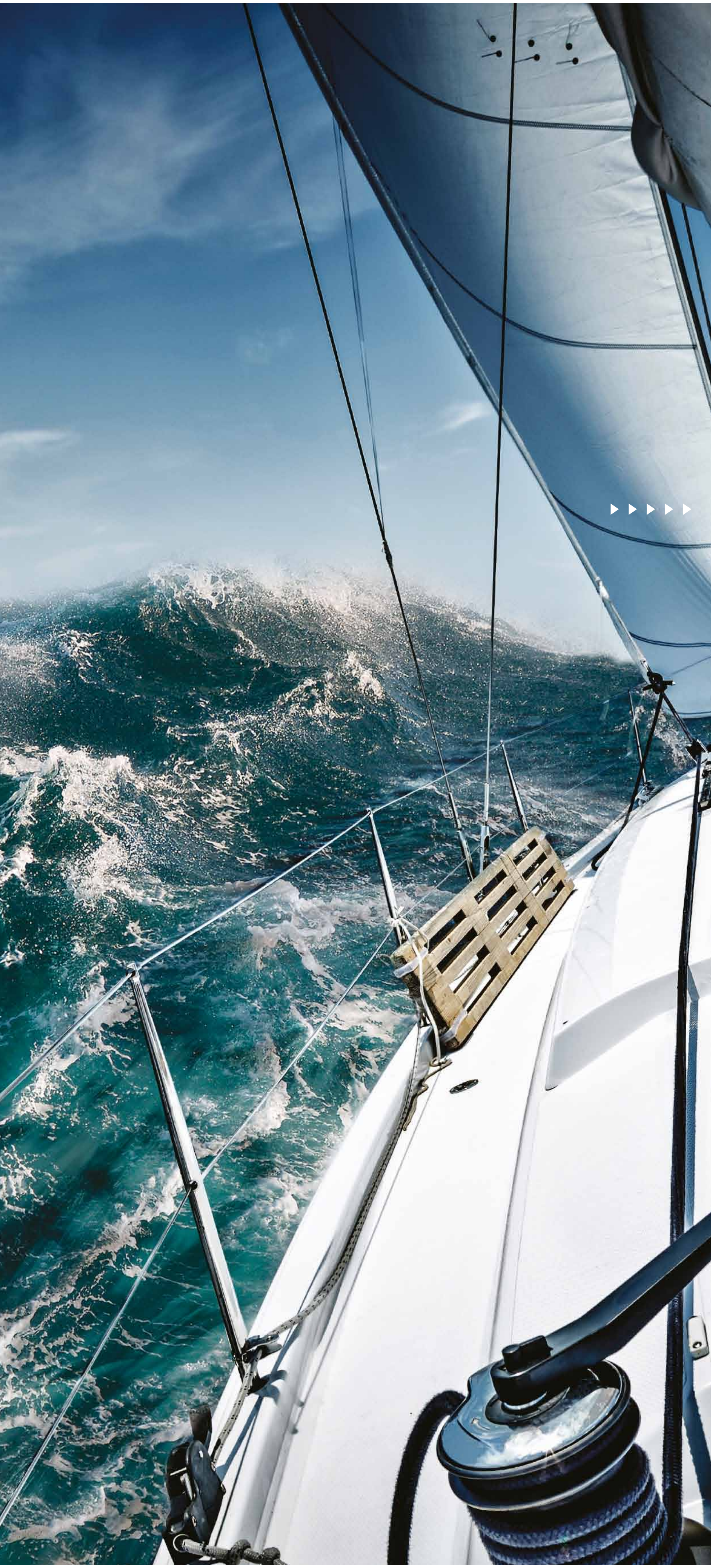


CSC

YOUR PARTNER IN GROUND ENGINEERING

FORGING AHEAD

WITH RESILIENCE

ANNUAL REPORT 2016

CONTENTS

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 underground tunnel monitoring and engineering survey. With a total regional workforce of around 1,600 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.

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

- Land and 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

Despite facing headwinds in a variable economic environment, we will adjust our sails and adapt to new challenges that lay ahead. By improving our operational efficiencies, we are confident in overcoming the tides to deliver greater returns in the future.

Navigating new challenges

STAYING AGILE IN CHANGING TIMES

"We believe that our on-going efforts to reduce costs and recalibrate our operations will bear fruit in the long run, and will continue to diligently monitor the market and adjust our operations accordingly in tandem with changes in demand for our services."

Dear Shareholders,

In recent years, the construction industry has faced strong headwinds brought about by a combination of industry-related policy changes and macroeconomic uncertainties. The challenges that we faced during the year under review were thus consistent with those we had been grappling with in the past. One of these is the intense competition amongst construction services providers for a share of a much smaller pie.

On the back of the difficult operating environment, revenue for the financial year ended 31 March 2016 ("FY16") declined by 10.7% to $382.3 million from $427.9 million in the financial year ended 31 March 2015 ("FY15"). This was largely a result of the slowing demand for construction services in Singapore, particularly from the private residential sector, as developers held back on property launches while biding a turnaround in market sentiment. The Group reported a net loss of $5.5 million for the year, compared to a net loss of $13.6 million in FY15.

YEAR IN REVIEW

Amid the general slowdown in industry activity, we took the opportunity to consolidate our position and strengthen ourselves. We are constructing a modern high value-added fabrication yard and workshop facility that will also serve as the Group's repair and maintenance facility. This centralised yard and maintenance facility will serve to further streamline the Group's operations and consequently improve its efficiency and reduce costs in the long term.

To help fund the construction, we embarked on a rights-cum-warrants issue at end-2015, and raised a sum of $9.6 million in net proceeds. A portion of the proceeds from the rights issue will also be used for working capital purposes and to strengthen our balance sheet.

In July 2015, we announced plans for the Group to venture into property development, investment and management. The expansion into the new business will allow us to add a new revenue stream to our current core business of foundation and geotechnical engineering. We received shareholders' approval at an extraordinary general meeting the same month, and have made some headway in the new financial year, as we took on a 40% stake in a joint venture to acquire a plot of land in Malaysia for commercial development.

OUTLOOK

Looking ahead, we do not expect operating conditions to be markedly different in the current financial year. In the midst of this, we endeavour to remain nimble to adapt our strategy to weather any storm that may come and seize opportunities that arise.

The subdued demand for construction services from the Singapore private residential and commercial sector is expected to be a drag on the overall construction industry. In light of this, we expect business activity in the industry to be driven by government infrastructure projects such as new MRT stations for the East Coast stretch of the Thomson-East Coast Line, JTC's integrated logistics hub and a ramp up in home improvement programmes for public housing.

In Malaysia and Thailand, the economic environment remains delicate, and this may have an impact on the demand for construction services and thus our overseas performance.

We believe that our on-going efforts to reduce costs and recalibrate our operations will bear fruit in the long run, and will continue to diligently monitor the market and adjust our operations accordingly in tandem with changes in demand for our services.

