaries, associate and joint venture in the separate financial statements***

Investments in subsidiaries, associate and joint venture are stated in the Company's statement of financial position at cost less accumulated impairment losses.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.2 Foreign currencies*****Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation.

***Foreign operations***

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated to Singapore dollars at the exchange rates at the end of the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.3 Property, plant and equipment*****Recognition and measurement***

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

***Subsequent costs***

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

***Depreciation***

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each component of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Leasehold land and properties	15 to 30.8 years
Plant and machinery	5 to 25 years
Office equipment, renovations and furniture and fittings	3 to 10 years
Motor vehicles and containers	5 or 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.4 Intangible assets*****Goodwill***

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Goodwill arising on the acquisition of associates is presented together with investments in associates.

Goodwill represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

***Subsequent measurement***

Goodwill is measured at cost less accumulated impairment losses and is subject to testing for impairment, as described in note 3.9. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

***Customer contracts***

Customer contracts relate to the value of contracts with customers. These assets are acquired in business combinations and are measured at cost less accumulated amortisation and impairment losses.

Customer contracts are amortised in profit or loss using the straight-line method over the estimated contract periods which range from 3 to 11 months.

**3.5 Financial instruments*****Non-derivative financial assets***

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date which is the date the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or if neither transfers or retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.5 Financial instruments (cont'd)*****Non-derivative financial assets (cont'd)***

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

***Loans and receivables***

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

***Available-for-sale financial asset***

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial asset is recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, it is measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Unquoted available-for-sale financial asset whose fair value cannot be measured reliably are carried at cost less impairment loss. Accordingly, any impairment loss is recognised on profit or loss. Any subsequent recovery of impairment loss is not reversed.

Available-for-sale financial assets comprise equity securities and debt securities.



Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.5 Financial instruments (cont'd)*****Non-derivative financial liabilities***

All financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities in the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group's non-derivative financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

***Share capital******Ordinary shares***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

***Preference share capital***

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholder, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

***Repurchase, disposal and reissue of share capital (treasury shares)***

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

***Derivative financial instruments***

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in profit or loss.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.6 Leases*****When entities within the Group are lessees of a finance lease***

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

***Determining whether an arrangement contains a lease***

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

***When entities within the Group are lessees of an operating lease***

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

**3.7 Inventories*****Equipment and machinery, spare parts and raw materials***

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of equipment and machinery is determined on specific identification cost basis. Cost of raw materials and spare parts is calculated using weighted average cost basis.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.8 Construction work-in-progress**

Construction work-in-progress comprises uncompleted foundation and geotechnical engineering ("foundation engineering") contracts.

Construction work-in-progress is measured at cost plus attributable profit recognised to date, net of progress billings and allowances for foreseeable losses recognised, and is presented in the statement of financial position as construction work-in-progress (as an asset) or as excess of progress billings over construction work-in-progress (as a liability), as applicable.

Costs include cost of direct materials, direct labour and costs incurred in connection with the construction.

Progress claims not yet paid by customers are included in the statement of financial position under progress billing receivables.

**3.9 Impairment*****Non-derivative financial assets***

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

***Loans and receivables***

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.9 Impairment (cont'd)*****Loans and receivables (cont'd)***

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant accounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through profit or loss.

***Available-for-sale financial assets***

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

***Associate and joint venture***

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

***Non-financial assets***

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time, and as and when indicators of impairment are identified. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.9 Impairment (cont'd)*****Non-financial assets (cont'd)***

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

**3.10 Non-current assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale or distribution.

**3.11 Employee benefits*****Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.12 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**3.13 Financial guarantee contracts**

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

**3.14 Revenue*****Construction contracts***

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably.

Contract revenue is the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that the economic benefits associated with the contract will flow to the entity and they can be reliably measured.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract include: site labour costs (including site supervision); costs of materials used in construction; depreciation of equipment used on the contract; costs of design, and technical assistance that is directly related to the contract.

The outcome of a construction contract can be estimated reliably when: (i) total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the progress of construction work based on surveys of work performed to date.



Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.14 Revenue (cont'd)*****Trading of building products and plant and equipment***

Revenue from trading of building products, plant and equipment are measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

***Rental income***

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

***Dividends***

Dividend income is recognised in profit or loss on the date that the shareholder's right to receive payment is established.

**3.15 Government grant**

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. For grants relating to acquisition of long-term assets, the grant received is off-set against the cost of the long-term assets and reduces future depreciation or amortisation expenses. For grants relating to qualified expenditure, these grants are recognised in profit or loss as deduction from the related expenses or recognised as other income on a systematic basis in the same period in which the expenses are recognised.

**3.16 Finance income and finance costs**

Finance income comprises mainly interest income on funds invested, imputed interest on non-current progress billings and other receivables that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and imputed interest on non-current progress billing receivables that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.17 Tax**

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In the ordinary course of business, there are many transactions and calculations for which the ultimate tax treatment is uncertain. Therefore, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when the Group believes that certain positions may not be fully sustained upon review by tax authorities, despite the Group's belief that its tax return positions are supportable. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of multifaceted judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

**3.18 Earnings per share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

Year ended 31 March 2015

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.19 Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Committee who is the Group's chief operating decision maker, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Executive Committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

**3.20 New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group, except for those discussed below:

*FRS 115 Revenue from Contracts with Customers*

FRS 115 *Revenue from Contracts with Customers* will replace FRS 18 *Revenue*, FRS 11 *Construction Contracts* and related interpretations. The standard establishes the principle for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Group expects to be entitled to in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed (e.g. service revenue and contract modifications) and improved guidance for multi-element arrangements. The Group is currently assessing the impact on adoption of this standard in financial year ending 31 March 2018.

*FRS 109 Financial Instruments*

The standard replaces FRS 39 *Financial Instruments: Recognition and Measurement*. The standard sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The Group is currently assessing the impact on adoption of this standard in financial year ending 31 March 2019.

Year ended 31 March 2015

4 PROPERTY, PLANT AND EQUIPMENT

	Note	Leasehold land and properties \$'000	Assets under construction \$'000	Plant and machinery \$'000	Office equipment, renovations and furniture and fittings \$'000	Motor vehicles and containers \$'000	Total \$'000
<b>Group</b>							
<b>Cost</b>							
At 1 April 2013		8,773	–	300,241	11,799	3,073	323,886
Additions		198	–	9,947	586	233	10,964
Reclassification from inventories		–	–	4,075	–	–	4,075
Transfer to assets held for sale	12	(371)	–	–	–	–	(371)
Transfer to inventories		–	–	(1,811)	–	–	(1,811)
Disposals/Write-offs		–	–	(12,197)	(56)	(127)	(12,380)
Translation differences		(19)	–	(1,587)	(32)	(20)	(1,658)
At 31 March 2014		8,581	–	298,668	12,297	3,159	322,705
Additions		4,048	123	14,423	790	318	19,702
Reclassification from inventories		–	–	38,006	–	29	38,035
Disposals/Write-offs		–	–	(7,876)	(68)	(131)	(8,075)
Translation differences		15	(5)	(494)	(32)	(10)	(526)
At 31 March 2015		12,644	118	342,727	12,987	3,365	371,841
<b>Accumulated depreciation and impairment losses</b>							
At 1 April 2013		1,206	–	128,888	6,793	2,432	139,319
Depreciation charge for the year		314	–	25,320	1,400	351	27,385
Transfer to assets held for sale	12	(16)	–	–	–	–	(16)
Transfer to inventories		–	–	(904)	–	–	(904)
Disposals/Write-offs		–	–	(9,214)	(56)	(95)	(9,365)
Translation differences		(1)	–	(516)	(16)	(13)	(546)
At 31 March 2014		1,503	–	143,574	8,121	2,675	155,873
Depreciation charge for the year		350	–	26,950	1,180	319	28,799
Impairment losses		–	–	6,876	–	–	6,876
Disposals/Write-offs		–	–	(4,472)	(56)	(99)	(4,627)
Translation differences		1	–	(664)	(22)	(12)	(697)
At 31 March 2015		1,854	–	172,264	9,223	2,883	186,224
<b>Carrying amounts</b>							
At 1 April 2013		7,567	–	171,353	5,006	641	184,567
At 31 March 2014		7,078	–	155,094	4,176	484	166,832
At 31 March 2015		10,790	118	170,463	3,764	482	185,617

Year ended 31 March 2015

#### 4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment, renovations and furniture and fittings \$'000	Motor vehicles \$'000	Total \$'000
<b>Company</b>			
<b>Cost</b>			
At 1 April 2013, 31 March 2014 and 31 March 2015	21	6	27
<b>Accumulated depreciation</b>			
At 1 April 2013, 31 March 2014 and 31 March 2015	21	6	27
<b>Carrying amounts</b>			
At 1 April 2013, 31 March 2014 and 31 March 2015	*	*	*

\* Less than \$1,000

- (i) Included in the above are property, plant and equipment acquired under finance lease arrangements (note 18) with the following carrying amounts:

	2015 \$'000	Group 2014 \$'000
Plant and machinery	85,943	91,855
Motor vehicles	211	278
	<u>86,154</u>	<u>92,133</u>

The Company does not have any property, plant and equipment acquired under finance lease arrangements.

- (ii) Leasehold land and properties, and plant and machinery of the Group with total carrying amounts of \$10,958,000 (2014: \$12,374,000) are mortgaged to banks as security for certain bank facilities extended by the banks to the Group (note 18).
- (iii) In the current financial year, certain CGUs of the Group incurred operating losses due to the intense competition and a reduction in demand for construction services in the foundation engineering business. As a result, the Group carried out an impairment assessment on these CGUs' plant and equipment. The recoverable amounts of certain plant and equipment were estimated using the higher of value-in-use and fair value less costs to sell.

Under the fair value less costs to sell approach, the fair values were estimated by management taking into account selling prices of recent transactions of plant and equipment of similar age and physical conditions. The fair value measurement is categorised as Level 2 on the fair value hierarchy.

A total impairment loss of \$6,876,000 was recognised on certain plant and equipment in the foundation engineering business segment.

This impairment loss was recognised under other operating expenses in the consolidated statement of profit or loss.

Year ended 31 March 2015

**4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

## (iv) Change in accounting estimate

In the current financial year, the Group conducted an operational efficiency review of its plant and machinery in the sales and lease of equipment business, which resulted in a revision in the estimated useful lives from 10 years to 15 years for certain plant and machinery.

The directors are of the view that the revised useful lives better reflect the pattern of consumption of the future economic benefits embodied in the assets at the end of their useful lives.

The change has been applied prospectively with effect from the beginning of the current financial year. The effect of this change on the depreciation expense, recognised in cost of sales in current financial year is \$1,580,000.

Following the change in useful lives of the Group's property, plant and equipment, the estimated depreciation expense of the Group's property, plant and equipment would decrease by \$1,696,000 annually going forward.

## (v) The following are the significant accounting estimates on the Group's property, plant and equipment and judgements in applying accounting policies:

***Useful lives and residual values of property, plant and equipment***

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expenses to be recorded at each financial year. Changes in the expected level of use of the assets and the Group's historical experience with similar assets after taking into account anticipated technological changes that could impact the economic useful lives and the residual values of the assets; therefore future depreciation charge could be revised. Any changes in the economic useful lives could impact the depreciation charge and consequently affect the Group's results. The residual value is reviewed at each reporting date, with any change in estimate accounted for as a change in estimate and therefore prospectively.

