



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement for the Twelve Months Ended 31 March 2015

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Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

4Q15 – for the 3 months ended 31 March 2015

3Q15 – for the 3 months ended 31 December 2014

4Q14 – for the 3 months ended 31 March 2014

FY15 – for the 12 months ended 31 March 2015

FY14 – for the 12 months ended 31 March 2014

Review of Results for the Year Ended 31 March 2015

	4Q15 \$'000	3Q15 \$'000	Change %	4Q14 \$'000	Change %	FY15 \$'000	FY14 \$'000	Change %
Revenue	115,032	116,615	(1.4)	111,209	3.4	427,925	487,125	(12.2)
Gross Profit	6,485	7,865	(17.5)	8,908	(27.2)	24,090	33,800	(28.7)
Other Income	1,474	375	N.M.	1,401	5.2	3,572	8,083	(55.8)
Operating Expenses	(10,112)	(8,877)	13.9	(8,863)	14.1	(34,239)	(32,571)	5.1
(Loss)/Profit from Operating Activities	(2,153)	(637)	N.M.	1,446	N.M.	(6,577)	9,312	N.M.
Impairment Losses on Plant and Equipment	(6,876)	-	N.A.	-	N.A.	(6,876)	-	N.A.
Impairment Losses Reversed on Trade and Other Receivables:								
- Changi Motorsports Hub project	-	-	N.A.	-	N.A.	6,858	-	N.A.
Net Provision Made as a result of an Arbitration Award received	-	(3,161)	(100.0)	-	N.A.	(3,161)	-	N.A.
(Loss)/Profit from Operating Activities after the Impairment Losses and Net Provision Made	(9,029)	(3,798)	N.M.	1,446	N.M.	(9,756)	9,312	N.M.
Net Finance Expenses	(794)	(938)	(15.4)	(1,017)	(21.9)	(3,616)	(3,989)	(9.4)
Share of (Loss)/Profit of a Joint Venture	(12)	160	N.M.	1	N.M.	168	276	(39.1)
(Loss)/Profit before Tax	(9,835)	(4,576)	N.M.	430	N.M.	(13,204)	5,599	N.M.
Tax Credit/(Expense)	1,107	(605)	N.M.	1,401	(21.0)	(429)	580	N.M.
(Loss)/Profit for the period/year	(8,728)	(5,181)	68.5	1,831	N.M.	(13,633)	6,179	N.M.
Gross Profit Margins	5.6%	6.7%		8.0%		5.6%	6.9%	

Revenue

Revenue for FY15 contracted by 12.2% to \$427.9 million (FY14: \$487.1 million), reflecting a very challenging operating landscape throughout the year. Demand from the private sector was weak, as property cooling measures introduced by the Singapore government and uncertainties in the global economic conditions continued to take a toll on the industry. Public residential demand also eased considerably in FY15 following a ramp-up in construction in the previous years.

Revenue for 4Q15 amounted to \$115.0 million (4Q14: \$111.2 million). Quarter-on-quarter, 4Q15 revenue was comparable to 3Q15.

Gross Profit and Gross Profit Margins (GPM)

Gross Profit for FY15 of \$24.1 million was 28.7% lower compared to FY14 as a result of lower revenue.

GPM for 4Q15 and FY15 were 5.6% (4Q14: 8.0%) and 5.6% (FY14: 6.9%) respectively. The lower GPM was a result of very keen competition in the Singapore construction sector. In addition, the Group had to manage further increases in costs relating to manpower as a result of increased foreign worker levies.

In July 2014, foreign worker levy in Singapore was increased from \$15 to \$200 monthly per foreign worker. Due to the increased competition in a shrinking market, it was not possible for the Group to pass on all these increased costs to its customers.

Gross Profit and Gross Profit Margins (GPM) (cont'd)

In the face of these challenges, the Group trimmed its headcount in Singapore by 6.8% and consequently achieved a 5.6% reduction in payroll costs for FY15, despite the increase in foreign worker levies.

Other Income

The Group recorded other income of \$1.5 million in 4Q15 (4Q14: \$1.4 million). Other income of \$8.1 million for FY14 was significant higher than the \$3.6 million recorded in FY15, taking into account a substantial gain in FY14 on the disposal of obsolete equipment and the assignment and nomination of purchase rights of a land parcel to a third party.

Other income for 4Q15 was higher than 3Q15, mainly due to higher amount of profit recorded from other miscellaneous-related income in the current reporting quarter. This includes a gain of \$0.5 million from sale of construction raw materials to subcontractor in 4Q15.