Additionally, we will continue to keep an eye out for opportunities to develop our property business, with a view of building a new recurring and sustainable income stream.

Our stock was placed on the watch-list of the Singapore Exchange Securities Trading Limited ("SGX-ST") under the minimum trading price ("MTP") entry criterion in March 2016 after being traded at a volume-weighted average price of less than $0.20 for more than six months. We have since reviewed several options to meet the MTP Exit Criterion. After considering factors such as current volatile market conditions, global economic outlook and reception by the market of the measures undertaken by other SGX-listed companies to meet MTP Exit Criterion, the Board is of the view that it would not be in the best interest of our shareholders for us to take any steps to exit the watch-list at this point in time. We will continue to monitor the situation and keep our shareholders posted on the option to be adopted in appropriate time.

ACKNOWLEDGEMENTS

The Group remains committed to providing quality solutions and services as Singapore's largest foundation and geotechnical engineering specialist, as well as taking the initiative to leverage opportunities that will benefit the business. I am grateful that we have a dedicated team of employees and management at the helm to help us achieve our objectives.

I would like to acknowledge the invaluable contributions of Mr Ng San Tiong who stepped down as Non-Executive Director of the Board in March 2016. It is also with deep appreciation that I acknowledge the counsel of my fellow Board members which has been instrumental in guiding the Company through tough times.

To our shareholders and business partners, thank you for standing by us through the years. We will continue to do our utmost to build value for our shareholders going forward.

Chee Teck Kwong Patrick
Independent
Non-Executive Chairman

“我们深信，凭藉不断努力压低成本和调整业务能在未来为集团带来效益。我们将继续密切关注业内走势，并根据市场需求的改变作出相应的业务和策略调正。”

尊敬的股东：

在业内政策改变和宏观经济充满不确定性的双重影响下，建筑业近年来可说是逆风而行。我们这一年面对了和往年相似的艰难挑战，其中包括在业内僧多粥少的情况下所造成的强烈竞争。

面对这艰巨的营业环境，集团在截至2016年3月31日的财政年度（2016财年）的营业额仅达3亿8230万元，相比截至2015年3月31日的财政年度（2015财年）的4亿2790万元下滑了10.7%。这是因为新加坡建筑业的需求量逐年递减，尤其是私宅项目因为私宅发展商延后推出发展项目而大量减少。集团因此在2016财年里报550万元的净亏损，2015财年则为1360万元净亏损。

年度回顾

在业内活动普遍放缓的情况下，集团借机凝聚力量，巩固自身。我们正着手建造现代化高附加值的装配和维修厂房，以作为集团维修与维护设施的集中地点。新装配和维修厂房将有助于简化集团运作，从而提升效率并达到长期的成本降低。

为了资助装配和维修厂房的的建设，集团于2015年终发售了附加股和认股权证，并成功筹得净额960万元。部分净额将作为营运资金及用于强化公司资产。

集团于2015年7月宣布开拓房地产发展、投资及管理的新业务。开拓新业务有助于在原有的核心基础及岩土工程业务外开辟新的收入来源。我们就此事于同一个月内举行了临时股东大会，并获得了股东们的同意。而新业务已在新的财年里取得了一些进展。我们正通过合资方式于马来西亚购买地皮，拟作商业发展。集团拥有这项合资的40%股权。

前景展望

我们认为本财政年度业内的营运环境在与往年没有明显的不同。我们将努力在策略上保持灵活，以助我们灵敏地度过难关并把握任何出现的商机。

新加坡私宅和商业地产对建筑服务的疲弱需求，预计将继续打击建筑业的整体表现。因此，我们认为建筑业需求将主要来自政府的基础设施项目，例如汤申-东海岸地铁线东海岸部分的新地铁站，裕廊集团的综合物流中心，以及政府组屋家居改进计划的扩大及加速展开。

海外市场方面，马来西亚与泰国的经济环境仍然充满不确定性，这或许对当地的建筑服务需求造成影响，从而冲击集团的海外业务表现。

我们深信，凭藉不断努力压低成本和调整业务能在未来为集团带来效益。我们将继续密切关注业内走势，并根据市场需求的改变作出相应的业务和策略调整。

此外，我们将继续留意拓展房地产业务的机会，从而开辟具有重复性和持续性的新收入来源。

另外，由于集团的股票在最近六个月的交易量加权平均股价无法在2016年3月的期限以前维持在至少0.20元，集团因此被列入新加坡交易所的观察名单。集团已探讨过多个方案以符合这项规定。基于当前不稳定市场和全球经济前景低迷，以及其它上市公司所采取但仍不见成效的不同方案后，董事局认为现阶段采取任何方案以脱离观察名单并不会为股东带来最佳利益。我们将继续留意市场情况，并会在适当时侯通知股东有关脱离观察名单所采取的方案。

致谢

作为新加坡最大规模的基础及岩土工程专家，集团将继续致力于提供高素质的服务和解决方案，并积极把握任何有利于集团的商机。我非常感激集团拥有一群非常敬业的员工和管理层们，极力为集团达成目标而奋斗。

我也希望在此感谢于2016年3月卸任非执行董事的黄山忠先生对集团宝贵的贡献。我也很感激其它董事局成员给予的建议，带领公司度过艰难时期。

股东们和商业伙伴们，感谢你们多年来的支持。我们会竭尽所能继续为股东们创造更高的价值。

徐泽光
独立非执行主席

OUR PRESENCE IN THE SOUTH EAST ASIA REGION

Provision of Foundation Engineering Services in Malaysia, Thailand, Vietnam and Laos.

PREVIOUS YEARS

INFRASTRUCTURE PROJECTS

MALAYSIA
- Second Penang Bridge
- Electrified Double Track Project between Seremban and Gemas
- Bukit Ria Mass Rapid Transit (MRT) Station and Klang Valley MRT (KVMRT) – Intervention Shaft at KL Sentral, several parcels of works from Sungei Buloh to Kajang and works at Cheras and Mutiara Damansara

VIETNAM
- Bac Hung Hai Bridge in Hanoi

THAILAND
- Sections of Srirat Expressway, Bangkok

RESIDENTIAL PROJECTS

MALAYSIA
- Condominiums in Klang Valley such as Westside 2 Condominium, Parkland OUG Condominium, Damansara Foresta Condominium, The Greens Service Apartment, V-Residence, Twin Galaxy Condominiums, DEX Soho Suite, Fortune Perdana Kepong Condominium, Parkhill Residence and Novo Ampang Condominium
- Bora Residences @ Tropicana Danga Bay, Molek Regency Condominium and Horizon Hills, Johor Bahru in Johor

VIETNAM
- Riviera Point High Rise Condominium in Ho Chi Minh City

THAILAND
- The LPN Rattanathibet Condominium, Bangkok
- Villa Arcadia Srinakarin, Bangkok
- U-Delight Condominium at Paholyothin, Bangkok
- Parque Condominium, Bangkok