***Impairment of assets***

The Group has made substantial investments in plant and equipment for its foundation engineering businesses. Changes in technology or changes in the intended use of these assets may cause the estimated period of use or value of these assets to change.

The Group considers its asset impairment accounting policy to be a policy that requires extensive applications of judgements and estimates by management.

Management judgement is required in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

Changing the assumptions used by management to determine the level, if any, of impairment, including the discount rates or the growth rate assumptions in the cash flow projections could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations.

Year ended 31 March 2015

#### 4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

##### *Classification of assets*

On initial recognition, assets purchased for own use or rental purposes are classified as property, plant and equipment and assets purchased for trading purposes are classified as inventories. At every period end, the economic uses of the assets are reassessed to ensure it follows the correct accounting classification.

#### 5 INTANGIBLE ASSETS

	Goodwill on consolidation \$'000	Customer contracts \$'000	Total \$'000
<b>Group</b>			
<b>Cost</b>			
At 1 April 2013 and 31 March 2014	2,539	2,038	4,577
Write-offs	–	(2,038)	(2,038)
At 31 March 2015	2,539	–	2,539
<b>Accumulated amortisation and impairment losses</b>			
At 1 April 2013 and 31 March 2014	1,087	2,038	3,125
Write-offs	–	(2,038)	(2,038)
At 31 March 2015	1,087	–	1,087
<b>Carrying amounts</b>			
At 1 April 2013, 31 March 2014 and 31 March 2015	1,452	–	1,452

##### *Impairment tests for cash-generating units containing goodwill*

For the purpose of annual impairment testing, goodwill is allocated to the following cash-generating units which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes:

	Gross \$'000	Impairment \$'000	Carrying amount \$'000
<b>2015</b>			
Soil Investigation Pte Ltd ("SIPL")	1,487	(587)	900
Wisescan Engineering Services Pte Ltd ("WISESCAN")	1,052	(500)	552
	2,539	(1,087)	1,452
<b>2014</b>			
Soil Investigation Pte Ltd ("SIPL")	1,487	(587)	900
Wisescan Engineering Services Pte Ltd ("WISESCAN")	1,052	(500)	552
	2,539	(1,087)	1,452

The Group has determined the recoverable amounts of SIPL and WISESCAN cash-generating units based on value in use calculations. The value in use was determined by discounting the expected future cash flows generated from the continuing use of each unit. The cash flow projections are based on financial budgets covering a three to five-year (2014: three to five-year) period.



Year ended 31 March 2015

## 5 INTANGIBLE ASSETS (CONT'D)

The key assumptions used for value in use calculations are as follows:

	SIPL		WISESCAN	
	2015 %	2014 %	2015 %	2014 %
Revenue growth rate	1.0 – 5.0	Nil	0 – 10.0	Nil
Pre-tax discount rate	3.6	8.4	3.6	8.1

Management does not anticipate any significant growth for these cash-generating units based on management's expectation of market development. The discount rates used are pre-tax and reflect the specific risks relating to the cash-generating unit.

Based on the above assumptions, the recoverable amounts of SIPL and WISESCAN cash-generating units were higher than their respective carrying amounts.

The Group believes that any reasonably possible changes in the above key assumptions relating to SIPL and WISESCAN are not likely to cause its recoverable amounts to be materially lower than its carrying amounts.

## 6 INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 \$'000	2014 \$'000
<b>Investments in subsidiaries</b>		
Unquoted shares, at cost	103,675	96,675
Impairment losses	(9,257)	(9,257)
	<u>94,418</u>	<u>87,418</u>

The carrying values of investments in subsidiaries are reviewed for impairment whenever there is any indication that the investment is impaired. This determination requires significant judgement. The Company evaluates, amongst other factors, the future profitability of the subsidiary, the financial health and near-term business outlook including factors such as industry performance and operational and financing cash flows. The recoverable amount of the investment could change significantly as a result of changes in market conditions and the assumptions used in determining the recoverable amount.

At 31 March 2015, amounts due from subsidiaries of \$7 million were capitalised and recorded by the Company as increase in cost of investment in the subsidiaries by \$7 million.

Year ended 31 March 2015

## 6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2015 %	2014 %
<b><i>Held by Company</i></b>				
+ CS Construction & Geotechnic Pte. Ltd. and its subsidiary:	Investment holding and piling and civil engineering works	Singapore	100	100
+ CS Geotechnic Pte Ltd	Civil engineering, piling, foundation and geotechnical engineering works (currently dormant)	Singapore	100	100
+ CS Bored Pile System Pte Ltd	Bored piling works	Singapore	100	100
+ THL Engineering Pte. Ltd. and its subsidiaries:	Investment holding, sales and rental of heavy equipment, machinery and spare parts (currently dormant)	Singapore	100	100
+ THL Foundation Equipment Pte. Ltd. and its subsidiaries:	Investment holding, trading and rental of construction equipment and related parts	Singapore	55	55
+ ICE Far East Pte. Ltd. and its subsidiaries:	Investment holding, trading and rental of piling hammers and other foundation equipment	Singapore	46.75	38.5
* ICE Far East Sdn. Bhd.	Trading and rental of piling hammers and other foundation equipment	Malaysia	46.75	38.5
# ICE Far East (HK) Limited	Rental of machinery and other related services	Hong Kong	46.75	38.5
ICE Far East (Thailand) Co., Ltd	Trading and rental of machinery and other related services	Thailand	* 46.75	# 38.5
# ICE Far East Offshore Pte Ltd	Trading and rental of foundation engineering equipment and other related services (currently dormant)	Singapore	46.75	38.5
+ Kolette Pte Ltd	Sale and sublet of land and property development (currently dormant)	Singapore	100	100
@ CS Industrial Land Pte Ltd	Sale and sublet of land and property development (currently dormant)	Singapore	100	100
* CS Geo (Malaysia) Sdn Bhd	Piling, foundation and geotechnical engineering works	Malaysia	100	100

Year ended 31 March 2015

**6 INVESTMENTS IN SUBSIDIARIES (CONT'D)**

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2015 %	2014 %
<i>Held by Company (cont'd)</i>				
® CS India Pte. Ltd.	Investment holding (struck off)	Singapore	–	100
+ L&M Foundation Specialist Pte Ltd and its subsidiaries:	Investment holding, piling, foundation and geotechnical engineering works	Singapore	100	100
# L&M Foundation Specialist (Vietnam) Limited Company	Piling, foundation and geotechnical engineering works (currently dormant)	Vietnam	100	100
* L&M Ground Engineering Sdn Bhd	Piling, foundation and geotechnical engineering works (currently dormant)	Malaysia	100	100
* G-Pile Sistem Sdn. Bhd. and its subsidiary:	Investment holding, piling, foundation and geotechnical engineering works	Malaysia	100	100
* GPSS Geotechnic Sdn. Bhd.	Piling, foundation and geotechnical engineering works (currently dormant)	Malaysia	65	65
+ Soil Investigation Pte. Ltd. and its subsidiary:	Investment holding, soil investigation, laboratory testing, geotechnical instrumentation and monitoring works	Singapore	100	100
+ Wisescan Engineering Services Pte. Ltd.	Land surveying, tunnel and structural deformation monitoring survey, tunnelling survey	Singapore	70	70
* CSC Ground Engineering Sdn. Bhd. and its subsidiary:	Investment holding	Malaysia	100	100
* Borneo Geotechnic Sdn Bhd	Piling, foundation and geotechnical engineering works	Malaysia	100	100
® CS Geotechnic Soil Investigation JV	Soil investigation, geotechnical instrumentation and monitoring works (currently dormant)	Singapore	100	100

Year ended 31 March 2015

## 6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2015 %	2014 %

### *Held by Company (cont'd)*

+ DW Foundation Pte. Ltd.	Bored piling works	Singapore	100	100
+ CS Ground Engineering (International) Pte. Ltd.	Investment holding	Singapore	100	100
+ CS Industrial Properties Pte. Ltd.	Investment holding	Singapore	100	–

+ Audited by KPMG LLP Singapore

\* Audited by another member firms of KPMG International

# Audited by another firm of public accountants and chartered accountants (for Singapore entities) or certified public accountants

@ Not required to be audited in the country of incorporation

KPMG LLP Singapore is the auditor of all significant Singapore incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under SGX-ST Listing Manual if its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

## 7 NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests ("NCI").

Name	Principal places of business/Country of incorporation	Operating segment	Ownership interests held by NCI	
			2015 %	2014 %
THL Foundation Equipment Pte. Ltd. and its subsidiaries ("THLFE Group")	Singapore	Sales and lease equipment	45	45
GPSS Geotechnic Sdn. Bhd. ("GPSS")	Malaysia	Foundation and geotechnical engineering	35	35
Wisescan Engineering Services Pte. Ltd. ("WISESCAN")	Singapore	Foundation and geotechnical engineering	30	30

The following summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

# NOTES TO THE FINANCIAL STATEMENTS

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CSC HOLDINGS LIMITED

Year ended 31 March 2015

## 7 NON-CONTROLLING INTERESTS (CONT'D)

	THLFE Group \$'000	GPSS \$'000	WISESCAN \$'000	Intra- group elimination \$'000	Total \$'000
<b>2015</b>					
Revenue	70,367	1,222	10,672		
Profit	4,210	61	1,750		
Other comprehensive income	147	(27)	–		
<b>Total comprehensive income</b>	<b>4,357</b>	<b>34</b>	<b>1,750</b>		
Attributable to NCI:					
– Profit	2,271	21	525	249	3,066
– Other comprehensive income	90	(9)	–	–	81
– <b>Total comprehensive income</b>	<b>2,361</b>	<b>12</b>	<b>525</b>	<b>249</b>	<b>3,147</b>
Non-current assets	66,060	540	2,300		
Current assets	61,358	392	5,887		
Non-current liabilities	(15,463)	(40)	(158)		
Current liabilities	(49,782)	(276)	(2,134)		
<b>Net assets</b>	<b>62,173</b>	<b>616</b>	<b>5,895</b>		
<b>Net assets attributable to NCI</b>	<b>25,887</b>	<b>216</b>	<b>1,769</b>	<b>(3,153)</b>	<b>24,719</b>
Cash flows from operating activities	38,636	411	2,442		
Cash flows from investing activities	(4,164)	52	(656)		
Cash flows from financing activities (including dividends paid to NCI of \$600,000)	(33,980)	(295)	(771)		
<b>Net increase in cash and cash equivalents</b>	<b>492</b>	<b>168</b>	<b>1,015</b>		
<b>2014</b>					
Revenue	66,957	5,473	9,034		
Profit	4,862	(70)	1,022		
Other comprehensive income	(94)	(24)	–		
<b>Total comprehensive income</b>	<b>4,768</b>	<b>(94)</b>	<b>1,022</b>		
Attributable to NCI:					
– Profit	2,911	(25)	307	6	3,199
– Other comprehensive income	(59)	(8)	–	–	(67)
– <b>Total comprehensive income</b>	<b>2,852</b>	<b>(33)</b>	<b>307</b>	<b>6</b>	<b>3,132</b>
Non-current assets	28,186	736	2,169		
Current assets	104,591	1,086	5,196		
Non-current liabilities	(21,091)	(50)	(290)		
Current liabilities	(52,870)	(1,190)	(2,430)		
<b>Net assets</b>	<b>58,816</b>	<b>582</b>	<b>4,645</b>		
<b>Net assets attributable to NCI</b>	<b>25,915</b>	<b>204</b>	<b>1,394</b>	<b>(3,494)</b>	<b>24,019</b>
Cash flows from operating activities	16,099	19	1,968		
Cash flows from investing activities	(2,120)	(124)	(747)		
Cash flows from financing activities (including dividends paid to NCI of \$195,000)	(11,466)	(45)	(13)		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,513</b>	<b>(150)</b>	<b>1,208</b>		

Year ended 31 March 2015

**8 INVESTMENT IN AN ASSOCIATE**

	Group	
	2015	2014
	\$'000	\$'000
<b>Investment in an associate</b>		
Investment in an associate	43	43
Impairment losses	(43)	(43)
	<u>—</u>	<u>—</u>

Details of the associate are as follows:

Name of associate	Principal activities	Country of incorporation	Effective equity held by the Group	
			2015	2014
			%	%
<b>Held by L&amp;M Foundation Specialist Pte Ltd</b>				
# L&M Foundation, Philippines, Inc	Piling, foundation and geotechnical engineering works (currently dormant)	Philippines	40	40

# Audited by another firm of certified public accountants

The summarised financial information relating to an associate is not adjusted for the percentage of ownership held by the Group.