Operating Expenses

	4Q15 \$'000	3Q15 \$'000	Change %	4Q14 \$'000	Change %	FY15 \$'000	FY14 \$'000	Change %
Other Operating Expenses	9,389	8,049	16.6	7,442	26.2	31,862	30,233	5.4
Impairment Losses Made on Trade and Other Receivables	278	761	(63.5)	1,250	(77.8)	1,480	1,254	18.0
Exchange Loss	445	67	N.M.	171	N.M.	897	870	3.1
Loss on Disposal of A Subsidiary	-	-	N.A.	-	N.A.	-	2	(100.0)
Loss on Liquidation of A subsidiary	-	-	N.A.	-	N.A.	-	1	(100.0)
Translation Differences relating to Liquidation of Interests in A subsidiary	-	-	N.A.	-	N.A.	-	211	(100.0)
Net Operating Expenses	10,112	8,877	13.9	8,863	14.1	34,239	32,571	5.1
Other Operating Expenses /Revenue	8.2%	6.9%		6.7%		7.4%	6.2%	

Other operating expenses of 4Q15 was \$9.4 million, which was 26.2% higher compared to 4Q14. Other operating expenses for FY15 also registered a 5.4% increase as compared to FY14. The increases were mainly due to legal and professional fees of \$2.2 million incurred in 4Q15 (4Q14: \$0.6 million) and \$3.9 million incurred in FY15 (FY14: \$1.8 million). The fees were incurred in conjunction with legal proceedings to recover long outstanding receivables.

Other operating expenses to revenue ratio for FY15 was 7.4% (FY14: 6.2%). The higher ratio was the result of lower Group revenue for the period under review.

Other operating expenses to revenue ratio for 4Q15 of 8.2% was also higher as compared to 3Q15 and 4Q14's ratios of 6.9% and 6.7% respectively.

Net Finance Expenses

	4Q15 \$'000	3Q15 \$'000	Change %	4Q14 \$'000	Change %	FY15 \$'000	FY14 \$'000	Change %
Interest Income	67	2	N.M.	36	86.1	73	37	97.3
Interest Expenses	(871)	(911)	(4.4)	(1,059)	(17.8)	(3,848)	(4,299)	(10.5)
Net Interest Expenses	(804)	(909)	(11.6)	(1,023)	(21.4)	(3,775)	(4,262)	(11.4)
Imputed Interest on Non- Current Assets/Liabilities	10	(29)	N.M.	6	66.7	159	273	(41.8)
Net Finance Expenses	(794)	(938)	(15.4)	(1,017)	(21.9)	(3,616)	(3,989)	(9.4)

Net interest expenses for 4Q15 and FY15 were \$0.8 million (4Q14: \$1.0 million) and \$3.8 million (FY14: \$4.3 million) respectively. These represented a year-on-year reduction of 21.4% and 11.4% as compared to 4Q14 and FY14 respectively, and followed it's a reduction in bank borrowings during the periods under review.

Net interest expenses of 4Q15 was also lower than that incurred in 3Q15.

Share of (Loss)/Profit of a Joint Venture

The Group recorded a share of loss of a joint venture that amounted to \$0.01 million in 4Q15 (4Q14: share of profit of \$0.001 million). The lower contribution from the joint venture in 4Q15 was a result of the completion of most of the joint ventures existing projects in Thailand. New projects secured have not commenced work entirely in 4Q15.

The share of results from the joint venture declined marginally from \$0.3 million in FY14 to \$0.2 million in FY15 as a result of a slowdown in construction demand in Thailand in the year under review.

(Loss)/Profit for the period/year

The Group recorded a net loss of \$1.9 million for 4Q15 (4Q14: net profit of \$1.8 million) and \$10.5 million in FY15 (FY14: net profit of \$6.2 million) for its operations.

However, after taking into account the following items, the Group recorded a net loss of \$8.8 million for 4Q15 (4Q14: net profit of \$1.8 million) and \$13.6 million for FY15 (FY14: net profit of \$6.2 million):

- Impairment losses made on certain plant and equipment of \$6.9 million (see Note E to Consolidated Income Statement);
- Impairment losses reversed on trade debt due from Changi Motorsports Hub project of \$6.9 million (see Note F to Consolidated Income Statement); and
- Net provision made as a result of an arbitration award received of \$3.2 million (see Note G to Consolidated Income Statement).

Loss per share for 4Q15 and FY15 were 0.75 cent and 1.38 cents as compared to earnings per share of 0.04 cent and 0.25 cent in 4Q14 and FY14 respectively.

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

As at 31 March 2015, the net book value of property, plant and equipment was \$185.6 million (31 March 2014: \$166.8 million). During the year under review, the Group acquired \$19.7 million worth of new plant and equipment to replace older equipment. In FY15, the Group capitalised certain equipment with carrying amounts of \$38.0 million from inventories as property, plant and equipment. At the same time, it also disposed of old plant and equipment amounting to \$3.4 million and recorded a \$1.5 million gain on the disposal. Depreciation and impairment losses for FY15 were \$28.8 million and \$6.9 million respectively (FY14: \$27.4 million and \$Nil).

Net Current Assets

Net current assets of the Group as at 31 March 2015 stood at \$8.9 million (31 March 2014: \$62.1 million) with a current ratio (current assets / current liabilities) of 1.04 (31 March 2014: 1.26).

As at 31 March 2015, the Group's inventories was \$27.0 million (31 March 2014: \$71.3 million), in line with the lower activity levels for FY15. In 4Q15, additional inventories that amounted to \$17.7 million was capitalised as property, plant and equipment under the asset capitalisation exercise mentioned above. In total, the inventories were reduced by \$38.0 million in FY15 as a result of the exercise above.

Trade and other receivables was \$202.9 million (31 March 2014: \$217.9 million) while trade and other payables was \$139.9 million (31 March 2014: \$126.6 million).