INDUSTRIAL PROJECTS

MALAYSIA
- MEMC solar wafer manufacturing plant in Kuching

VIETNAM
- Industrial Complex in Long An Province

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

COMMERCIAL PROJECT

MALAYSIA
- CIMB - Mapletree Office Tower in KL Sentral
- Eco Sky Residence Mix Development at Kuala Lumpur
- Kiara 163 Mix Development at Kuala Lumpur
- Datum Jelatek Mix Development at Kuala Lumpur

THAILAND
- The S B design square and The Crystal at Ratchaphruek
- Lumpini Night Bazaar at Ratchadapisek in Bangkok

INSTITUTIONAL PROJECTS

MALAYSIA
- National Cancer Centre
- University Institute Teknologi MARA Campus in Seremban
- Malaysia Multimedia University at Cyberjaya, Selangor
- UiTM Campus at Puncak Alam, Selangor

THAILAND
- Royal Thai Navy Hospital
- Singapore International School
- Concordia International School
- New Thai Parliament House

CURRENT YEAR

RESIDENTIAL PROJECTS

MALAYSIA
- The Henge @ Kepong
- I-Santorini Condo at Tanjung Tokong in Penang
- GenKL @ Kuchai Lama
- Eco Santuary –The Parque Residences

THAILAND
- LPN Condo, Nawamin Soi 38, Bangkok
- LPN Condo, Teparak Srinakarin
- Bangkok Living House in Ubon Ratchthani

INDUSTRIAL PROJECTS

MALAYSIA
- Polyvinyl Butyral (PVB) Resin Plant and 2nd Crystex Plant, Kuantan, Pahang
- Petronas Rapid Project in Pengerang

THAILAND
- TTCL Power Plant in Klong Luang Pathumthani
- Thailand Rojana Power Plant SPP3 in Ayutthaya
- Jotun –Amata at Chonburi

COMMERCIAL PROJECT

MALAYSIA
- Astoria Ampang
- The Zizz @ Damansara North
- Lexa Residence – The Quartz

THAILAND
- Don Mueang International Airport, Bangkok

LAOS
- Vientiane International Airport Terminal Building

INSTITUTIONAL PROJECTS

MALAYSIA
- DEMC Specialist Hospital Shah Alam – Phase (II)
- International School in Kuala Lumpur

THAILAND
- Singapore International School (Phase II) in Bangkok
- Singapore International School in Chiangmai

OUR PROJECTS IN SINGAPORE

Major foundation and geotechnical engineering works awarded to CSC group (Singapore projects)

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, Springleaf, Lentor, Tuas West and Tuas Link
- North-South Transmission Cable Tunnel
- Changi Airport Terminal 4

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, Woodlands and other townships in Singapore

INDUSTRIAL PROJECTS

- Renewable Energy Corporation (REC) Manufacturing Facility
- Neste Oil's NE×BTL Renewable Diesel Plant
- Exxon Mobil's Project in Jurong Island
- Singapore LNG Terminal
- Lanxess synthetic rubber plant
- Halliburton HCT Campus
- Mead Johnson Nutrition Facility
- Seagate Singapore Design Centre (the Shugart)
- Extension of fabrication facility for Micron Technology
- New facility for Philips Electronics Singapore
- Manufacturing facility for Huntsman in Jurong Island
- Chemical plant for Exxonmobil Singapore in Jurong Island

COMMERCIAL PROJECTS

- Integrated Resorts at Marina Bay Sands and Resorts World Sentosa
- Fusionopolis
- Marina Bay Financial Centre
- Nex @ Serangoon Central
- ION Orchard
- The Seletar Mall
- Project Jewel (Changi Airport)

INSTITUTIONAL PROJECTS

- Institute of Technical Education (ITE) Collegue Central and Headquarters
- Singapore Sports Hub
- Farrer Park Mediplex
- Singapore University of Technology and Design (SUTD)
- National Heart Centre
- China Cultural Centre
- New Overseas Family School
- New State Courts Complex
- Raffles Hospital extension
- Tampines Town Hub

CURRENT YEAR

INFRASTRUCTURE PROJECTS

- Tunneling survey for Thomson East Coast MRT Stations of East Coast Integrated 4 In-1 Rail and Bus Depot and Reception Tunnels, Katong Park Station, Amber Station, Marine Terrace Station, Siglap Station, Bayshore Station and Xilin Station

RESIDENTIAL PROJECTS

- Sims Urban Oasis
- High Park Residences
- Public Housing Developments at Tampines, Yishun & Geylang
- The Criterion at Yishun
- Northwave Executive Condominium at Woodlands

INDUSTRIAL PROJECTS

- Micron Fab 10X
- Toll City
- CWT @ 47 Jalan Buroh

INSTITUTIONAL PROJECTS

- Police Divisional HQ at Woodlands
- Australia International School
- St Joseph Institution

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.

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.

2009
- Acquisition of 70% equity stake in Spectest Sdn Bhd.
- Incorporation of GPSS Geotechnic Sdn Bhd.

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.

2015
- Incorporation of CS Industrial Properties Pte Ltd, a wholly owned subsidiary of the Company, as the investment holding company for the joint venture with New Hope Singapore Pte Ltd.
- Acquisition of 15% stake in ICE Far East Pte Ltd, making it an 85% owned subsidiary of THL Foundation Equipment Pte Ltd.
- Investment of 49% in NHCS Investment Pte Ltd in relation to the joint venture with New Hope Group in connection with the acquisition and development of leasehold industrial land at Tuas South Street 9.
- Obtained shareholders' approval in the Extraordinary General Meeting for the diversification of business of the Group to include the property business.
- Completion of renounceable non-underwritten rights cum warrants issue – (1) 1 rights issue share for 3 existing shares at 3 cents per rights share; (2) 5 free warrants for 1 rights share, exercise price at 1 cent per warrant share.

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.

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.

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.