The financial information of the associate is as follows:

	Group	
	2015	2014
	\$'000	\$'000
<b>Assets and liabilities</b>		
Current assets	57	52
Total assets	<u>57</u>	<u>52</u>
Non-current liabilities	220	201
Current liabilities	2	2
Total liabilities	<u>222</u>	<u>203</u>
Net liabilities	<u>(165)</u>	<u>(151)</u>

The Group did not recognise additional losses for the years ended 31 March 2015 and 2014 respectively since the carrying amount has been reduced to zero and the Group does not have an obligation to absorb additional losses.

Year ended 31 March 2015

## 9 JOINT ARRANGEMENTS

### (a) Joint venture

	Group	
	2015 \$'000	2014 \$'000
Investment in a joint venture	1,613	1,302

Details of the joint venture are as follows:

Name of joint venture	Principal activities	Country of incorporation	Effective equity held by the Group	
			2015 %	2014 %

**Held by CS Ground Engineering (International) Pte. Ltd.**

# Siam CSC Engineering Co., Ltd	Piling, foundation and geotechnical engineering works	Thailand	49	49
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# Audited by another firm of certified public accountants

The financial information of the joint venture's result, assets and liabilities are as follows:

	2015 \$'000	2014 \$'000
<b>Assets and liabilities</b>		
Non-current assets	4,099	3,789
Current assets <sup>a</sup>	5,394	2,020
Total assets	9,493	5,809
Current liabilities <sup>b</sup>	5,612	2,692
Total liabilities	5,612	2,692
Net assets	3,881	3,117
<b>Result</b>		
Revenue	6,663	3,889
Expenses	(5,998)	(2,682)
Profit before tax <sup>c</sup>	665	1,207
Tax expense	(194)	(236)
Profit after tax	471	971

a Includes cash and cash equivalents of \$1,755,000 (2014: \$1,192,000).

b Includes finance lease liabilities (exclude trade and other payables and tax provision) of \$22,000 (2014: \$27,000).

c Includes depreciation of \$417,000 (2014: \$409,000) and interest expense of \$1,000 (2014: \$1,000).



Year ended 31 March 2015

## 9 JOINT ARRANGEMENTS (CONT'D)

### (a) Joint venture (cont'd)

	2015 \$'000	2014 \$'000
Group's interest in net assets of investee at beginning of the year	1,527	1,170
Share of total comprehensive income	231	476
Elimination of unrealised profits on transactions with joint venture	(289)	(226)
Translation differences	144	(118)
Carrying amount of interest in investee at end of the year	1,613	1,302

According to the joint venture agreement, the Group and the joint venture partner have agreed to make proportionate contribution to increase the share capital of the joint venture when required.

### (b) Joint operation

On 12 February 2015, the Group entered into a joint venture agreement ("Agreement") with New Hope Singapore Premix Pte Ltd to acquire and develop a leasehold industrial land located at Tuas South Street 9, Plot 48.

Pursuant to the Agreement, the parties will jointly undertake to carry out the acquisition and development of the land through NH Singapore Biotechnology Pte. Ltd. ("NHBT"), a 100% owned subsidiary of NHCS Investment Pte. Ltd..

NHBT will develop modern fabrication yards and workshops to support the operations of the Group by increasing the productivity and efficiency on repair and maintenance activities conducted by the Group.

Although NHBT is a separate legal entity, the Group has classified it as a joint operation because the terms of the Agreement accord the rights and obligation of the assets and liabilities to the respective joint venture partners. Accordingly, the Group only recognises its assets owned, liabilities incurred and its share of the expenses.

Details of the joint operation are as follows:

Name of joint operation	Principal activities	Country of incorporation	Effective equity held by the Group	
			2015 %	2014 %

#### *Held by CS Industrial Properties Pte. Ltd.*

# NHCS Investment Pte. Ltd. and its subsidiary:	Investment holding	Singapore	49	–
# NH Singapore Biotechnology Pte. Ltd.	Providing fabrication, repair and maintenance facilities for heavy machinery	Singapore	100	–

# Audited by another firm of public accountants and chartered accountants.

Year ended 31 March 2015

## 10 OTHER INVESTMENT

	Group	
	2015 \$'000	2014 \$'000
<b>Other investment</b>		
Unquoted shares, at cost	193	193
Shareholder's loan	635	1,724
	<u>828</u>	<u>1,917</u>

In the previous financial year, L&M Ground Engineering Sdn Bhd ("LMGE"), a 100% owned subsidiary of the Group, had subscribed for ordinary shares equivalent to 5% of the equity interests of THAB Development Sdn Bhd ("THAB") for a cash consideration of \$193,000 and granted a shareholder's loan of \$1,724,000 to THAB.

The shareholder's loan is unsecured, settlement is neither planned nor likely to occur in the foreseeable future and bears interest at 6 month Kuala Lumpur Interbank Offered Rate + 0.5% premium. Since the amount is, in substance, a part of the Group's net investment in THAB, they are stated at cost less impairment losses.

The fair value of the unquoted equity shares cannot be measured reliably as there is no active market to appraise the value of these unquoted equity shares. Accordingly, the unquoted equity shares are carried at cost less accumulated impairment losses.

## 11 INVENTORIES

	Group	
	2015 \$'000	2014 \$'000
Equipment and machinery	13,795	59,790
Spare parts	10,050	8,351
Raw materials	3,181	3,179
	<u>27,026</u>	<u>71,320</u>
Allowance for obsolete inventories	(25)	(25)
	<u>27,001</u>	<u>71,295</u>

The cost of inventories recognised in cost of sales amounted to \$145,007,000 (2014: \$162,475,000).

Included in the above are inventories amounting to \$3,261,000 (2014: \$30,409,000) acquired under finance lease agreements (note 18).

As at 31 March 2015, the write down of inventories to net realisable value amounted to \$94,000 (2014: \$586,000) for the Group. The write down is included in cost of sales.

Year ended 31 March 2015

## 11 INVENTORIES (CONT'D)

The Group recognises allowance on obsolete inventories when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items and is established when these inventory items are no longer marketable. Obsolete inventory items when identified are written off to profit or loss. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a regular basis the condition of its inventories.

The movements in allowance for obsolete inventories during the year are as follows:

	Group	
	2015	2014
	\$'000	\$'000
At 1 April	25	–
Allowance recognised	*	44
Allowance utilised	–	(19)
At 31 March	25	25

\* Less than \$1,000

## 12 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2015	2014
	\$'000	\$'000

### Assets classified as held for sale:

Leasehold properties	–	83
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In the previous financial year, the Group entered into a sale and purchase agreement to dispose of its leasehold property to a third party for a cash consideration of \$139,000. The sale was completed during the financial year.

Year ended 31 March 2015

## 13 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Non-current assets</b>				
Progress billing receivables	12,594	13,677	–	–
Other receivables	308	618	–	–
Total non-current loans and receivables	12,902	14,295	–	–
<b>Current assets</b>				
Trade receivables	78,581	85,995	–	–
Impairment losses	(2,065)	(5,682)	–	–
	76,516	80,313	–	–
Progress billing receivables	126,058	136,526	–	–
Impairment losses	(10,990)	(12,817)	–	–
	115,068	123,709	–	–
Other receivables	4,431	5,779	59	54
Amounts owing by:				
– subsidiaries (trade)	–	–	5,631	5,834
– impairment losses	–	–	–	(133)
	–	–	5,631	5,701
– subsidiaries (non-trade)	–	–	26,098	25,681
– impairment losses	–	–	–	(1,864)
	–	–	26,098	23,817
– an associate (trade)	–	64	–	–
– impairment losses	–	(64)	–	–
	–	–	–	–
– an associate (non-trade)	–	9	–	–
– impairment losses	–	(9)	–	–
	–	–	–	–
– a joint venture (trade)	2,029	2,030	*	*
– related corporations (trade)	1,076	1,227	–	–
– related corporations (non-trade)	1	4	–	–
	199,121	213,062	31,788	29,572
Deposits	3,096	3,934	–	–
Tax recoverable	163	355	–	–
Total current loans and receivables	202,380	217,351	31,788	29,572
Prepayments	499	564	–	–
	202,879	217,915	31,788	29,572

\* Less than \$1,000

Progress billing receivables include \$43,321,000 (2014: \$43,253,000) relating to retention amounts for construction work-in-progress. Other receivables include costs incurred for foundation engineering works billable to sub-contractors of the Group of \$1,125,000 (2014: \$1,513,000) and outstanding sale consideration receivable of \$668,000 (2014: \$979,000) from the acquirers of Spectest Group, which the Group disposed off in financial year ended 31 March 2013.

Year ended 31 March 2015

### 13 TRADE AND OTHER RECEIVABLES (CONT'D)

The Group's primary exposure to credit risk arises on its trade and progress billing receivables. Concentration of credit risk relating to trade and progress billing receivables is limited due to the Group's many varied customers. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade and progress billing receivables.

All the outstanding balances with subsidiaries and the associate are unsecured, interest-free and repayable on demand.