Borrowings

Total borrowings of the Group as at 31 March 2015 were \$118.1 million (31 March 2014: \$150.9 million). This represents a debt over equity ratio of 0.66 (31 March 2014: 0.76), a reduction of 13.3%.

The decrease in borrowings was mainly due to net repayment of bank borrowings in FY15.

Equity and Net Asset Value

Total equity was \$179.0 million as at 31 March 2015 (31 March 2014: \$198.2 million), while net asset value per ordinary share was 14.8 cents (31 March 2014: 16.4 cents).

CASH FLOW

	4Q15 \$'000	3Q15 \$'000	Change %	4Q14 \$'000	Change %	FY15 \$'000	FY14 \$'000	Change %
Cash Flow from Operating Activities	16,758	23,955	(30.0)	20,239	(17.2)	64,158	44,333	44.7
Cash Flow from Investing Activities	(7,399)	(903)	N.M.	721	N.M.	(8,269)	5,118	N.M.
Cash Flow from Financing Activities	(3,795)	(19,274)	(80.3)	(16,927)	(77.6)	(45,619)	(45,359)	0.6
Cash and Cash Equivalents	18,295	12,669	44.4	7,927	N.M.	18,295	7,927	N.M.

Cash Flow from Operating Activities

Net cash inflow from operating activities for 4Q15 and FY15 were \$16.8 million (4Q14: \$20.2 million) and \$64.2 million (FY14: \$44.3 million) respectively.

Quarter-on-quarter, net cash inflows from operating activities remains strong at \$16.8 million for 4Q15 and \$24.0 million for 3Q15.

The above was the result of the Group's intense efforts in managing its inventories and trade receivables during the periods under review.

Cash Flow from Investing Activities

The Group's net cash outflow from investing activities for 4Q15 was \$7.4 million, compared to a net cash inflow of \$0.7 million a year ago. For FY15, the Group recorded a net cash outflow of \$8.3 million compared to a net cash inflow of \$5.1 million for FY14, when the Group generated proceeds of \$3.5 million from the sale of a leasehold building.

Higher cash outflows in 4Q15 was mainly due to the Group's investment of \$4.0 million for the acquisition and development of a leasehold industrial land through a joint venture with the New Hope Group. In addition, the Group also made partial payment of \$2.1 million for the acquisition of additional 15% stake in ICE Far East Pte. Ltd. and its subsidiaries ("ICE Group"), therefore raising its stake in the ICE Group to 85%.

Cash Flow from Financing Activities

The Group recorded a net cash outflow from financing activities of \$3.8 million for 4Q15 (4Q14: \$16.9 million), arising from net repayment of bank borrowings during the period under review.

The net cash outflows from financing activities for FY15 of \$45.6 million was largely similar to FY14.

Cash and Cash Equivalents

Taking the abovementioned factors into consideration, the Group ended 31 March 2015 with cash and cash equivalents of \$18.3 million, an increase of \$5.6 million and \$10.3 million for 4Q15 and FY15 respectively.

Outlook

The Group expects the 2015 operating environment for the construction industry to remain very challenging. In Singapore, the several rounds of property cooling measures introduced in 2013 and 2014 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 launched in 2015 will be 16,900. This is a significant decline from the 22,455 units launched in 2014 and 25,100 units launched in 2013.

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.

In Malaysia, some large-scale projects particularly in the transportation and energy infrastructure sectors may provide a basis for demand growth. However, 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 25 May 2015, the Group's order book stood at approximately \$210 million (4 February 2015: \$260 million). The bulk of these contracts is expected to be completed within the next six to nine months.

Amid these difficult conditions, the Group remains committed to ensuring that it remains competitive. It is thus closely monitoring its operations for improved productivity and increased efficiency, and expects to take active steps to restructure and rationalise its operations to effectively deal with the challenges ahead.

Consolidated Income Statement for the 12 months ended 31 March 2015

	Note	Group			Group		
		4th Quarter ended		Change	12 months ended		Change
		31-Mar-15	31-Mar-14		31-Mar-15	31-Mar-14	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		115,032	111,209	3.4	427,925	487,125	(12.2)
Cost of sales	A	(108,547)	(102,301)	6.1	(403,835)	(453,325)	(10.9)
Gross profit		6,485	8,908	(27.2)	24,090	33,800	(28.7)
Other income	B	1,474	1,401	5.2	3,572	8,083	(55.8)
Distribution expenses		(147)	(111)	32.4	(557)	(618)	(9.9)
Administrative expenses	C	(9,432)	(7,400)	27.5	(31,812)	(30,208)	5.3
Other operating expenses	D	(533)	(1,352)	(60.6)	(1,870)	(1,745)	7.2
Impairment losses on plant and equipment	E	(6,876)	-	N.A.	(6,876)	-	N.A.
Impairment losses reversed on trade and other receivables	F	-	-	N.A.	6,858	-	N.A.
Net provision made as a result of an arbitration award received	G	-	-	N.A.	(3,161)	-	N.A.
Results from operating activities		(9,029)	1,446	N.M.	(9,756)	9,312	N.M.
Finance income		77	42	83.3	232	310	(25.2)
Finance expenses		(871)	(1,059)	(17.8)	(3,848)	(4,299)	(10.5)
Net finance expenses		(794)	(1,017)	(21.9)	(3,616)	(3,989)	(9.4)
Share of (loss)/profit of a joint venture		(12)	1	N.M.	168	276	(39.1)
(Loss)/Profit before tax		(9,835)	430	N.M.	(13,204)	5,599	N.M.
Tax credit/(expense)	H	1,107	1,401	(21.0)	(429)	580	N.M.
(Loss)/Profit for the period/year		(8,728)	1,831	N.M.	(13,633)	6,179	N.M.
Attributable to:							
Owners of the Company		(9,027)	533	N.M.	(16,699)	2,980	N.M.
Non-controlling interests		299	1,298	(77.0)	3,066	3,199	(4.2)
(Loss)/Profit for the period/year		(8,728)	1,831		(13,633)	6,179	
Gross profit margin		5.6%	8.0%		5.6%	6.9%	
Net (loss)/profit margin		-7.6%	1.6%		-3.2%	1.3%	