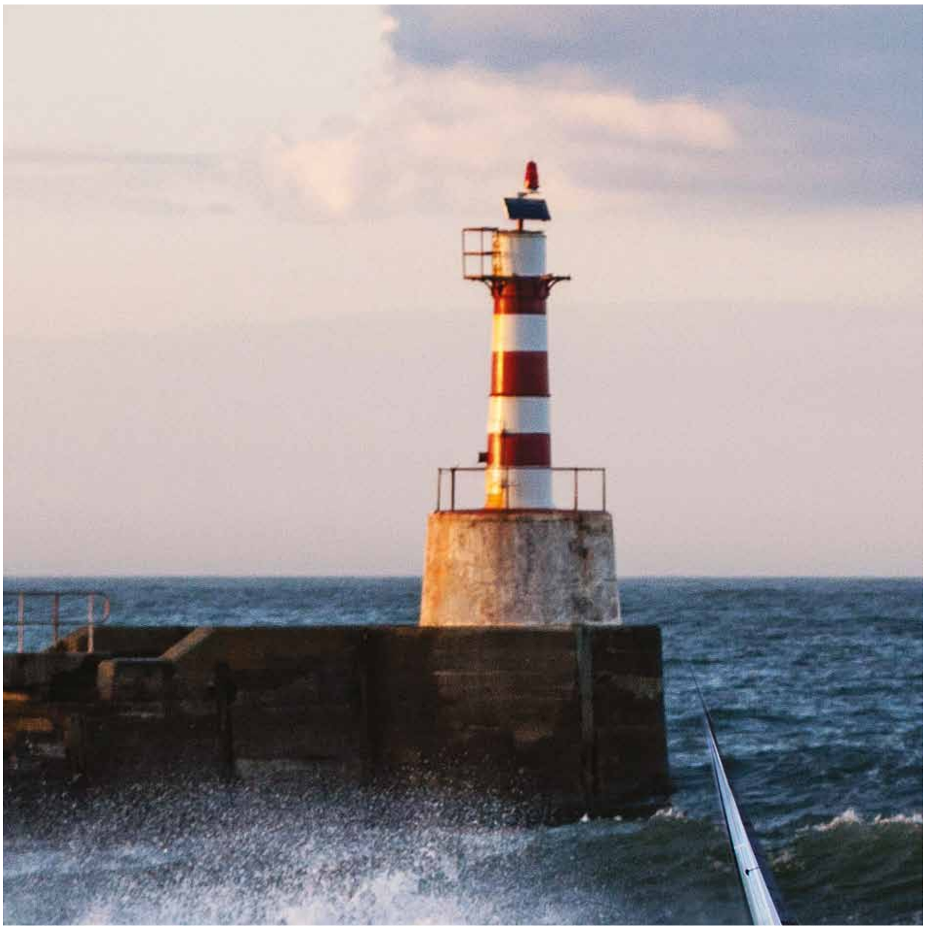
2014
- Completion of voluntary liquidation (via strike-off) of CS India Pte Ltd.
- Signing of the Framework Investment Agreement with New Hope Singapore Pte Ltd in connection with the acquisition and development of leasehold industrial land at Tuas South Street 9.

2015
- Incorporation of IMT-THL India Private Limited, a wholly owned subsidiary of THL Foundation Equipment Pte Ltd.
- Completion of voluntary liquidation (via strike-off) of CS Industrial Land Pte Ltd.

2016
- Sale of L&M Philippines, Inc.
- Incorporation of CS Real Estate Investments Pte Ltd.
- Acquisition of remaining 35% stake in GPSS Geotechnic Sdn Bhd, making it a wholly owned subsidiary of the Group.
- Incorporation of THL Foundation Equipment (Philippines) Inc, a wholly owned subsidiary of THL Foundation Equipment Pte Ltd.
- Investment of 40% in Top3 Development Sdn Bhd in connection with a proposed commercial development in Seremban, Negeri Sembilan, Malaysia.

CSC remains guided by strong leadership and an able management team, whose clear vision continues to light the way forward. This vision is supported by a dedicated group of staff and resilient business partners, creating dynamic synergies that enable us to stand firm even in changing times.

Standing firm amid challenges



FOCUSING ON
A CLEAR VISION

" Since the last financial year, we have been looking ahead and bracing ourselves for a possible downturn in the Singapore construction sector by implementing initiatives to right-size our operations and reduce costs."

Dear Shareholders,

The financial year ended 31 March 2016 ("FY16") was a challenging one for the Group as demand for construction services was hit by weak market sentiment among property buyers and investors. The decline in demand for both the private residential and commercial property has serious implications for developers and consequently, construction companies. Specifically, developers have been holding back their property projects and launches resulting in lower demand for construction services. Despite our best efforts, our improvement in cost and operational efficiencies was not sufficient to offset the decline in revenue.

FINANCIAL REVIEW

Revenue for FY16 was $382.3 million, representing a 10.7% decline compared to $427.9 million in the financial year ended 31 March 2015 ("FY15"). This was mainly due to a delay in the commencement of several new projects that were originally scheduled to commence in the fourth-quarter of FY16 ("4QFY16"), and a general slowdown in demand for foundation engineering services in Singapore.

Despite the lower revenue, we recorded a slight increase in gross profit to $24.3 million, from $24.1 million in FY15. The improvement was the fruit of proactive steps taken by the Group to improve its cost base and operational efficiency, such as the disposal of older equipment and a reduction in headcount. Correspondingly, our gross profit margin improved to 6.4% in FY16 from 5.6% in FY15.

Other income for the Group declined to $2.1 million, representing a 40.1% reduction from $3.6 million in FY15. This took into account a smaller gain of $1.0 million in FY16 from the disposal of older equipment, compared to $1.5 million in FY15. Operating expenses declined 24.0% to $28.4 million, from $37.4 million in FY15 in view of the cost reduction measures executed. In addition, we recovered legal fees of about $0.9 million following a favourable arbitration ruling relating to outstanding liquidated damage claims made against our subsidiary, CS Bored Pile System Pte Ltd, for a project it undertook. On the other hand, in FY15, we recorded a $6.9 million impairment loss on plant and equipment, a reversal of provision of $6.9 million for doubtful debts relating to the Changi Motorsports Hub project, as well as a provision of $3.2 million as a result of an arbitration award received.

The Group recorded lower net financial expenses of $2.6 million, compared to $3.6 million in FY15, following the net repayment of bank borrowings during the year, and taking into account interest income of $0.3 million received for late payment of work done in relation to the abovementioned arbitration.

Our joint venture in Thailand incurred a share of loss of $0.1 million, compared to a share of profit of

$0.2 million in FY15, as a decline in demand from construction services in the country led to a significantly lower level of business activity in FY16.

Taking into account the above, we recorded a net loss of $5.5 million in FY16 compared to a net loss of $13.6 million in FY15.

As at 31 March 2016, the net asset value per ordinary share was 8.5 cents, compared to 14.8 cents a year ago. This was mainly the result of our rights-cum-warrants exercise, when we raised a net amount of $9.6 million through the issue of new shares, and $5.7 million through the conversion of warrants.

Following the net repayment of our debt, our total borrowings decreased by 16.7% to $98.4 million as at 31 March 2016, compared to $118.1 million as at 31 March 2015. Our debt-to-equity ratio also thus improved to a healthier 0.53x, versus 0.66x in FY15.