The ageing of loans and receivables at the reporting date is as follows:

	Gross 2015 \$'000	Impairment losses 2015 \$'000	Gross 2014 \$'000	Impairment losses 2014 \$'000
<b>Group</b>				
Not past due	161,321	(278)	144,454	(182)
Past due 0 – 30 days	5,834	(131)	17,960	–
Past due 31 – 90 days	7,207	(140)	8,813	(7)
Past due 91 – 180 days	11,823	(960)	17,268	(556)
Past due 181 – 365 days	6,510	(47)	23,798	–
More than 365 days	35,642	(11,499)	37,925	(17,827)
	<u>228,337</u>	<u>(13,055)</u>	<u>250,218</u>	<u>(18,572)</u>
<b>Company</b>				
Not past due	31,786	–	31,567	(1,997)
Past due 0 – 30 days	–	–	–	–
Past due 31 – 90 days	–	–	–	–
Past due 91 – 180 days	–	–	–	–
Past due 181 – 365 days	–	–	–	–
More than 365 days	2	–	2	–
	<u>31,788</u>	<u>–</u>	<u>31,569</u>	<u>(1,997)</u>

Year ended 31 March 2015

**13 TRADE AND OTHER RECEIVABLES (CONT'D)**

The movements in impairment losses in respect of loans and receivables during the year are as follows:

	Trade receivables \$'000	Progress billing receivables \$'000	Amounts owing by subsidiaries \$'000	Amounts owing by an associate \$'000	Total \$'000
<b>Group</b>					
<b>2015</b>					
At 1 April	5,682	12,817	–	73	18,572
Impairment losses reversed	(3,503)	(1,802)	–	(73)	(5,378)
Impairment losses utilised	(114)	(25)	–	–	(139)
At 31 March	2,065	10,990	–	–	13,055
<b>2014</b>					
At 1 April	5,132	12,126	–	73	17,331
Impairment losses recognised	562	692	–	–	1,254
Impairment losses utilised	(12)	(1)	–	–	(13)
At 31 March	5,682	12,817	–	73	18,572
<b>Company</b>					
<b>2015</b>					
At 1 April	–	–	1,997	–	1,997
Impairment losses reversed	–	–	(87)	–	(87)
Impairment losses utilised	–	–	(1,910)	–	(1,910)
At 31 March	–	–	–	–	–
<b>2014</b>					
At 1 April	–	–	1,366	–	1,366
Impairment losses recognised	–	–	631	–	631
At 31 March	–	–	1,997	–	1,997

In performing the impairment assessment of financial receivables, the Group considered the ageing of the receivables, credit-worthiness of its customers and historical write-off of receivables. Except for the impaired receivables, the Group believes that no impairment loss is necessary in respect of the remaining receivables due to the good track record of its customers.

The Company assessed the collectability of the outstanding balances, having considered the financial conditions of the subsidiaries and their ability to make the required repayments. Management believes that no impairment loss is necessary in respect of the remaining balances. If the financial conditions of the subsidiaries were to deteriorate, further impairment may be required.

Year ended 31 March 2015

#### 14 CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash at bank and in hand		18,315	13,020	508	609
Fixed deposits		852	–	–	–
Cash and cash equivalents		19,167	13,020	508	609
Bank overdrafts	18	(872)	(5,093)		
Cash and cash equivalents in the consolidated cash flow statement		18,295	7,927		

The bank overdrafts are unsecured and guaranteed by the Company and a related corporation.

#### 15 SHARE CAPITAL

	Group and Company			
	2015		2014	
	No. of shares	\$'000	No. of shares	\$'000
<b>Issued and fully-paid ordinary shares with no par value:</b>				
At 31 March	1,230,243,725	64,953	1,230,243,725	64,953

All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

##### **Ordinary shares**

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Group, all rights are suspended until those shares are reissued.

During the year, the Company completed the buy-back of 200,000 (2014: 8,705,000) ordinary shares, representing 0.02% (2014: 0.71%) of the issued share capital on that date, under the terms of the Share Buyback Mandate dated 2 July 2008, approved by shareholders on 25 July 2008. The shares were bought back at an average market price, including incidental costs, at \$0.09 (2014: \$0.10) per share, for a total consideration of \$18,000 (2014: \$912,000). This amount is classified as a reduction in equity under "reserve for own shares". As at reporting date, the Company held 20,520,000 (2014: 20,320,000) of its own uncanceled shares.



Year ended 31 March 2015

## 15 SHARE CAPITAL (CONT'D)

### Capital management

The Board's policy is to maintain an appropriate level of capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net profit after tax attributable to ordinary shareholders divided by average shareholders' equity excluding non-controlling interests.

	Group	
	2015 \$'000	2014 \$'000
Net (loss)/profit after tax attributable to ordinary shareholders	(16,699)	2,980
Equity attributable to equity holders of the Company:		
– 2015	154,319	–
– 2014	174,215	174,215
– 2013	–	173,787
Average shareholders' equity excluding non-controlling interests	164,267	174,001
Return on capital	(10.2%)	1.7%

The Board also monitors the level of dividends to ordinary shareholders.

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

The loan facilities of certain subsidiaries are subject to externally imposed capital requirements where these subsidiaries are to maintain net assets (total assets less total liabilities) or net tangible assets (total tangible assets less total tangible liabilities) in excess of specific financial thresholds. These subsidiaries have complied with these covenants at the reporting date.

Except as disclosed above, the Company and its subsidiaries are not subject to externally imposed capital requirements.

Year ended 31 March 2015

## 16 RESERVES

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Capital reserve	17,798	17,798	17,798	17,798
Reserve for own shares	(2,354)	(2,336)	(2,354)	(2,336)
Reserve on consolidation	116	116	–	–
Foreign currency translation reserve	(2,943)	(2,034)	–	–
Other reserve	(923)	137	–	–
Accumulated profits	77,672	95,581	30,053	29,283
	<u>89,366</u>	<u>109,262</u>	<u>45,497</u>	<u>44,745</u>

The capital reserve represents the assigned fair value of the warrants issued by the Company and the effect of the capital reduction of the Company's ordinary shares from \$0.05 to \$0.01 per share during the financial year ended 31 March 2004. The capital reserve is not distributable in accordance with Article 142 of the Articles of Association of the Company.

Reserve for own shares comprises the cost of the Company's shares held by the Group (note 15).

The reserve on consolidation relates to the acquisition of non-controlling interests by a subsidiary pursuant to a scheme of restructuring in prior years.

The foreign currency translation reserve comprises:

- (a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company; and
- (b) the exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

Other reserve relates to the changes in equity interest in subsidiaries without a change in control.

Year ended 31 March 2015

**17 SHARE-BASED PAYMENTS*****The CSC Performance Share Scheme 2008***

The CSC Performance Share Scheme 2008 (the PSS Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 25 July 2008. The PSS Scheme is administered by the Company's Remuneration Committee comprising three directors, Tan Ee Ping, Chee Teck Kwong Patrick and Ng San Tiong Roland.

Other information regarding the PSS Scheme is set out below:

- (i) Awards represent the right of a participant to receive fully-paid shares free of charge, upon the participant satisfying the criteria set out in the PSS Scheme.
- (ii) The Committee has the absolute discretion on the following in relation to an award:
  - (a) select eligible directors and employees to participate in the PSS Scheme;
  - (b) determine the number of shares to be offered to each participant; and
  - (c) assess the service and performance of the participant.
- (iii) All awards are settled by physical delivery of shares.

No shares have been granted to the directors or the controlling shareholders of the Company or their associates or participants under the PSS Scheme since the commencement of the PSS Scheme. At the end of the financial year, there were no shares granted under the PSS Scheme.

Year ended 31 March 2015

## 18 LOANS AND BORROWINGS

	Note	2015 \$'000	Group 2014 \$'000
<b>Non-current liabilities</b>			
Secured bank loans		2,851	6,558
Unsecured bank loans		3,683	6,599
Finance lease liabilities		25,205	33,191
		<u>31,739</u>	<u>46,348</u>
<b>Current liabilities</b>			
Bank overdrafts	14	872	5,093
Bills payable		13,614	20,714
Secured bank loans		3,696	4,575
Unsecured bank loans		47,051	45,508
Finance lease liabilities		21,125	28,638
		<u>86,358</u>	<u>104,528</u>

The loans and borrowings are guaranteed by the Company (note 14), out of which \$19,234,000 (2014: \$30,887,000) are guaranteed by a related corporation (note 14). In the previous financial year end, the directors of certain subsidiaries have provided a guarantee of \$10,047,000 to banks.

The secured bank loans and finance lease liabilities are secured by:

- a charge over the Group's leasehold land and properties (note 4) with an outstanding amount of \$4,375,000 (2014: \$6,875,000);
- a legal mortgage over the Group's plant and machinery (note 4) with an outstanding amount of \$2,172,000 (2014: \$4,258,000); and
- the Group's plant and machinery acquired under finance lease arrangements (notes 4 and 11) with an outstanding amount of \$46,330,000 (2014: \$61,829,000).

### Finance lease liabilities

The Group has obligations under finance leases that are repayable as follows:

	Payments \$'000	Group Interest \$'000	Principal \$'000
<b>2015</b>			
Repayable within 1 year	22,573	1,448	21,125
Repayable after 1 year but within 5 years	26,381	1,176	25,205
	<u>48,954</u>	<u>2,624</u>	<u>46,330</u>
<b>2014</b>			
Repayable within 1 year	30,024	1,386	28,638
Repayable after 1 year but within 5 years	34,265	1,074	33,191
	<u>64,289</u>	<u>2,460</u>	<u>61,829</u>

Year ended 31 March 2015

**18 LOANS AND BORROWINGS (CONT'D)**

*Terms and debt repayment schedule*

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	2015		2014	
			Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group						
Secured bank loans	COF and SWAP + 1.80 - 1.85, 1.97 - 2.26	2016 - 2018	6,472	6,547	11,027	11,133
Unsecured bank loans	COF and SWAP + 1.25 - 2.45, 1.76 - 5.58	2016 - 2018	50,734	50,734	52,107	52,107
Finance lease liabilities	1.17 – 3.60	2016 - 2020	46,309	46,330	61,407	61,829
Bank overdrafts	PR and BLR + 0.50 - 1.50	2016	872	872	5,093	5,093
Bills payable	COF, SIBOR and SWAP + 1.50 - 1.75, prevailing market/ interest rates + margin, 0.50 - 1.50 on face value	2016	13,614	13,614	20,714	20,714
			118,001	118,097	150,348	150,876

Year ended 31 March 2015

## 18 LOANS AND BORROWINGS (CONT'D)

### *Terms and debt repayment schedule (cont'd)*

The following are the expected contractual undiscounted cash outflows/(inflows) of financial liabilities/(assets), including interest payments and excluding the impact of netting agreements:

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000
<b>Group</b>					
<b>2015</b>					
Secured bank loans	6,547	6,740	3,819	2,921	–
Unsecured bank loans	50,734	52,173	48,393	3,780	–
Finance lease liabilities	46,330	48,954	22,573	26,381	–
Bank overdrafts	872	912	912	–	–
Bills payable	13,614	13,977	13,977	–	–
Trade and other payables *	130,123	130,123	130,123	–	–
Recognised financial liabilities	248,220	252,879	219,797	33,082	–
<b>2014</b>					
Secured bank loans	11,133	11,464	4,743	6,721	–
Unsecured bank loans	52,107	52,990	44,083	8,907	–
Finance lease liabilities	61,829	64,289	30,024	34,265	–
Bank overdrafts	5,093	5,369	5,369	–	–
Bills payable	20,714	21,173	21,173	–	–
Trade and other payables *	123,573	123,573	123,573	–	–
Recognised financial liabilities	274,449	278,858	228,965	49,893	–
Derivatives					
– inflow	(20)	(873)	(873)	–	–
– outflow		853	853	–	–
	274,429	278,838	228,945	49,893	–
<b>Company</b>					
<b>2015</b>					
Trade and other payables *	16,192	16,192	16,192	–	–
Recognised financial liabilities	16,192	16,192	16,192	–	–
<b>2014</b>					
Trade and other payables *	7,858	7,858	7,858	–	–
Recognised financial liabilities	7,858	7,858	7,858	–	–

\* Excludes deposits received, advance payments received for contracts and deferred revenue.