Consolidated Statement of Comprehensive Income for the 12 months ended 31 March 2015

	Group			Group		
	4th Quarter ended		Change	12 months ended		Change
	31-Mar-15	31-Mar-14		31-Mar-15	31-Mar-14	
(Loss)/Profit for the period/year	\$'000 (8,728)	\$'000 1,831	% N.M.	\$'000 (13,633)	\$'000 6,179	% N.M.
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	(496)	231	N.M.	(828)	(768)	7.8
Translation differences relating to liquidation of interests in a subsidiary reclassified to profit or loss	-	-	N.A.	-	(211)	(100.0)
Other comprehensive income for the period/year, net of tax	(496)	231	N.M.	(828)	(979)	(15.4)
Total comprehensive income for the period/year	(9,224)	2,062	N.M.	(14,461)	5,200	N.M.
Attributable to:						
Owners of the Company	(9,570)	772	N.M.	(17,608)	2,068	N.M.
Non-controlling interests	346	1,290	(73.2)	3,147	3,132	0.5
Total comprehensive income for the period/year	(9,224)	2,062		(14,461)	5,200	

Statement of Financial Position as at 31 March 2015

DESCRIPTION	Note	Group		Company	
		31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	185,617	166,832	-	-
Intangible assets		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	94,418	87,418
- a joint venture		1,613	1,302	-	-
Other investment		828	1,917	-	-
Trade and other receivables		12,902	14,295	-	-
Deferred tax asset		-	-	29	29
		202,412	185,798	94,447	87,447
Current assets					
Inventories	2	27,001	71,295	-	-
Derivatives		-	22	-	-
Trade and other receivables		202,879	217,915	31,788	29,572
Cash and cash equivalents		19,167	13,020	508	609
Non-current assets classified as held for sale		-	83	-	-
		249,047	302,335	32,296	30,181
Total assets		451,459	488,133	126,743	117,628

Statement of Financial Position as at 31 March 2015 (cont'd)

DESCRIPTION	Note	Group		Company	
		31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		64,953	64,953	64,953	64,953
Reserves		89,366	109,262	45,497	44,745
		154,319	174,215	110,450	109,698
Non-controlling interests		24,719	24,019	-	-
Total equity		179,038	198,234	110,450	109,698
Non-current liabilities					
Loans and borrowings		31,739	46,348	-	-
Deferred tax liabilities		570	3,294	-	-
		32,309	49,642	-	-
Current liabilities					
Loans and borrowings		86,358	104,528	-	-
Derivatives		-	2	-	-
Trade and other payables		139,868	126,593	16,192	7,858
Excess of progress billings over construction work-in-progress		8,976	8,136	-	-
Current tax payable		1,749	998	101	72
Provisions		3,161	-	-	-
		240,112	240,257	16,293	7,930
Total liabilities		272,421	289,899	16,293	7,930
Total equity and liabilities		451,459	488,133	126,743	117,628

Consolidated Statement of Cash Flows for the 12 months ended 31 March 2015

	4th Quarter ended		12 months ended	
	<u>31-Mar-15</u>	<u>31-Mar-14</u>	<u>31-Mar-15</u>	<u>31-Mar-14</u>
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
(Loss)/Profit for the period/year	(8,728)	1,831	(13,633)	6,179
Adjustments for:				
Allowance made for foreseeable losses on construction work-in-progress	316	-	316	-
Allowance (reversed)/made for inventory obsolescence	-	(6)	-	44
Bad debts written off	192	107	272	181
Depreciation of property, plant and equipment	7,719	6,754	28,799	27,385
Gain on assignment and nomination of purchase rights of an industrial land	-	-	-	(2,797)
(Gain)/Loss on disposal of:				
- property, plant and equipment	(368)	(435)	(1,528)	(2,460)
- a subsidiary	-	-	-	2
Impairment losses made/(reversed) on:				
- property, plant and equipment	6,876	-	6,876	-
- trade and other receivables	278	1,250	(5,378)	1,254
Inventories written down	59	276	94	586
Inventories written off	8	3	8	3
Loss on liquidation of a subsidiary	-	-	-	1
Net finance expenses	794	1,017	3,616	3,989
Net provision made as a result of an arbitration award received	-	-	3,161	-
Property, plant and equipment written off	-	3	-	4
Translation differences relating to liquidation of interests in a subsidiary	-	-	-	211
Share of loss/(profit) of a joint venture	12	(1)	(168)	(276)
Tax (credit)/expense	(1,107)	(1,401)	429	(580)
Operating activities before working capital changes	6,051	9,398	22,864	33,726
Changes in working capital:				
Inventories	(384)	10,358	7,212	857
Trade, progress billing and other receivables	15,096	17,249	23,474	6,632
Trade and other payables	(3,550)	(16,478)	12,919	5,497
Cash generated from operations	17,213	20,527	66,469	46,712
Taxes paid	(522)	(324)	(2,384)	(2,416)
Interest received	67	36	73	37
Net cash generated from operating activities	16,758	20,239	64,158	44,333