OPERATIONS REVIEW

Amid dampened demand for construction services in Singapore, Thailand and Malaysia, we were able to leverage our strong track record and capabilities to build a relatively healthy order book in FY16. Some of our project highlights include:

Infrastructure projects

- Tunnelling survey for East Coast 4-in-1 Integrated Depot and Reception Tunnels, and six Mass Rapid Transit stations along the Thomson-East Coast Line (Singapore)

Residential projects

- Public housing developments in Tampines, Yishun & Geylang (Singapore)
- High Park Residences at Fernvale Road (Singapore)
- The Criterion in Yishun (Singapore)
- The Henge at Kepong, Kuala Lumpur (Malaysia)
- i-Santorini Condo at Tanjung Tokong, Penang (Malaysia)
- GenKL at Kuchai Lama, Kuala Lumpur (Malaysia)
- Lumpini Park at Soi Nawamin 38, Bangkok (Thailand)
- Lumpini Mixx at Teparak Srinakarin (Thailand)
- Bangkok Living House at Ubon Ratchthani (Thailand)

Industrial projects

- Micron Singapore NAND flash memory fabrication facility (Singapore)
- CWT logistics hub (Singapore)
- Polyvinyl Butyral (PVB) Resin Plant and 2nd Crystex Plant in Pahang (Malaysia)
- Petronas Rapid Project in Johor (Malaysia)
- TTCL Power Plant in Klong Luang Pathumthani (Thailand)
- Thailand Rojana Power Plant SPP3 in Ayutthaya (Thailand)

Commercial projects

- Astoria Ampang in Selangor (Malaysia)
- The Zizz @ Damansara North in Selangor (Malaysia)
- Don Mueang International Airport in Bangkok (Thailand)
- Vientiane International Airport Terminal Building (Laos)

Institutional projects

- Police Divisional Headquarters (Singapore)
- DEMC Specialist Hospital Shah Alam in Selangor (Phase II) (Malaysia)
- International School of Kuala Lumpur (Malaysia)
- Singapore International School of Bangkok (Thailand)

The rights-cum-warrants issue initiated in December 2015 has strengthened our financial position and capital base, and enabled us to be less reliant on external sources of funding. With support from our shareholders, we raised a net amount of $9.6 million through the rights issue in December 2015, and an additional $5.7 million from the conversion of warrants to shares in 4QFY16. The bulk of the proceeds will be used to finance the construction of our new Tuas Yard, which will allow us to congregate our equipment maintenance and repair activities at a centralised workshop and better streamline our operations. The proceeds will also allow us to take advantage of future opportunities and business plans that require a larger cash outlay.

OUTLOOK

The overall operating environment for the Singapore construction industry will likely remain challenging and be characterised by muted demand. Demand for construction services in Singapore is expected to be driven by public-sector projects. On the other hand, an increase in the supply of completed private housing and office projects, along with the dearth of new property launches, will likely continue to put a dampener on private sector demand. Similarly, outlook for the construction industry in Malaysia and Thailand remains subdued amid challenging economic conditions.

As at 23 May 2016, the Group's order book stood at approximately $150 million, with the bulk of these contracts expected to be completed within the next six to nine months.

Since the last financial year, we have been looking ahead and bracing ourselves for a possible downturn in the Singapore construction sector by implementing initiatives to right-size our operations and reduce costs. Such efforts include proactively reducing our capacity in sectors that are facing greater competition and redeploying resources to better-performing sectors within the Group. We have also looked for ways to preserve our cash and reduce our bank borrowings by gradually paying back more of our debt over this financial year. Additionally, we have reduced our headcount by more than 10% and trimmed down our equipment inventory. Moving forward, we will continue to diligently manage our cost base to ensure we remain competitive in the current market situation.

In May 2016, we marked a new milestone by announcing our venture into our second property development project overseas. Our wholly-owned subsidiary, CS Real Estate Investment Pte Ltd, has entered into a joint venture with Malaysian partners, Triplestar Properties Sdn Bhd and Zillion Holding Sdn Bhd, to acquire a piece of freehold land in Seremban, Negeri Sembilan, Malaysia to develop into commercial properties for sale. The joint venture will provide us with an opportunity to diversify the Group's revenue stream and achieve potential enhancement of shareholder value, expand our investment and development portfolio in Malaysia and allow us to tap the expertise and network of our joint-venture partners.

ACKNOWLEDGEMENTS

I would like to take this opportunity to express my gratitude to the Board members for their invaluable insights and advice. With sincere appreciation, I also acknowledge the drive and dedication of CSC's employees and management. I also thank our shareholders and business partners for their support. We remain focused on strengthening our business fundamentals and will continue to work hard to create value for our shareholders.

SEE YEN TARN
Group Chief Executive Officer

“自2015财年以来，我们便一直为建筑业可能面临经济低迷而做准备。这包括积极缩小业务和减少成本，将能力和资源从竞争过于强烈的地方转至其它更有利可图的业务。”

尊敬的股东：

截至2016年3月31日的财政年度（“2016财年”）对集团来说是艰巨的。这可归咎于房地产买家和投资者抱着观望态度，导致私宅和商业地产的需求下滑，这情况严重影响房地产发展商和建筑公司。发展商因此延缓推出新项目，这进一步地造成市场对建筑服务的需求下降。尽管我们尽了最大的努力来降低成本和改善营运效率，仍不足以抵消营业额下降所带来的影响。

财务回顾

2016财年里，集团的全年营业额达3亿8230万元，相比截至2015年3月31日财政年度（2015财年）的4亿2790万元下滑了10.7%。这是因为原定于2016财年第四季度动工的数项新项目延迟动工，以及地基工程服务整体需求的下降，影响了2016财年的营业额表现。

尽管营业额下滑，集团凭藉降低成本与开销以及改善营运效率的努力，如脱售陈旧设备和减少员工人数，成功地将毛利从2015财年的2410万元增长至2016财年的2430万元。毛利率也相应从2015财年的5.6%提升至2016财年的6.4%。

集团的其它收入下跌40.1%至210万元，2015财年为360万元。这主要是因为2016财年里100万元的出售陈旧设备的所得收益，比2015财年的150万元出售陈旧设备所得收益小。经过集团削减开支的努力后，营运开支下跌24.0%至2840万元，2015财年为3740万元。另外，我们也在针对我们的子公司CS Bored Pile System 私人有限公司其中一个项目的违约金索赔仲裁中获得有利的裁决而成功追回了90万的法律费用。相比在2015财年里，我们针对厂房与设备以及一项追回应收账款的仲裁案获得不利裁决，分别作出了690万元的减值亏损和320万元的呆账准备，和拨回了有关樟宜赛车中心工程所作出的690万元呆账准备。

2016财年里的银行借款还款净额以及以上所提到的仲裁案逾期还款所获得的30万元利息收入，让集团的财务净开支从2015财年的360万元减少至260万元。

泰国国内对建筑服务的需求减少，影响我们在当地的合资公司所能取得的合同以及全年表现，2016财年来自合资公司的集团份额为10万元亏损，2015财年份额则为20万元利润。

综合以上因素，集团在2016财年里报550万元的净亏损，2015财年的净亏损则为1360万元。

截至2016年3月31日，集团每普通股资产净值为8.5分，前一财年为16.4分。这是因为集团在发售附加股和认股权证中分别筹得960万元和570万元的净额。

我们在2016财年里偿还了更多债务，总借款于2016年3月31日减少了16.7%至9840万元，相比2015年3月31日的1亿1810万元总结款。负债权益比率也从2015财年的0.66x改善至0.53x。