### *Intra-group financial guarantees*

At the reporting date, the Company had issued guarantees to banks in respect of bank facilities granted to subsidiaries amounting to \$272,254,000 (2014: \$304,455,000). The Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

Year ended 31 March 2015

## 19 DEFERRED TAX ASSETS AND LIABILITIES

Movements in deferred tax assets and liabilities of the Group (prior to setting off of balances) during the financial year are as follows:

	At 1 April 2013 \$'000	Recognised in profit or loss (note 25) \$'000	Translation differences \$'000	At 31 March 2014 \$'000	Recognised in profit or loss (note 25) \$'000	Translation differences \$'000	At 31 March 2015 \$'000
<b>Group</b>							
<b>Deferred tax assets</b>							
Property, plant and equipment	(2,448)	81	–	(2,367)	397	–	(1,970)
Unutilised tax losses	(1,575)	310	5	(1,260)	999	7	(254)
Unutilised capital allowances	(3,149)	(393)	45	(3,497)	1,168	39	(2,290)
Provisions	(1,247)	570	2	(675)	515	7	(153)
Trade and other receivables	(1,657)	1,655	–	(2)	(15)	1	(16)
Others	(239)	(434)	9	(664)	(63)	24	(703)
<b>Total</b>	<b>(10,315)</b>	<b>1,789</b>	<b>61</b>	<b>(8,465)</b>	<b>3,001</b>	<b>78</b>	<b>(5,386)</b>
<b>Deferred tax liabilities</b>							
Property, plant and equipment	16,430	(4,590)	(81)	11,759	(5,716)	(87)	5,956
<b>Total</b>	<b>16,430</b>	<b>(4,590)</b>	<b>(81)</b>	<b>11,759</b>	<b>(5,716)</b>	<b>(87)</b>	<b>5,956</b>

Deferred tax assets of the Company is attributable to the following:

	<b>Company</b>	
	2015 \$'000	2014 \$'000
<b>Deferred tax assets</b>		
Provisions	29	29

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	<b>Group</b>		<b>Company</b>	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Deferred tax liabilities/(assets)	570	3,294	(29)	(29)

Year ended 31 March 2015

## 20 TRADE AND OTHER PAYABLES

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade payables	95,340	90,456	9	8
Other payables	394	992	123	203
Deposits received	618	434	–	–
Accruals	32,731	30,759	1,779	1,764
Amounts owing to:				
– subsidiaries (trade)	–	–	2,325	2,443
– subsidiaries (non-trade)	–	–	11,956	3,440
– related corporations (trade)	1,656	1,366	–	–
– related corporation (non-trade)	2	–	–	–
Financial liabilities at amortised cost	130,741	124,007	16,192	7,858
Advance payments received for contracts	6,175	136	–	–
Deferred revenue	2,119	2,450	–	–
	139,035	126,593	16,192	7,858

## 21 EXCESS OF PROGRESS BILLINGS OVER CONSTRUCTION WORK-IN-PROGRESS

	Group	
	2015 \$'000	2014 \$'000
Cost incurred and attributable profits	484,307	871,117
Allowance for foreseeable losses	(316)	–
	483,991	871,117
Progress billings	(491,797)	(879,253)
	(7,806)	(8,136)

The movements in allowance for foreseeable losses during the year are as follows:

	Group	
	2015 \$'000	2014 \$'000
At 1 April	–	–
Allowance recognised	316	–
At 31 March	316	–

The Group recognises allowance for foreseeable losses taking into account the contracted revenue, estimated costs to completion, project duration and overruns. It is possible that management's estimates used are not indicative of future losses that it will incur. Any increase or decrease would affect profit or loss in the future years.



Year ended 31 March 2015

## 22 PROVISION FOR LIQUIDATED DAMAGES

	Group 2015 \$'000
At 1 April 2014	–
Provisions made during the year	5,197
Translation differences	(33)
At 31 March 2015	5,164

The provision for liquidated damages are provided based on actual costs to be incurred for completed projects and estimated costs to be incurred for projects that are still ongoing. For projects yet to be completed, management has assessed the construction delays attributable to the Group as sub-contractor to the projects. The provision is estimated based on the probability that there will be outflow of resources arising from the delays and estimated using rates provided for in the contracts with the customers.

## 23 REVENUE

	Group 2015 \$'000	2014 \$'000
Revenue from foundation engineering works	374,911	441,221
Trading of building products and plant and equipment	37,127	28,586
Rental income	15,887	17,318
	427,925	487,125

As explained in note 3.14, revenue and profit recognition on an uncompleted foundation engineering project is dependent on estimating the total outcome of the foundation engineering contract, as well as the work done to date. Based on the Group's experience and the nature of the foundation engineering activity undertaken, management makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete, rectification costs and revenue can be reliably estimated. In addition, actual outcomes in terms of total costs or revenue may be higher or lower than estimated at the reporting date, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date. As at 31 March 2015, the management considered that all costs to complete and revenue can be reliably estimated.

## 24 FINANCE INCOME AND EXPENSES

	Group 2015 \$'000	2014 \$'000
Interest income:		
– fixed deposits	1	*
– others	72	37
Imputed interest on:		
– non-current progress billings and other receivables	159	273
Finance income	232	310
Interest expense:		
– bank overdrafts	(150)	(256)
– finance leases	(2,134)	(2,305)
– bank loans	(1,458)	(1,349)
– bills payable	(106)	(262)
– others	*	(127)
Finance expenses	(3,848)	(4,299)
Net finance expenses recognised in profit or loss	(3,616)	(3,989)

\* Less than \$1,000

Year ended 31 March 2015

25 TAX EXPENSE/(CREDIT)

	Group	
	2015 \$'000	2014 \$'000
<b>Current tax expense</b>		
Current year	2,978	2,454
Under/(over) provided in prior years	166	(233)
	<u>3,144</u>	<u>2,221</u>
<b>Deferred tax credit</b>		
Movements in temporary differences	(2,832)	(378)
Under/(over) provided in prior years	117	(2,423)
	<u>(2,715)</u>	<u>(2,801)</u>
	<u>429</u>	<u>(580)</u>
<b>Reconciliation of effective tax rate</b>		
(Loss)/profit for the year	(13,633)	6,179
Total tax expense/(credit)	429	(580)
(Loss)/profit before tax	<u>(13,204)</u>	<u>5,599</u>
Tax calculated using corporate tax rate at 17%	(2,245)	952
Effect of tax rates in foreign jurisdictions	235	706
Tax exempt income	(45)	(90)
Tax incentives	(373)	(1,252)
Income not subject to tax	(331)	(973)
Expenses not deductible for tax purposes	639	359
Tax losses and deductible temporary differences for which deferred tax assets were not recognised	2,578	2,658
Utilisation of previously unrecognised deferred tax assets	(283)	(237)
Effect of share of a joint venture	(29)	(47)
Under/(over) provided in prior years	283	(2,656)
	<u>429</u>	<u>(580)</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2015 \$'000	2014 \$'000
Tax losses arising from operations in:		
– Singapore	19,356	21,030
– Others	2,978	2,945
	<u>22,334</u>	<u>23,975</u>
Deductible temporary differences		
– Singapore	32,313	18,653
– Others	1,064	–
	<u>33,377</u>	<u>18,653</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which certain subsidiaries of the Group can utilise the benefits therefrom.

On 18 February 2011, the Minister of Finance announced in his Budget Speech a new tax scheme called the Productivity and Innovation Credit Scheme ("PIC"), which allows business that invest in a range of productivity and innovation activities to claim enhanced deductions and/or allowances up to \$400,000 of expenditure incurred for each category of activity from years of assessment 2011 to 2016. Accordingly, the tax charge of the Group for the year ended 31 March 2015 and 2014 had been reduced based on the above tax incentive.

Year ended 31 March 2015

## 26 (LOSS)/PROFIT FOR THE YEAR

The following items have been included in arriving at (loss)/profit for the year:

	Group	
	2015 \$'000	2014 \$'000
Allowance for foreseeable losses on construction work-in-progress	316	–
Contributions to defined contribution plans, included in staff costs	3,141	3,527
Depreciation of property, plant and equipment included in:		
– cost of sales	27,945	26,433
– administrative expenses	854	952
Directors' remuneration (excluding directors' fees)	633	607
Directors' fees	331	348
Exchange loss	897	870
Gain on assignment and nomination of purchase rights of an industrial land	–	(2,797)
(Gain)/loss on disposal of:		
– property, plant and equipment	(1,472)	(1,968)
– subsidiaries	–	2
– assets held for sale	(56)	(492)
Impairment losses recognised/(reversed) on:		
– property, plant and equipment	6,876	–
– trade and other receivables	(5,378)	1,254
Inventories written down	94	586
Inventories written off	8	3
Loss on liquidation of a subsidiary	–	212
Audit fees	436	384
Non-audit fees paid or payable to:		
– auditors of the Company	109	73
– other auditors	91	9
Operating lease expenses included in:		
– cost of sales	26,710	28,571
– administrative expenses	1,586	1,393
Professional fees paid to 1 director (2014: 2 directors)	30	81
Property, plant and equipment written off	–	4
Provision for liquidated damages	5,197	–
Staff costs	68,655	71,043

Year ended 31 March 2015

## 27 (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

	Group	
	2015	2014
	\$'000	\$'000

Basic (loss)/earnings per share is based on:

Net (loss)/profit attributable to ordinary shareholders	(16,699)	2,980
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	Group	
	2015	2014
	No. of	No. of
	shares	shares

Weighted average number of:

Issued ordinary shares at beginning of the year	1,230,243,725	1,230,243,725
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Ordinary shares held as treasury shares	(20,520,000)	(16,904,397)
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Weighted average number of shares used to compute earnings per share	1,209,723,725	1,213,339,328
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### (b) Diluted (loss)/earnings per share

	Group	
	2015	2014
	\$'000	\$'000

Diluted (loss)/earnings per share is based on:

Net (loss)/profit attributable to ordinary shareholders	(16,699)	2,980
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For the purpose of calculating the diluted (loss)/earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive potential ordinary shares weighted for the period outstanding.

The weighted average number of ordinary shares in issue is as follows:

	Group	
	2015	2014
	No. of	No. of
	shares	shares

Weighted average number of:

Ordinary shares used in the calculation of basic earnings per share	1,209,723,725	1,213,339,328
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Weighted average number of ordinary issued and potential shares assuming full conversion	1,209,723,725	1,213,339,328
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Year ended 31 March 2015

## 28 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

### 28.1 Acquisition of non-controlling interests and striking off subsidiaries in financial year 2015

#### (a) GPSS Geotechnic Sdn. Bhd.

On 1 August 2014, the Group entered into a sale of shares agreement to acquire additional 35% equity interest in GPSS Geotechnic Sdn. Bhd. ("GPSS") for a purchase consideration of approximately \$181,000 in cash. As at 31 March 2015, the Group has yet to complete the acquisition of non-controlling interests. Upon completion of the acquisition, the Group would recognise an increase in other reserve of approximately \$34,000 and a decrease in non-controlling interests of approximately \$215,000. The Group's equity interest in GPSS will increase from 65% to 100%.

#### (b) ICE Far East Pte. Ltd. and its subsidiaries

In the shareholders agreement dated 16 May 2011 between THL Foundation Equipment Pte. Ltd. ("THLFE") and the vendors of ICE Far East Pte. Ltd. and its subsidiaries ("ICE"), the vendors have a right to sell the remaining equity interests in ICE to THLFE.