Consolidated Statement of Cash Flows for the 12 months ended 31 March 2015 (cont'd)

	4th Quarter ended		12 months ended	
	<u>31-Mar-15</u>	<u>31-Mar-14</u>	<u>31-Mar-15</u>	<u>31-Mar-14</u>
	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(6,831)	(1,100)	(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	1,228	1,479	3,160	8,410
- subsidiaries in previous year	337	342	337	342
Disposal of a subsidiary, net of cash disposed of	-	-	-	(4)
Acquisition of non-controlling interests	(2,133)	-	(2,133)	-
Acquisition of other investment	-	-	-	(1,924)
Net cash (used in)/generated from investing activities	(7,399)	721	(8,269)	5,118
Cash flows from financing activities				
Interest paid	(872)	(1,128)	(3,805)	(4,286)
Dividend paid:				
- owners of the Company	-	-	(1,210)	(728)
- non-controlling interests of subsidiaries	(600)	(150)	(600)	(195)
Proceeds from:				
- bank loans and hire purchase loans	14,275	9,739	50,194	46,333
- bills payable	12,557	18,517	48,800	81,765
- cash grant from Productivity and Innovation Credit Scheme for acquisition of property, plant and equipment	-	129	68	129
Purchase of treasury shares	-	(158)	(18)	(912)
Redemption of preference shares	-	-	-	(1,100)
Repayment of:				
- bank loans	(12,171)	(11,277)	(46,815)	(38,321)
- bills payable	(9,129)	(21,018)	(55,901)	(90,248)
- finance lease liabilities	(7,855)	(11,581)	(36,332)	(37,796)
Net cash used in financing activities	(3,795)	(16,927)	(45,619)	(45,359)
Net increase in cash and cash equivalents	5,564	4,033	10,270	4,092
Cash and cash equivalents at 1 January/1 April	12,669	3,854	7,927	3,920
Effect of exchange rate changes on balances held in foreign currencies	62	40	98	(85)
Cash and cash equivalents at 31 March	18,295	7,927	18,295	7,927
Comprising:				
Cash and cash equivalents	19,167	13,020	19,167	13,020
Bank overdrafts	(872)	(5,093)	(872)	(5,093)
Cash and cash equivalents in the consolidated cash flow statement	18,295	7,927	18,295	7,927

Statements of Changes in Equity for the 12 months ended 31 March 2015

Group	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Share option reserve	Currency translation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2013	64,953	17,798	(1,424)	116	732	(1,122)	137	92,597	173,787	21,082	194,869
Total comprehensive income for the year											
Profit or loss	-	-	-	-	-	-	-	2,980	2,980	3,199	6,179
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	-	-	-	-	-	(701)	-	-	(701)	(67)	(768)
Translation differences relating to liquidation of interests in a subsidiary reclassified to profit or loss	-	-	-	-	-	(211)	-	-	(211)	-	(211)
Total other comprehensive income	-	-	-	-	-	(912)	-	-	(912)	(67)	(979)
Total comprehensive income for the year	-	-	-	-	-	(912)	-	2,980	2,068	3,132	5,200
Transactions with owners, recorded directly in equity											
Effect of share options forfeited/expired during the year	-	-	-	-	(732)	-	-	732	-	-	-
Purchase of treasury shares	-	-	(912)	-	-	-	-	-	(912)	-	(912)
Dividend paid in respect of financial year 2013	-	-	-	-	-	-	-	(728)	(728)	-	(728)
- Final dividend of 0.06 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	-	-	(195)	(195)
Dividends paid to non-controlling interests	-	-	(912)	-	(732)	-	-	4	(1,640)	(195)	(1,835)
Total transactions with owners	64,953	17,798	(2,336)	116	-	(2,034)	137	95,581	174,215	24,019	198,234
At 31 March 2014	64,953	17,798	(2,336)	116	-	(2,034)	137	95,581	174,215	24,019	198,234
At 1 April 2014	64,953	17,798	(2,336)	116	-	(2,034)	137	95,581	174,215	24,019	198,234
Total comprehensive income for the year											
Profit or loss	-	-	-	-	-	-	-	(16,699)	(16,699)	3,066	(13,633)
Other comprehensive expense											
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	-	-	-	-	-	(909)	-	-	(909)	81	(828)
Total other comprehensive income	-	-	-	-	-	(909)	-	-	(909)	81	(828)
Total comprehensive income for the year	-	-	-	-	-	(909)	-	(16,699)	(17,608)	3,147	(14,461)
Transactions with owners, recorded directly in equity											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(1,060)	-	(1,060)	(1,847)	(2,907)
Purchase of treasury shares	-	-	(18)	-	-	-	-	-	(18)	-	(18)
Dividend paid in respect of financial year 2014	-	-	-	-	-	-	-	(1,210)	(1,210)	-	(1,210)
- Final dividend of 0.10 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	-	-	-	(600)	(600)
Dividends paid to non-controlling interests	-	-	(18)	-	-	-	(1,060)	(1,210)	(2,288)	(2,447)	(4,735)
Total transactions with owners	64,953	17,798	(2,354)	116	-	(2,943)	(923)	77,672	154,319	24,719	179,038
At 31 March 2015	64,953	17,798	(2,354)	116	-	(2,943)	(923)	77,672	154,319	24,719	179,038