业务回顾

尽管新加坡、泰国和马来西亚市场对建筑服务的需求疲弱，我们仍能凭藉集团良好的施工记录和卓越的地基及岩土工程能力，在2016财年里争取到为数可观的工程合同，其中包括：

基础设施项目

- 为东海岸四合一综合车厂及相关隧道，以及汤申-东海岸地铁线的六个地铁站进行隧穿勘察（新加坡）住宅项目

住宅项目

- 淡滨尼、义顺和芽笼的公共组屋项目（新加坡）
- 芬薇路的峰景苑（新加坡）
- 义顺的顶秀苑（新加坡）
- 吉隆坡甲洞的The Henge（马来西亚）
- 槟城丹熔道光的i-Santorini公寓（马来西亚）
- 吉隆坡旧古仔的GenKL（马来西亚）
- 曼谷纳瓦敏38号的Lumpini Park（泰国）
- Teparak Srinakarin的Lumpini Mixx（泰国）
- 乌汶府的Bangkok Living House（泰国）

工业项目

- 美光半导体NAND闪存晶圆厂扩充（新加坡）
- CWT 物流中心（新加坡）
- 彭亨州的聚乙烯醇缩丁醛（PVB）树脂厂及第二Crystex不溶性硫磺生产厂（马来西亚）
- 柔佛州的Petronas炼油和石化一体化开发计划（马来西亚）
- 巴吞他尼府空銮县的TTCL 发电厂（泰国）
- 大城府Rojana发电厂SPP3（泰国）

商业项目

- 雪兰莪州的Astoria Ampang（马来西亚）
- 雪兰莪州的The Zizz @ Damansara North（马来西亚）
- 曼谷廊曼国际机场（泰国）
- 永珍国际机场候机楼（寮国）

大型机构项目

- 新加坡警察部队总部（新加坡）
- 雪兰莪州莎阿南DEMC专科医院（第二阶段）（马来西亚）
- 吉隆坡国际学校（马来西亚）
- 泰国新加坡国际学校（泰国）

集团与2015年12月发行了附加股和认股权证，所筹资金加强了我们的财务状况和资本基础，促使集团

减少对银行借款等外来资金的依赖。在股东们的支持下，我们成功地在2016年12月发售附加股和认证股权证，以及2016财年第四季度时的认股权证转换中分别筹集960万元和570万元的的净额。大部分的款项将用于资助大士装配和维修厂房的建设，装配和维修厂房落成后将作为集团维修和维护设施的集中点，从而简化集团的运作。款项将有助于集团把握未来商机和落实可能需要大量现金的企划案。

展望未来

新加坡建筑业整体环境预计将持续低迷，而需求也仍会疲弱。我们认为新加坡的建筑业需求主要会是来自公共项目。另一方面，私人房地产需求在面临已完成的私宅和办公楼项目激增和新私宅项目的缺乏的双重影响下，预计将会持续走弱。马来西亚和泰国的建筑业前景也会因经济放缓而受影响。

截至2016年5月23日，集团取得的项目价值达1亿5000万元。大部分项目预计可在未来6至9个月内完成。

自2015财年以来，我们便一直为建筑业可能面临经济低迷而做准备。这包括积极缩小业务和减少成本，将能力和资源从竞争过于强烈的地方转至其它更有利可图的业务。集团也想法设法保存现金，并在2016财年里努力偿还银行借款来减低集团负债。另外，我们也减少了超过10%的员工人数，并缩小所拥有的设备。未来一年里，我们将继续谨慎地控制成本，以便让集团能够在目前艰巨的市场情况下维持竞争力。

我们于2016年5月宣布在海外发展集团的第二个房地产项目。我们的全资子公司CS Real Estate Investment 私人有限公司与两家马来西亚公司Triplestar Properties Sdn Bhd 及 Zillion Holding Sdn Bhd 签署合作协议，共同收购位于马来西亚森美兰州芙蓉市的一块拥有永久地契的地皮以发展并推出商业项目。这项合资将有助于让集团的收入多元化，增加股东价值，扩大集团于马来西亚的房地产投资和发展业务，并且汲取合资伙伴的专业知识和善用他们的行业网络。

致谢

我想借此机会向全体董事局成员所给予的宝贵建议和忠告表示感激。我也真诚感谢我们集团全体同仁所表现的干劲和奉献精神。我也感谢股东和生意伙伴的鼎力支持。我们将继续专注强化业务基础，并继续努力为股东们带来更多价值。

薛献凡
集团总裁

FIVE YEARS FINANCIAL SUMMARY

	FY12	FY13	FY14	FY15	**FY16**
Group Profit & Loss (S$'m)					
Revenue	438.5	533.1	487.1	427.9	**382.3**
Gross Profit	39.9	40.6	33.8	24.1	**24.3**
Profit/(Loss) After Tax	10.0	(0.7)	6.2	(13.6)	**(5.5)**
EBITDA	40.9	36.3	37.0	19.2	**24.4**
Group Balance Sheet (S$'m)					
Property, Plant & Equipment	188.3	184.6	166.8	185.6	**167.9**
Other Non-Current Assets	12.4	16.6	19.0	16.9	**10.4**
Total Current Assets	293.7	304.1	302.3	249.0	**221.9**
Total Assets	494.4	505.3	488.1	451.5	**400.2**
Total Equity	200.3	194.9	198.2	179.0	**185.3**
Other Non-Current Liabilities	66.1	65.8	49.6	32.3	**29.6**
Total Current Liabilities	228.0	244.6	240.3	240.2	**185.3**
Total Equity & Liabilities	494.4	505.3	488.1	451.5	**400.2**
Per Share Data (Cents)					
Earnings/(Loss) After Tax (Basic)	0.64	(0.28)	0.25	(1.38)	**(0.48)**
Net Asset Value	16.39	15.99	16.38	14.80	**8.50**
Dividends - tax exempt one-tier	0.17	0.10	0.10	–	**–**
Financial Ratios					
Return on Equity	4.4%	-1.9%	1.7%	-10.2%	**-4.4%**
Gross Profit Margin	9.1%	7.6%	6.9%	5.6%	**6.4%**
Debt/Equity Ratio	74.5%	86.3%	76.1%	66.0%	**53.1%**
Current Ratio	1.29	1.24	1.26	1.04	**1.20**

FINANCIAL HIGHLIGHTS

	FY12	FY13	FY14	FY15	**FY16**
Bored Piles / Diaphragm Walls	231.6	326.5	300.5	256.3	**240.5**
Driven Piles / Jack – in Piles	91.4	99.0	73.4	49.8	**46.1**
Micro Piles / Other Foundation – Related Activities	25.9	31.9	49.8	46.7	**32.6**
Soil Investigation & Instrumentation Works	16.5	21.9	21.2	22.2	**21.6**
Sale & Lease of Foundation Engineering Equipment & Accessories	52.7	47.3	40.6	51.9	**41.1**
Others	20.4	6.5	1.6	1.0	**0.4**
Total	**438.5**	**533.1**	**487.1**	**427.9**	**382.3**

A good navigator relies on an understanding of the environment to ensure his vessel's safe passage. Similarly, we keep a close watch on market developments to refine strategies that will propel us forward and set a course towards brighter horizons.