On 22 May 2014, one of the vendors has disposed off his remaining equity interests of 15% for a cash consideration of \$2,907,000 ("the Acquisition"). The Acquisition was completed on 31 March 2015, as a result, THLFE's equity interest in ICE has increased from 70% to 85%. As at 31 March 2015, the Group has paid a purchase consideration of \$2,133,000 and the remaining of \$774,000 will be paid in the financial year ending 2016.

The carrying amount of ICE's net assets in the Group's financial statements on the date of the acquisition was \$22,247,000. The Group recognised a decrease in other reserve and non-controlling interests of \$1,060,000 and \$1,847,000 respectively.

The following summarises the effect of changes in the Group's ownership interest in ICE:

	2015 \$'000
Group's interest in net assets of investee at the beginning of the year	11,775
Effect of increase in Group's interest in net assets of investee	1,847
Share of comprehensive income	795
Group's interest in net assets of investee at the end of the year	<u>14,417</u>

#### (c) CS India Pte. Ltd.

On 12 September 2014, CS India Pte. Ltd., a 100% owned subsidiary of the Group, completed the process of striking off. The strike off does not have any financial impact to the Group.

Year ended 31 March 2015

## 28 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)

### 28.2 Liquidation of equity interests in a subsidiary in financial year 2014

#### CS Prefab Steel Private Limited

In May 2013, CS Prefab Steel Private Limited, a 100% owned subsidiary of the Group, completed the process of voluntary liquidation.

The effect of liquidation of a subsidiary is as follows:

	2014 \$'000
Trade and other receivables	1
Reclassification of foreign currency translation reserve	211
Loss on liquidation of a subsidiary	212

## 29 FINANCIAL RISK MANAGEMENT

### Overview

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

In the opinion of the directors, the Group has taken appropriate quality control measures to mitigate the effect from any claims caused by product and construction defects, which may affect adversely its financial results, even though the Group is not covered by insurance against such events.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### Credit risk

The Group performs ongoing credit evaluations of its customers' financial condition and generally does not require collateral for trade receivables. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Loans and receivables	215,282	231,646	31,788	29,572
Cash and cash equivalents	19,167	13,020	508	609
	234,449	244,666	32,296	30,181

Year ended 31 March 2015

## 29 FINANCIAL RISK MANAGEMENT (CONT'D)

### *Credit risk (cont'd)*

The maximum exposure to credit risk for loans and receivables at the reporting date by geographic region was:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Singapore	178,927	187,957	17,734	17,424
Malaysia	33,727	39,698	14,053	12,148
Others	2,628	3,991	1	*
	215,282	231,646	31,788	29,572

\* Less than \$1,000

The maximum exposure to credit risk for loans and receivables at the reporting date by business segment was:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Foundation and geotechnical engineering	196,867	214,417	27,369	29,513
Trading and lease of equipment	18,082	17,174	56	5
Others	333	55	4,363	54
	215,282	231,646	31,788	29,572

At the reporting date, there were no significant concentrations of credit risk.

### *Liquidity risk*

To ensure continuity of funding, the Group's policy is to use a mix of long-term and short-term financing. Short-term funding is obtained through overdraft, trust receipt and financing loan facilities. Long-term funding is primarily used for acquisition of property, plant and equipment. The Group evaluates various alternative financing arrangements to balance its debt leverage.

Included in total assets of the Group at the reporting date are progress billing receivables and trade receivables totalling \$204,178,000 (2014: \$217,699,000). The liquidity of the Group is primarily dependent on the timely settlement of progress billings and trade receivables. The Group carefully monitors current and expected liquidity requirements to ensure that it maintains sufficient working capital and adequate external financing to meet its liquidity requirements in the short and longer term.

The Group maintains adequate short term facilities totalling approximately \$222,682,000 (2014: \$244,235,000) that can be drawn down to meet short term financing needs. As at reporting date, \$81,044,000 (2014: \$90,026,000) of the facilities had been utilised. The short term facilities attract a short term interest rate imposed by the applicable banks from time to time.

In relation to financial guarantees issued by the Company on behalf of its subsidiaries, the credit risk, being the principal risk to which the Company is exposed, represents the loss that would be recognised upon a default by the subsidiary (note 18).

Year ended 31 March 2015

## 29 FINANCIAL RISK MANAGEMENT (CONT'D)

### Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

### Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

	Group Carrying amount	
	2015	2014
	\$'000	\$'000

### Profile

#### Fixed rate instruments

Financial assets	852	–
Financial liabilities	(88,917)	(104,796)
	(88,065)	(104,796)

#### Variable rate instruments

Financial assets	635	1,724
Financial liabilities	(29,180)	(46,080)
	(28,545)	(44,356)

### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial assets and liabilities, a change of 6 to 55 (2014: 10 to 150) basis point ("bp") in interest rate at the reporting date would increase/(decrease) profit or loss (and accumulated profits) (before any tax effect) by the amounts shown below. A decrease in 6 to 55 (2014: 10 to 150) bp in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	Group Profit before tax	
	2015	2014
	\$'000	\$'000

Variable rate financial instruments	(31)	(50)
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There is no impact on other comprehensive income and equity.



Year ended 31 March 2015

**29 FINANCIAL RISK MANAGEMENT (CONT'D)**

*Foreign currency risk*

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily the Euro, US dollar, Japanese Yen, Malaysian Ringgit, Australian dollar and Thai Baht. Exposure to foreign currency risk is monitored on an ongoing basis by the Group to ensure that the net exposure is at an acceptable level.

The Group enters into forward exchange contracts with banks from time to time to reduce the adverse impact of foreign exchange risk on the Group's profitability.

The Group's exposure to foreign currencies is as follows:

	Euro \$'000	US dollar \$'000	Japanese Yen \$'000	Malaysian Ringgit \$'000	Australian dollar \$'000	Thai Baht \$'000
<b>Group</b>						
<b>2015</b>						
Trade and other receivables	2,892	18	921	720	–	1,101
Cash and cash equivalents	1,031	104	135	–	–	–
Loans and borrowings	–	(1,292)	(460)	–	–	–
Trade and other payables	(435)	(5,633)	(43)	(19)	(59)	–
Net statement of financial position exposure	3,488	(6,803)	553	701	(59)	1,101
<b>2014</b>						
Trade and other receivables	2,020	124	–	1,092	–	3
Cash and cash equivalents	507	1,843	248	–	–	–
Loans and borrowings	(3,629)	(2,738)	(728)	–	(620)	–
Trade and other payables	(360)	(1,482)	(3)	(82)	(46)	–
Net statement of financial position exposure	(1,462)	(2,253)	(483)	1,010	(666)	3
Derivatives	–	(258)	–	–	(615)	–
Net exposures	(1,462)	(2,511)	(483)	1,010	(1,281)	3

Year ended 31 March 2015

**29 FINANCIAL RISK MANAGEMENT (CONT'D)*****Foreign currency risk (cont'd)****Sensitivity analysis*

A 10% strengthening of following major currencies against the functional currency of each of the Group's entities at the reporting date would increase/(decrease) profit or loss (and accumulated profits) (before any tax effect) by the amounts shown below. Similarly, a 10% weakening would have had the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

	Profit before tax	
	2015 \$'000	2014 \$'000
<b>Group</b>		
Euro	349	(146)
US dollar	(680)	(250)
Japanese Yen	55	(48)
Malaysian Ringgit	70	101
Australian dollar	(6)	(128)
Thai Baht	110	—

There is no impact on other comprehensive income and equity.

***Estimation of fair values***

The following methods and assumptions are used to estimate fair values of the following significant classes of financial instruments:

*Derivatives*

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual period to maturity of the contract using a risk-free interest rate.

*Fixed rate bank loans, finance lease liabilities and non-current receivables*

The fair value has been determined by discounting the relevant cash flows with current interest rates for similar instruments at the reporting date.

*Floating interest rate bank loans*

The carrying amounts of floating interest bearing loans, which are repriced within 1 to 6 months from the reporting date, reflect the corresponding fair values.

*Other financial assets and liabilities*

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, progress billing receivables, cash and cash equivalents, trade and other payables and short term borrowings) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Year ended 31 March 2015

**29 FINANCIAL RISK MANAGEMENT (CONT'D)**

*Fair values versus carrying amounts*

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Designated at fair value \$'000	Loans and receivables \$'000	Other financial liabilities within the scope of FRS 39 \$'000	Other financial liabilities outside the scope of FRS 39 \$'000	Total carrying amount \$'000	Fair value \$'000
<b>Group</b>							
<b>31 March 2015</b>							
<b>Assets</b>							
Trade and other receivables	13	–	215,282	–	–	215,282	215,282
Cash and cash equivalents	14	–	19,167	–	–	19,167	19,167
		–	234,449	–	–	234,449	234,449
<b>Liabilities</b>							
Bank overdrafts	18	–	–	(872)	–	(872)	(872)
Bills payable	18	–	–	(13,614)	–	(13,614)	(13,614)
Secured bank loans	18	–	–	(6,547)	–	(6,547)	(6,419)
Unsecured bank loans	18	–	–	(50,734)	–	(50,734)	(50,734)
Finance lease liabilities	18	–	–	–	(46,330)	(46,330)	(44,324)
Trade and other payables	20	–	–	(130,741)	–	(130,741)	(130,741)
		–	–	(202,508)	(46,330)	(248,838)	(246,704)
<b>31 March 2014</b>							
<b>Assets</b>							
Trade and other receivables	13	–	231,646	–	–	231,646	231,646
Derivatives	22	–	–	–	–	–	–
Cash and cash equivalents	14	–	13,020	–	–	13,020	13,020
		–	244,666	–	–	244,688	244,688
<b>Liabilities</b>							
Bank overdrafts	18	–	–	(5,093)	–	(5,093)	(5,093)
Bills payable	18	–	–	(20,714)	–	(20,714)	(20,714)
Secured bank loans	18	–	–	(11,133)	–	(11,133)	(10,955)
Unsecured bank loans	18	–	–	(52,107)	–	(52,107)	(52,107)
Finance lease liabilities	18	–	–	–	(61,829)	(61,829)	(59,606)
Derivatives	(2)	–	–	–	–	(2)	(2)
Trade and other payables	20	–	–	(124,007)	–	(124,007)	(124,007)
		(2)	–	(213,054)	(61,829)	(274,885)	(272,484)

Year ended 31 March 2015

## 29 FINANCIAL RISK MANAGEMENT (CONT'D)

### *Fair values versus carrying amounts (cont'd)*

	Note	Loans and receivables \$'000	Other financial liabilities within the scope of FRS 39 \$'000	Total carrying amount \$'000	Fair value \$'000
<b>Company</b>					
<b>31 March 2015</b>					
<b>Assets</b>					
Trade and other receivables	13	31,788	–	31,788	31,788
Cash and cash equivalents	14	508	–	508	508
		<u>32,296</u>	<u>–</u>	<u>32,296</u>	<u>32,296</u>
<b>Liabilities</b>					
Trade and other payables	20	<u>–</u>	<u>(16,192)</u>	<u>(16,192)</u>	<u>(16,192)</u>
<b>31 March 2014</b>					
<b>Assets</b>					
Trade and other receivables	13	29,572	–	29,572	29,572
Cash and cash equivalents	14	609	–	609	609
		<u>30,181</u>	<u>–</u>	<u>30,181</u>	<u>30,181</u>
<b>Liabilities</b>					
Trade and other payables	20	<u>–</u>	<u>(7,858)</u>	<u>(7,858)</u>	<u>(7,858)</u>

### *Interest rates used in determining fair values*

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at 31 March plus an adequate credit spread, and are as follows:

	Group	
	2015 %	2014 %
Fixed rate bank loans	1.30 – 5.58	1.23 – 6.13
Finance lease liabilities	<u>1.25 – 3.55</u>	<u>1.17 – 3.60</u>

Year ended 31 March 2015

**29 FINANCIAL RISK MANAGEMENT (CONT'D)**

*Fair value hierarchy*

The following defines the fair value hierarchy of financial instruments carried at fair value, by valuation method:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>				
<b>2015</b>				
<b>Financial liabilities not carried at fair value but for which fair value are disclosed*</b>				
Secured bank loans	–	(6,547)	–	(6,547)
<b>2014</b>				
<b>Financial assets and financial liabilities carried at fair value</b>				
Derivative financial assets	–	22	–	22
Derivative financial liabilities	–	(2)	–	(2)
	–	20	–	20
<b>Financial liabilities not carried at fair value but for which fair value are disclosed*</b>				
Secured bank loans	–	(11,133)	–	(11,133)

\* Excludes financial liabilities whose carrying amounts measured on the amortised cost basis due to their short-term nature and where the effect of discounting is immaterial.