Statements of Changes in Equity for the 12 months ended 31 March 2015 (cont'd)

<u>Company</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Reserve for own shares</u>	<u>Share option reserve</u>	<u>Accumulated profits</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2013	64,953	17,798	(1,424)	732	28,098	110,157
Total comprehensive income for the year	-	-	-	-	1,441	1,441
Transactions with owners, recorded directly in equity						
Effect of share options forfeited/expired during the year	-	-	-	(732)	472	(260)
Purchase of treasury shares	-	-	(912)	-	-	(912)
Dividend paid in respect of financial year 2013						
- Final dividend of 0.06 cents per share (tax-exempt one-tier)	-	-	-	-	(728)	(728)
Total transactions with owners	-	-	(912)	(732)	(256)	(1,900)
At 31 March 2014	64,953	17,798	(2,336)	-	29,283	109,698
At 1 April 2014	64,953	17,798	(2,336)	-	29,283	109,698
Total comprehensive income for the year	-	-	-	-	1,980	1,980
Transactions with owners, recorded directly in equity						
Purchase of treasury shares	-	-	(18)	-	-	(18)
Dividend paid in respect of financial year 2014						
- Final dividend of 0.10 cents per share (tax-exempt one-tier)	-	-	-	-	(1,210)	(1,210)
Total transactions with owners	-	-	(18)	-	(1,210)	(1,228)
At 31 March 2015	64,953	17,798	(2,354)	-	30,053	110,450

Note:

Capital reserve

Capital Reduction Reserve

<u>Group</u>	<u>Company</u>
\$'000	\$'000
17,798	17,798

The Capital Reduction Reserve shall not be treated or used by the Company as a distributable reserve for dividend purposes in accordance with Article 142 of the Articles of Association of the Company and the Companies Act, Chapter 50 of Singapore.

Notes to the Financial Statements

Notes to the Consolidated Income Statement

The Group is reporting its full year results for the period from 1 April 2014 to 31 March 2015 ("FY15") with comparative figures for the 12 months period from 1 April 2013 to 31 March 2014 ("FY14").

A Cost of sales

	Group			
	4th Quarter ended		12 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	\$'000	\$'000	\$'000	\$'000
Cost of sales includes the following items:				
Allowance made for foreseeable losses on construction work-in-progress	316	-	316	-
Allowance (reversed)/made for inventory obsolescence	-	(6)	-	44
Depreciation of property, plant and equipment	7,496	6,521	27,945	26,433
Inventories written down	59	276	94	586
Inventories written off	8	3	8	3

B Other income

	Group			
	4th Quarter ended		12 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	\$'000	\$'000	\$'000	\$'000
Other income includes the following items:				
Gain on assignment and nomination of purchase rights of an industrial land	-	-	-	2,797
Gain on disposal of property, plant and equipment	368	435	1,528	2,460

C Administrative expenses

	Group			
	4th Quarter ended		12 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	\$'000	\$'000	\$'000	\$'000
Administrative expenses includes the following items:				
Depreciation of property, plant and equipment	223	233	854	952
Exchange loss	445	171	897	870

Notes to the Consolidated Income Statement (cont'd)

D Other operating expenses

	Group			
	4th Quarter ended		12 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	\$'000	\$'000	\$'000	\$'000
Other operating expenses includes the following items:				
Bad debts written off	192	107	272	181
Impairment losses made on trade and other receivables ⁽¹⁾	278	1,250	1,480	1,254
Loss on disposal of a subsidiary	-	-	-	2
Loss on liquidation of a subsidiary	-	-	-	1
Property, plant and equipment written off	-	3	-	4
Translation differences relating to liquidation of interests in a subsidiary	-	-	-	211

⁽¹⁾ The Group's accounts receivables position is reviewed on a periodic basis. Impairment losses are made where required, after assessing the probability of recovering the accounts receivables. These impairment losses do not relate to any major customers. Amounts written back are cash recovered from receivables previously impaired.

E Impairment losses on plant and equipment

As at 31 March 2015, the Group carried out an impairment assessment on the plant and equipment of the subsidiaries involved in the foundation engineering business in Singapore. The foundation engineering business in Singapore has incurred losses in FY15 as a result of intense competition and a reduction in demand for construction services. The recoverable amounts of certain plant and equipment were estimated either using the fair value less costs to sell or the value in use approach.

As a result of the impairment assessment above, total impairment loss of \$6.9 million was recognised on certain plant and equipment in the income statement.