Charting a steady course

MOVING TOWARDS A BRIGHTER FUTURE

CORPORATE STRUCTURE

FOUNDATION AND GEOTECHNICAL ENGINEERING WORKS

SUBSIDIARIES-SINGAPORE
- CS Bored Pile System Pte Ltd
- CS Construction & Geotechnic Pte Ltd
- L&M Foundation Specialist Pte Ltd
- CS Geotechnic Pte Ltd
- THL Engineering Pte Ltd
- DW Foundation Pte Ltd

SUBSIDIARIES-MALAYSIA
- Borneo Geotechnic Sdn Bhd
- G-Pile Sistem Sdn Bhd
- GPSS Geotechnic Sdn Bhd
- L&M Ground Engineering Sdn Bhd
- CSC Ground Engineering Sdn Bhd
- CS Geo (Malaysia) Sdn Bhd

SUBSIDIARY-VIETNAM
- L&M Foundation Specialist (Vietnam) Limited Company

JOINT VENTURE-THAILAND
- Siam CSC Engineering Co. Ltd

SOIL INVESTIGATION, INSTRUMENTATION AND SPECIALISED SURVEYING WORKS

SUBSIDIARIES-SINGAPORE
- Soil Investigation Pte Limited
- Wisescan Engineering Services Pte Ltd

CSC

YOUR PARTNER IN GROUND ENGINEERING

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

SUBSIDIARY-INDIA
- IMT – THL India Private Limited

SUBSIDIARY & REPRESENTATIVE OFFICE-PHILIPPINES
- THL Foundation Equipment Pte Ltd (Philippines) Inc

LIAISON OFFICE- INDIA
- ICE Far East Pte Ltd (India Office)

OTHERS

SUBSIDIARIES-SINGAPORE
- Kolette Pte Ltd
- CS Ground Engineering (International) Pte Ltd
- CS Industrial Properties Pte Ltd
- CS Real Estate Investments Pte Ltd

OTHER INVESTMENT-MALAYSIA
- THAB Development Sdn Bhd
- THAB PTP Sdn Bhd

JOINT OPERATIONS-SINGAPORE
- NHCS Investment Pte Ltd
- NH Singapore Biotechnology Pte Ltd

JOINT VENTURES-MALAYSIA
- Top3 Development Sdn Bhd

BOARD OF DIRECTORS

1. CHEE TECK KWONG PATRICK

Independent Non-Executive Chairman

Mr Chee Teck Kwong Patrick, PBM, joined the Board as an Independent Director in March 1998 and was appointed as a Non-Executive Chairman of our Company in September 2002. He chairs the Nominating Committee and is also a member of the Remuneration and Audit Committees. Mr Chee holds a Bachelor of Laws (Hons) Degree from the University of Singapore. He is an Advocate and Solicitor of the Supreme Court of Singapore and a Solicitor of the senior courts of England and Wales. He has been in private legal practice since 1980. He is now a Senior Legal Consultant with Withers KhattarWong, an international law firm. His areas of practice are corporate and commercial matters, banking and finance, cross-border joint ventures and investments, mergers and acquisitions, and listing of companies. He has also advised on property law and has handled several landmark development projects in Singapore, Indonesia, Malaysia and China. He also conducts civil litigation and arbitration proceedings. He had initiated and was instrumental to the setting up of a full licensed KhattarWong's law practice in Vietnam.

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. He had served several years in the sub-committee of National Crime Prevention Council, Singapore, and worked with National Productivity Board, Singapore in developing and seeing the successful launch of some well known franchises in Singapore in the early 1990s.

From 2002 to 2013, Mr Chee was the Organising Chairman of the "National Street Soccer League—Lee Hsien Loong Challenge Trophy".

He also sits on the Board of several public listed companies including Ramba Energy Limited, Hai Leck Holdings Limited and China International Holdings Limited. He is also Honorary Legal Adviser to Hospitality Purchasing Association Singapore, and several big clans and trade associations in Singapore.

Mr Chee is the recipient of the National Day Awards 2003 – The Public Service Medal (Pingat Bakti Masyarakat) from the President of Republic 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 and Risk Management 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 30 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 Audit, Remuneration and Risk Management Committees. 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. TAN EE PING

Independent Director

Joined the Board as an Independent Director in August 2003. Mr Tan is currently the Chairman of the Remuneration and Risk Management 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.

5. 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 30 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.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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 and Risk Management 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 30 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
Group Chief Operating Officer / EXCO Member of CSC Group

Mr Koo has been with the Group since 1996. He joined the Group as Senior Project Engineer and was gradually promoted. In 2010 he was invited to become an EXCO Member of the Group and in June 2016, he was promoted to the position of Group Chief Operating Officer.

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 20 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 30 years experience in this field.

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 & Geotechnical) 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.

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 20 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 20 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. WONG WAI LIN, EILEEN
Senior Purchasing Manager

Ms Eileen Wong has been with the Group since 2007 as a Senior Manager in Purchasing Department. She heads the Group's Purchasing Department and supports purchasing processes for all subsidiaries. She has more than 20 years of managerial experiences in Procurement field for various industries which include construction. She obtained her Master Degree in Business Administration with University of Dubuque, IOWA USA in 1994.

9. KAM WAI CHIANG, GARY
IT & QEHS Manager

Mr Gary Kam joined CSC Holdings Limited in 2007 as Group IT & QEHS manager. He has more than 10 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.

SINGAPORE

BORED PILES DIVISION

10. 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 20 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.

11. 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 ("CSBP"). In April 2012, he was promoted to the position of General Manager of CSBP and DW Foundation Pte Ltd ("DWF"). He was appointed as a Director of CSBP and DWF in April 2015.

Mr Tang has more than 20 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).

DIAPHRAGM WALLS AND SOIL IMPROVEMENT DIVISIONS

12. LOH BOON CHONG
Director of L&M Foundation Specialist Pte Ltd

Mr Loh joined the Group as Deputy General Manager in May 2010. In April 2011, he was promoted as General Manager of CS Construction & Geotechnic Pte Ltd. In January 2016, he was appointed to manage L&M Foundation Specialist Pte Ltd and all its related business.

Mr Loh has more than 20 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.

MICRO PILES

13. LIM YONG KENG DANNY (LIN YONGQING)
General Manager of CS Construction & Geotechnic Pte Ltd

Mr Danny Lim has been with the Group since 1996 when he was a Site Engineer. He is currently the General Manager of CS Construction & Geotechnic Pte Ltd.

He has more than 20 years of geotechnical and foundation experience and is currently managing the business operations of Driven Piles, Jack-in Piles and Micro Piles.