Year ended 31 March 2015

### 30 DIVIDENDS

No dividends were proposed by the directors in respect of the financial year ended 31 March 2015.

For the financial year ended 31 March 2014, a final tax-exempt (one-tier) dividend of 0.10 cents per ordinary share was approved at the Annual General Meeting held on 24 July 2014. The said dividends of \$1.2 million were paid in September 2014.

### 31 COMMITMENTS

As at reporting date, the Group had the following commitments:

- (a) The Group leases offices and equipment under operating leases. The leases typically run for an initial period of 1 to 30.8 years, with an option to renew the lease after that date. Lease payments are usually revised at each renewal date to reflect market rentals. None of the leases include contingent rental.

The future minimum lease payments payable under non-cancellable operating leases are as follows:

	2015 \$'000	2014 \$'000
Within 1 year	7,875	5,921
After 1 year but within 5 years	3,237	4,017
After 5 years	9,958	10,000
	<u>21,070</u>	<u>19,938</u>

- (b) Capital expenditure contracted for but not recognised in the financial statements is as follows:

	2015 \$'000	2014 \$'000
Capital commitment in respect of:		
– acquisition of property, plant and equipment	<u>600</u>	<u>115</u>

### 32 CONTINGENT LIABILITIES (UNSECURED)

As at 31 March 2015, there were outstanding liquidated damages claims against the Group on the project undertaken by the Group.

A claim approximately \$1.3 million (2014: \$1.3 million) is currently under arbitration. Management is of the opinion that the Group has a valid defence against the claim, and accordingly, no liability has been recognised in the financial statements.

Year ended 31 March 2015

### 33 RELATED PARTIES

#### *Key management personnel compensation*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and senior management are considered as key management personnel of the Group.

Key management personnel compensation comprised:

	Group	
	2015	2014
	\$'000	\$'000
Short-term employee benefits	6,618	6,807
Post employment benefits	296	294
	<u>6,914</u>	<u>7,101</u>

The aggregate value of transactions related to key management personnel over which they have control or significant influence are as follows:

	Note	Transaction value for the year ended	
		2015	2014
		\$'000	\$'000
Professional fees	26	<u>30</u>	<u>81</u>

#### *Other related party transactions*

Other than as disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

	Group	
	2015	2014
	\$'000	\$'000

#### **Companies in which a director and a substantial shareholder of the Group have substantial financial interests**

Revenue from foundation engineering works	1,710	1,115
Revenue from rental and service income	1,458	809
Sale of plant and equipment	90	330
Expenses for foundation engineering works	(245)	–
Operating lease expenses	(2,717)	(2,517)
Purchase of plant and equipment	(882)	(81)
Upkeep of machinery and equipment expenses	(143)	(275)
Acquisition of other investment	–	(1,924)

Year ended 31 March 2015

### 33 RELATED PARTIES (CONT'D)

#### *Other related party transactions (cont'd)*

	Group	
	2015 \$'000	2014 \$'000
<b>Firm in which a director of the Group has substantial financial interests</b>		
Consultancy fee paid	(10)	–
<b>Joint venture</b>		
Revenue from rental and service income	174	178
Management fee income	113	75
Sale of plant and equipment	1,113	1,489

### 34 SEGMENT REPORTING

#### (a) Business segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the strategic business units, the Group's Executive Committee reviews the internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

*Foundation and geotechnical engineering:* Includes civil engineering, piling, foundation and geotechnical engineering, soil investigation, land surveying and other related services.

*Sales and lease of equipment:* Sales and rental of foundation engineering equipment, machinery and spare parts

Other operations include the sale and sublet of land, property development and fabrication, repair and maintenance services for heavy machinery. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2015 or 2014.

The bases of measurement of the reportable segments are in accordance with the Group's accounting policies.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.



### 34 SEGMENT REPORTING (CONT'D)

#### (a) Business segments (cont'd)

##### Information about reportable segments

	Foundation and geotechnical engineering		Sales and lease of equipment		Others		Total
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000 2014 \$'000
External revenue	377,040	445,696	50,885	40,626	–	803	427,925 487,125
Inter-segment revenue	63,056	56,919	19,482	26,331	–	–	82,538 83,250
Interest revenue	228	308	4	2	–	*	232 310
Interest expense	(2,219)	(2,749)	(1,629)	(1,550)	–	–	(3,848) (4,299)
Reportable segment (loss)/profit before tax	(20,481)	1,689	5,459	6,016	(28)	(6)	(15,050) 7,699
Share of profit of a joint venture	168	276	–	–	–	–	168 276
Reportable segment assets	346,791	379,880	97,794	105,917	4,531	16	449,116 485,813
Investment in a joint venture	1,613	1,302	–	–	–	–	1,613 1,302
Capital expenditure	12,946	10,027	2,726	937	4,030	–	19,702 10,964
Reportable segment liabilities	214,590	240,350	53,559	43,210	42	72	268,191 283,632
<b>Other material items</b>							
Allowance for foreseeable losses on construction work-in-progress	(316)	–	–	–	–	–	(316) –
Depreciation of property, plant and equipment	(25,337)	(26,443)	(3,439)	(942)	(23)	–	(28,799) (27,385)
Gain on assignment and nomination of purchase rights of an industrial land	–	2,797	–	–	–	–	– 2,797
Impairment losses (recognised)/reversed on:							
– property, plant and equipment	(6,876)	–	–	–	–	–	(6,876) –
– trade and other receivables	5,764	(841)	(386)	(426)	–	13	5,378 (1,254)
Inventories written down	(19)	(2)	(75)	(584)	–	–	(94) (586)
Inventories written off	–	–	(8)	(3)	–	–	(8) (3)
Loss on disposal of a subsidiary	–	(2)	–	–	–	–	– (2)
Loss on liquidation of a subsidiary	–	(212)	–	–	–	–	– (212)
Provision for liquidated damages	(5,197)	–	–	–	–	–	(5,197) –

\* Less than \$1,000

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

Year ended 31 March 2015

### 34 SEGMENT REPORTING (CONT'D)

#### (a) Business segments (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other segmental information:

	2015 \$'000	2014 \$'000
<b>Revenue</b>		
Total revenue for reportable segments	510,463	569,572
Other revenue	–	803
Elimination of inter-segment revenue	(82,538)	(83,250)
Consolidated revenue	427,925	487,125
<b>Profit or loss</b>		
Total profit or loss for reportable segments	(15,022)	7,705
Other profit or loss	(28)	(6)
	(15,050)	7,699
Elimination of inter-segment transactions	7,357	3,304
Unallocated amounts:		
– other corporate expenses	(5,679)	(5,680)
Share of profit of a joint venture	168	276
Consolidated (loss)/profit before tax	(13,204)	5,599
<b>Assets</b>		
Total assets for reportable segments	444,585	485,797
Other assets	4,531	16
	449,116	485,813
Investment in a joint venture	1,613	1,302
Other unallocated amounts	730	1,018
Consolidated total assets	451,459	488,133
<b>Liabilities</b>		
Total liabilities for reportable segments	268,149	283,560
Other liabilities	42	72
	268,191	283,632
Other unallocated amounts	4,230	6,267
Consolidated total liabilities	272,421	289,899

Year ended 31 March 2015

**34 SEGMENT REPORTING (CONT'D)**

**(a) Business segments (cont'd)**

Other material items	Reportable segment and consolidated totals \$'000
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**Other segmental information 2015**

Interest revenue	232
Interest expense	(3,848)
Capital expenditure	(19,702)
Depreciation of property, plant and equipment	(28,799)

**Other segmental information 2014**

Interest revenue	310
Interest expense	(4,299)
Capital expenditure	(10,964)
Depreciation of property, plant and equipment	(27,385)

**(b) Geographical segments**

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Singapore \$'000	Malaysia \$'000	Other regions \$'000	Consolidated \$'000
<b>2015</b>				
Revenue from external customers	346,001	73,085	8,839	427,925
Non-current assets	150,600	19,381	17,088	187,069
<b>2014</b>				
Revenue from external customers	396,521	84,759	5,845	487,125
Non-current assets	152,063	13,187	3,034	168,284

Non-current assets presented consist of property, plant and equipment and intangible assets.

As at 31 March 2015

No.	Particulars	Tenure	Site Area (Sq m)	Approx Build-up area (Sq m)
1.	Leasehold industrial land and building on Lots A1283900 & A1283901 at No. 2 Tanjong Penjuru Crescent, Singapore 608968	60 years wef 1 July 1980	18,264.9	11,660.4
2.	Leasehold apartment known as Molek Regency Service Apartment on Lot 191517, Mukim Plentong at A-15-18, A-16-17, B-11-11 and C-16-03, No. 59, Jalan Molek 3/20, Taman Molek, 81100 Johor Bahru, Malaysia	Freehold	104,200.0	464.5
3.	Leasehold industrial building on Lots MK7-672K at No. 13, Pioneer Sector 2, Singapore 628374	23 years wef 1 Sep 1997	3,037.1	3,037.1
4.	Leasehold land known as Lot A3003619 (also known as GS Lot 4812A Mukim 7) at Tuas South Street 9, Plot 48 (Note 1)	20 years 9 months wef 17 Feb 2015	4,700.0	2,160.0 (estimated)

Note:

(1) As at 31 March 2015, the land is a vacant land. The build-up area of 2,160.0 Sq m is an estimate build-up area of the land.