F Impairment losses reversed on trade and other receivables

With reference to the Group's announcement dated 21 October 2014, the Group has recovered the trade debt due from Changi Motorsports Hub project. Accordingly, a previous impairment loss made of \$6.9 million was written back to income statement in 2Q15.

G Net provision made as a result of an arbitration award received

With reference to the Group's announcement dated 9 January 2015, the Group had received an unfavourable arbitration award pursuant to an arbitration proceeding against a third party. As a result of the arbitration proceedings, the following adjustments were recognised in the income statement for 3Q15:

	\$'000
i) Provision for project losses	3,510
ii) Award for additional work performed	(349)
	<u>3,161</u>

Notes to the Consolidated Income Statement (cont'd)

H Tax (credit)/expense

	Group			
	4th Quarter ended 31/03/2015	31/03/2014	12 months ended 31/03/2015	31/03/2014
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
- current period/year	645	1,304	2,978	2,454
- (over)/under provided in prior years	-	(385)	166	(233)
	645	919	3,144	2,221
Deferred tax credit				
- current period/year	(1,752)	(31)	(2,832)	(378)
- (over)/under provided in prior years	-	(2,289)	117	(2,423)
	(1,752)	(2,320)	(2,715)	(2,801)
	(1,107)	(1,401)	429	(580)

I Interested person transactions

Interested person transactions carried out during the 12 months ended 31 March 2015 under Chapter 9 of the Listing Manual are as follows:

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	4th Quarter ended 31/03/2015 \$'000	12 months ended 31/03/2015 \$'000	4th Quarter ended 31/03/2015 \$'000	12 months ended 31/03/2015 \$'000
CMC Construction Pte Ltd ⁽¹⁾	Nil	Nil	472	1,955
Tat Hong HeavyEquipment (HK) Ltd ⁽¹⁾	Nil	Nil	435	1,583
Tat Hong HeavyEquipment (Pte.) Ltd. ⁽¹⁾	Nil	Nil	610	1,705
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	Nil	Nil	1,012	1,582

Note:

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

Notes to the Statement of Financial Position

1 Property, plant and equipment

The movement in property, plant and equipment is as follows:

	Group	
	As at 31/03/2015 \$'000	As at 31/03/2014 \$'000
<u>Cost</u>		
Opening balance	322,705	323,886
Additions	19,702	10,964
Reclassification from inventories	38,035	4,075
Transfer to assets held for sale	-	(371)
Transfer to inventories	-	(1,811)
Disposals/Write-offs	(8,075)	(12,380)
Translation differences on consolidation	(526)	(1,658)
Closing balance	371,841	322,705
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	155,873	139,319
Depreciation charge	28,799	27,385
Impairment losses	6,876	-
Transfer to assets held for sale	-	(16)
Transfer to inventories	-	(904)
Disposals/Write-offs	(4,627)	(9,365)
Translation differences on consolidation	(697)	(546)
Closing balance	186,224	155,873
Carrying amount	185,617	166,832

2 Inventories

	Group	
	As at 31/03/2015 \$'000	As at 31/03/2014 \$'000
Equipment and machinery held for sale	13,795	59,790
Spare parts	10,050	8,351
Construction materials on sites	3,181	3,179
	27,026	71,320
Allowance for inventory obsolescence	(25)	(25)
	27,001	71,295

3 Excess of progress billings over construction work-in-progress

	Group	
	As at 31/03/2015 \$'000	As at 31/03/2014 \$'000
Costs incurred and attributable profits	483,137	871,117
Allowance for foreseeable losses	(316)	-
	482,821	871,117
Progress billings	(491,797)	(879,253)
	(8,976)	(8,136)

Notes to the Statement of Financial Position (cont'd)

4 Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/03/2015	
Secured	Unsecured
\$'000	\$'000
24,821	61,537

As at 31/03/2014	
Secured	Unsecured
\$'000	\$'000
33,212	71,316

Amount repayable after one year

As at 31/03/2015	
Secured	Unsecured
\$'000	\$'000
28,056	3,683

As at 31/03/2014	
Secured	Unsecured
\$'000	\$'000
39,750	6,598

Details of any collateral

The Group's total borrowings were \$118.1 million (31 March 2014: \$150.9 million) and consist of finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$13.6 million (31 March 2014: \$20.7 million).

The overdrafts, bills payable, finance lease liabilities and bank loan facilities are secured by legal mortgages over the Group's assets listed below and guaranteed by the Company. Out of which \$19,234,000 (31 March 2014: \$30,887,000) and \$Nil (31 March 2014: \$10,047,000) are also guaranteed by a related corporation and directors of certain subsidiaries respectively:

- a) \$46,330,000 (31 March 2014: \$61,829,000) in respect of plant and machinery acquired under finance leases;
- b) \$4,375,000 (31 March 2014: \$6,875,000) which are secured by a charge over the leasehold land and properties; and
- c) \$2,172,000 (31 March 2014: \$4,258,000) which are secured by a mortgage over the plant and machinery.

Notes to the Statement of Changes in Equity

1 Changes in the Company's Share Capital

As at 31 March 2015, the issued and fully paid-up share capital of the Company was 1,230,243,725 (31 March 2014: 1,230,243,725) ordinary shares.