## ANALYSIS OF SHAREHOLDINGS

As at 17 June 2015

Class of equity security : Ordinary Shares  
 Voting rights of ordinary shareholdings : On a show of hands: One vote for each member  
 On a poll: One vote for each ordinary share

### SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 17 June 2015, 63.47% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

### ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	39	0.35	746	0.00
100 - 1,000	209	1.87	174,401	0.01
1,001 - 10,000	3,382	30.35	25,450,087	2.07
10,001 - 1,000,000	7,443	66.78	513,015,531	41.70
1,000,001 and above	72	0.65	691,602,960	56.22
	11,145	100.00	1,230,243,725	100.00

### TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% *
1	HSBC (Singapore) Nominees Pte Ltd	351,675,771	29.07
2	Phillip Securities Pte Ltd	39,516,000	3.27
3	Maybank Kim Eng Securities Pte Ltd	25,814,973	2.13
4	UOB Kay Hian Pte Ltd	20,563,800	1.70
5	Ng Chwee Cheng	18,472,500	1.53
6	DBS Nominees Pte Ltd	16,102,939	1.33
7	OCBC Securities Private Ltd	15,030,900	1.24
8	United Overseas Bank Nominees Pte Ltd	13,740,000	1.14
9	Maybank Nominees (S) Pte Ltd	10,397,000	0.86
10	Ong Kian Kok	10,130,000	0.84
11	Citibank Nominees Singapore Pte Ltd	9,035,700	0.75
12	OCBC Nominees Singapore Pte Ltd	7,823,200	0.65
13	Poh Chee Kuan or Luo Taohong	7,147,000	0.59
14	Raffles Nominees (Pte) Ltd	6,633,450	0.55
15	DB Nominees (S) Pte Ltd	5,609,000	0.46
16	Ang Soo Cheng	4,613,837	0.38
17	Tan Ee Ping	4,567,000	0.38
18	Chee Teck Kwong Patrick	4,462,000	0.37
19	Chee Jin San	4,299,000	0.36
20	Teo Beng Teck	3,945,000	0.33
		579,579,070	47.93

\* The percentage of shareholdings was computed based on the issued share capital of the Company as at 17 June 2015 of 1,209,723,725 shares (which excludes 20,520,000 shares which are held as treasury shares representing approximately 1.70% of the total number of issued shares excluding treasury shares).

As at 17 June 2015

## SUBSTANTIAL SHAREHOLDERS

	Direct Interest	Number of Shares		
		%	Deemed Interest	%
TH Investments Pte Ltd <sup>(1)</sup>	-	-	344,825,771	28.50
Chwee Cheng & Sons Pte Ltd <sup>(1)</sup>	-	-	344,825,771	28.50
Ng San Tiong Roland <sup>(1)(2)</sup>	3,457,000	0.29	345,325,771	28.55
Ng Sun Ho Tony <sup>(1)</sup>	-	-	344,825,771	28.50
Ng San Wee David <sup>(1)</sup>	-	-	344,825,771	28.50
Ng Sun Giam Roger <sup>(1)</sup>	-	-	344,825,771	28.50
Ng Chwee Cheng <sup>(2)</sup>	18,472,500	1.53	45,936,000	3.80

Notes:

- (1) TH Investments Pte Ltd is a wholly-owned subsidiary of Tat Hong Investments Pte Ltd, which is a wholly-owned subsidiary of Chwee Cheng & Sons Pte Ltd. Being joint trustees of the Chwee Cheng Trust, each of the Trustees, Mr. Ng San Tiong Roland, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, is deemed to be interested in 344,825,771 Shares held by TH Investments Pte Ltd.
- (2) Mr. Ng San Tiong Roland is also deemed interested in 500,000 Shares held through nominees.
- (3) Mr. Ng Chwee Cheng is deemed interested in 45,936,000 Shares held through nominees.

NOTICE IS HEREBY GIVEN that the 18<sup>th</sup> Annual General Meeting of CSC Holdings Limited (the "Company") will be held at 4<sup>th</sup> Floor, No. 2 Tanjong Penjuru Crescent, Singapore 608968 on Monday, 27 July 2015 at 10.00 a.m. for the following purposes:

### AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 March 2015 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to Article 104 of the Articles of Association of the Company and who being eligible, will offer themselves for re-election:
  - (i) Mr Teo Beng Teck **(Resolution 2)**
  - (ii) Mr Tan Hup Foi @ Tan Hup Hoi **(Resolution 3)**

Mr Teo Beng Teck will, upon re-election as a Director of the Company, remain as a member of the Risk Management Committee and will be considered non-independent.

Mr Tan Hup Foi @ Tan Hup Hoi will, upon re-election as a Director of the Company, remain as a Chairman of the Audit Committee, member of a Nominating Committee and will be considered independent.

3. To re-appoint Mr Tan Ee Ping, a Director of the Company retiring under Section 153(6) of the Companies Act (Chapter 50), to hold office from the date of this Annual General Meeting ("AGM") until the next AGM of the Company.

[See Explanatory Note (i)] **(Resolution 4)**
4. To approve the payment of Directors' Fees of \$331,000 for the year ended 31 March 2015. (2014: \$348,178) **(Resolution 5)**
5. To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

### AS SPECIAL BUSINESS

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

#### 7. Authority to issue shares

"That pursuant to Section 161 of the Companies Act (Chapter 50) ("Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:-

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

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

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding Treasury Shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding Treasury Shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding Treasury Shares) shall be based on the total number of issued shares (excluding Treasury Shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) 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 Articles of Association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (ii)]

**(Resolution 7)**



**8. Authority to offer and grant awards under The CSC Performance Share Scheme**

"That pursuant to Section 161 of the Companies Act, the Directors of the Company be and are hereby authorised and empowered to offer and grant awards in accordance with the provisions of the CSC Performance Share Scheme (the "PSS Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the PSS Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the total aggregate number of additional ordinary shares to be issued pursuant to the PSS Scheme and such other share-based incentive scheme of the Company shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iii)]

**(Resolution 8)**

**9. Renewal of Shareholders' Mandate for Interested Person Transactions**

"That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

- (a) approval be given for the renewal of the mandate for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the categories of Interested Person Transactions as set out in the Company's Annual Report with any party who is of the class of Interested Persons described in the Annual Report, provided that such transactions are carried out on normal commercial terms and in accordance with the review procedures of the Company for such Interested Person Transactions as set out in the Company's Annual Report (the "Shareholders' IPT Mandate");
- (b) the Shareholders' IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier; and
- (c) authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the Shareholders' IPT Mandate as they may think fit."

[See Explanatory Note (iv)]

**(Resolution 9)**

By Order of the Board

Lee Quang Loong  
Company Secretary

Singapore  
10 July 2015

**Explanatory Notes:**

- (i) The effect of the Ordinary Resolution 4 in item 3 above, is to re-appoint a Director of the Company who is over 70 years of age.
- (ii) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding Treasury Shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

- (iii) The Ordinary Resolution 8 in item 8 above, if approved, will empower the Directors of the Company, from the date of this Meeting until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to offer and grant awards in accordance with the provisions of the PSS Scheme and to deliver from time to time such number of new shares as may be required to be delivered pursuant to the vesting of the awards under the PSS Scheme subject to the maximum number of shares prescribed under the terms and conditions of the PSS Scheme. The number of new shares to be issued under the PSS Scheme and such other share-based incentive scheme of the Company shall not exceed 15% of the total number of issued shares (excluding Treasury Shares) in the capital of the Company from time to time.
- (iv) The Ordinary Resolution 9 in item 9 above, if passed, will authorise the Interested Person Transactions as described in the Annual Report and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the Shareholders' IPT Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

**Notes:**

- 1. A Member entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
- 2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 2 Tanjong Penjuru Crescent, Singapore 608968 not less than forty-eight (48) hours before the time appointed for holding the AGM.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by 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.

**CSC HOLDINGS LIMITED**  
Company Registration No. 199707845E

(Incorporated in the Republic of Singapore)

**PROXY FORM**

(Please see notes overleaf before completing this Form)

**IMPORTANT:**

1. For investors who have used their CPF monies to buy CSC HOLDINGS LIMITED's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of **CSC HOLDINGS LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the 18th Annual General Meeting (the "Meeting") of the Company to be held at the 4th Floor, No. 2 Tanjong Penjuru Crescent, Singapore 608968 on Monday, 27 July 2015 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Adoption of Directors' Report and Audited Financial Statements for the year ended 31 March 2015		
2	Re-election of Mr Teo Beng Teck as a Director		
3	Re-election of Mr Tan Hup Foi @ Tan Hup Hoi as a Director		
4	Re-appointment of Mr Tan Ee Ping as a Director		
5	Approval of Directors' Fees amounting to \$331,000		
6	Re-appointment of KPMG LLP as Auditors		
7	Authority to issue shares		
8	Authority to offer and grant awards under The CSC Performance Share Scheme		
9	Renewal of Shareholders' Mandate for Interested Person Transactions		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s)

or, Common Seal of Corporate Shareholder

1<sup>st</sup> fold here

**Notes :**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at No. 2 Tanjong Penjuru Crescent, Singapore 608968 not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**General:**

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

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 July 2015.

2<sup>nd</sup> fold here

Affix  
Postage  
Stamp

**THE COMPANY SECRETARY  
CSC HOLDINGS LIMITED**

No. 2, Tanjong Penjuru Crescent,  
Singapore 608968

3<sup>rd</sup> fold here



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### EXECUTIVE

See Yen Tarn  
*Group Chief Executive Officer*

#### NON-EXECUTIVE

Chee Teck Kwong Patrick  
*Chairman, Independent*

Teo Beng Teck

Ng San Tiong Roland

Tan Ee Ping  
*Independent*

Tan Hup Foi @ Tan Hup Hoi  
*Independent*

### AUDIT COMMITTEE

Tan Hup Foi @ Tan Hup Hoi  
*Chairman*

Chee Teck Kwong Patrick

Ng San Tiong Roland

### NOMINATING COMMITTEE

Chee Teck Kwong Patrick  
*Chairman*

Tan Hup Foi @ Tan Hup Hoi

See Yen Tarn

### REMUNERATION COMMITTEE

Tan Ee Ping  
*Chairman*

Chee Teck Kwong Patrick

Ng San Tiong Roland

### RISK MANAGEMENT COMMITTEE

Tan Ee Ping  
*Chairman*

See Yen Tarn

Teo Beng Teck

### THE CSC EXECUTIVE SHARE OPTION SCHEME 2004 COMMITTEE

Tan Ee Ping  
*Chairman*

Chee Teck Kwong Patrick

See Yen Tarn

Ng San Tiong Roland

### EXECUTIVE COMMITTEE

See Yen Tarn  
*Chairman*

Koo Chung Chong

Lee Quang Loong

### COMPANY SECRETARY

Lee Quang Loong

### REGISTERED OFFICE

No. 2 Tanjong Penjuru  
Crescent,  
Singapore 608968  
T: (65) 6367 0933  
F: (65) 6367 0911  
E: corp@cschl.com.sg  
W: www.cschl.com.sg

### SHARE REGISTRAR & SHARE TRANSFER OFFICE

M & C Services Private  
Limited  
112 Robinson Road  
#05-01  
Singapore 068902  
T: (65) 6228 0530  
F: (65) 6225 1452

### AUDITORS

KPMG LLP  
Public Accountants and  
Chartered Accountants  
16 Raffles Quay, #22-00  
Hong Leong Building  
Singapore 048581

### AUDIT PARTNER-IN- CHARGE

Ong Chai Yan  
*Appointed since financial year  
ended 31 March 2011*

### PRINCIPAL BANKERS

United Overseas Banking  
Limited

Oversea-Chinese  
Banking Corporation  
Limited

Malayan Banking Berhad

Hong Leong Finance  
Limited

DBS Bank Ltd



**CSC HOLDINGS LIMITED**  
(199707845E)

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