During the year ended 31 March 2015, the Company completed the buy-back of 200,000 ordinary shares. There were 20,520,000 shares held as treasury shares as at 31 March 2015 (31 March 2014: 20,320,000 shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the year ended 31 March 2015.

The total number of ordinary shares issued (excluding treasury shares) as at 31 March 2015 was 1,209,723,725 (31 March 2014: 1,209,923,725) ordinary shares.

As at 31 March 2015, there were no outstanding share options (31 March 2014: Nil) for conversion into ordinary shares.

Audit

The Group's figures have not been audited or reviewed by the Company's auditors.

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the year ended 31 March 2014, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning on or after 1 April 2014.

Financial Reporting Standards (FRS) which became effective for the Group's financial year beginning 1 April 2014 are as follows:

FRS 27	<i>Separate Financial Statements</i>
FRS 28	<i>Investments in Associates and Joint Ventures</i>
Amendments to FRS 36	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
FRS 110	<i>Consolidated Financial Statements</i>
FRS 111	<i>Joint Arrangements</i>
FRS 112	<i>Disclosure of Interests in Other Entities</i>

The adoption of the above FRS does not expect any significant impact on the Group's financial position or performance.

Earnings Per Share

(a) Basic (loss)/earnings per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Based on the weighted average number of ordinary shares on issue	(0.75) cents	0.04 cents	(1.38) cents	0.25 cents
	4th Quarter ended		12 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	\$'000	\$'000	\$'000	\$'000
Basic (loss)/earnings per ordinary share is based on:				
Net (loss)/profit attributable to ordinary shareholders	(9,027)	533	(16,699)	2,980
	4th Quarter ended		12 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	Number of shares			
Weighted average number of:				
Issued ordinary shares at beginning of the period/year	1,230,243,725	1,230,243,725	1,230,243,725	1,230,243,725
Ordinary shares held as treasury shares	(20,520,000)	(19,497,444)	(20,520,000)	(16,904,397)
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,209,723,725	1,210,746,281	1,209,723,725	1,213,339,328

(b) Diluted (loss)/earnings per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
On a fully diluted basis	(0.75) cents	0.04 cents	(1.38) cents	0.25 cents
	4th Quarter ended		12 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	\$'000	\$'000	\$'000	\$'000
Diluted (loss)/earnings per ordinary share is based on:				
Net (loss)/profit attributable to ordinary shareholders	(9,027)	533	(16,699)	2,980

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:

	4th Quarter ended		12 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	Number of shares			
Weighted average number of:				
Ordinary shares used in the calculation of basic earnings per ordinary share	1,209,723,725	1,210,746,281	1,209,723,725	1,213,339,328
Dilutive potential ordinary shares issuable	-	-	-	-
Weighted average number of ordinary issued and potential shares assuming full conversion	1,209,723,725	1,210,746,281	1,209,723,725	1,213,339,328

Net Asset Value

	<u>As at 31/03/2015</u>	<u>As at 31/03/2014</u>
<u>Group</u>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	14.8 cents	16.4 cents
<u>Company</u>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	9.1 cents	9.1 cents

The net asset value per ordinary share is calculated based on net asset value over the total number of ordinary shares issued (excluding treasury shares) as at 31 March 2015 of 1,209,723,725 (31 March 2014: 1,209,923,725) ordinary shares.

Variance from Prospect Statement

No forecast or prospect statement has been disclosed to shareholders.

Dividend

	FY15	FY14
Name of dividend	-	Final
Dividend type	-	Cash
Dividend per ordinary share	-	0.10 cents
Tax rate	-	Tax exempt

No dividend has been recommended in the current financial year.

Breakdown of Total Annual Dividend

	<u>31 March 2015 \$'000</u>	<u>31 March 2014 \$'000</u>
Ordinary	<u>-</u>	<u>1,210</u>

Segmental Revenue and Results

Business segments

The Group comprises the following main business 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.

	Foundation and Geotechnical Engineering		Sales and Lease of Equipment		Others		Total	
	FY15	FY14	FY15	FY14	FY15	FY14	FY15	FY14
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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
Total revenue	440,096	502,615	70,367	66,957	-	803	510,463	570,375
Reportable segment (loss)/profit before tax	(20,481)	1,689	5,459	6,016	(28)	(6)	(15,050)	7,699

Reconciliations of reportable segment revenues and profit or loss:

	FY15	FY14
	\$'000	\$'000
Revenue		
Total revenue for reportable segments	510,463	569,572
Other revenue	-	803
	510,463	570,375
Elimination of inter-segment revenue	(82,538)	(83,250)
Consolidated revenue	427,925	487,125
Profit or loss		
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

Breakdown of Sales

	12 months ended 31/03/2015 \$'000	12 months ended 31/03/2014 \$'000	Change %
(a) Sales reported for the first half year	196,278	257,628	(23.8)
(b) Operating profit after tax before deducting minority interest reported for the first half year	276	2,822	(90.2)
(c) Sales reported for the second half year	231,647	229,497	0.9
(d) Operating (loss)/profit after tax before deducting minority interest reported for the second half year	(13,909)	3,357	(514.3)

Confirmation

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that none of the persons occupying managerial positions in the Company or in any of its principal subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

By Order of the Board

Lee Quang Loong
Chief Financial Officer / Company Secretary
26 May 2015