He obtained his Diploma in Civil Engineering from the Singapore Polytechnic, and holds a Bachelor of Engineering (Hons) Degree in Civil Engineering from the University of Glasgow, Scotland UK.

SOIL INVESTIGATION, INSTRUMENTATION AND SPECIALISED SURVEYING WORKS

14. 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 17 years of experience in the area of soil investigation, laboratory testing and geotechnical and structural instrumentation and geophysical methods.

15. 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 40 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

16. 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.

17. 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 20 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.

18. 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 26 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.

MALAYSIA

BORED PILES / DIAPHRAGM WALLS DIVISION

19. 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

20. 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 30 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.

VIETNAM

BORED PILES AND OTHER GEOTECHNICAL ENGINEERING SERVICES

21. 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 20 years of experience in the field of deep foundation works. He holds a Bachelor degree in Civil Engineering from the National Taiwan University.

THAILAND

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

22. 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 30 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.


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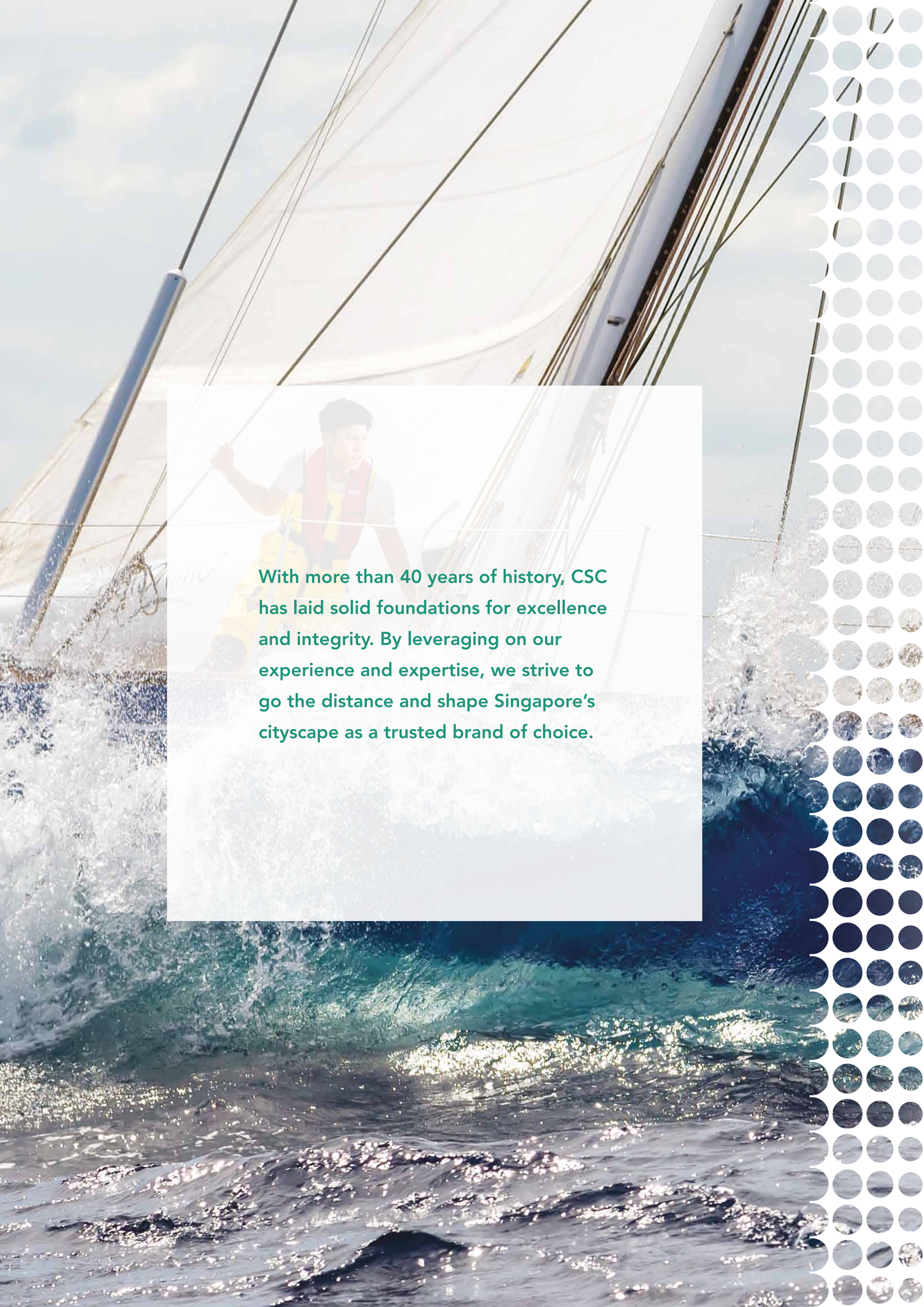
1. Bowling event 24.07.2015
2. AGM 27.07.2015
3. 7th Month Prayers 21.08.2015
4. Mid Autum Celebration 22.09.2015
5. X'mas Eve Lunch 24.12.2015
6. Shou Gong Dinner 29.01.2016
7. Kai Gong Ceremony 15.02.2016
8. Badminton Friendly Match

7


8

CORPORATE INFORMATION

BOARD OF DIRECTORS	**Executive** See Yen Tarn (Group Chief Executive Officer) **Non-Executive** Chee Teck Kwong Patrick (Chairman, Independent) Teo Beng Teck Tan Ee Ping (Independent) Tan Hup Foi @ Tan Hup Hoi (Independent)
AUDIT COMMITTEE	Tan Hup Foi @ Tan Hup Hoi (Chairman) Chee Teck Kwong Patrick Teo Beng Teck
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 Teo Beng Teck
RISK MANAGEMENT COMMITTEE	Tan Ee Ping (Chairman) See Yen Tarn Teo Beng Teck
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 Tel: (65) 6367 0933 Fax: (65) 6367 0911 Email: corp@cschl.com.sg Website: http://www.cschl.com.sg
SHARE REGISTRAR & SHARE TRANSFER OFFICE	M & C Services Private Limited 112 Robinson Road #05-01 Singapore 068902 Tel: (65) 6228 0530 Fax: (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 Ling Su Min Appointed since financial year ended 31 March 2016
PRINCIPAL BANKERS	United Overseas Banking Limited Oversea-Chinese Banking Corporation Limited Malayan Banking Berhad DBS Bank Ltd Hong Leong Finance Limited



With more than 40 years of history, CSC has laid solid foundations for excellence and integrity. By leveraging on our experience and expertise, we strive to go the distance and shape Singapore's cityscape as a trusted brand of choice.

Optimising our capabilities

BUILDING ON
STRENGTH AND TENACITY

FINANCIAL CONTENTS

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 ("Board") of the Company is responsible for the corporate governance of the Company and its subsidiaries (the "Group"), which ensures the protection of the shareholders' interests and the enhancement of long-term shareholder value. On top of its statutory responsibilities, the role of the Board includes:

a) providing entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

b) establishing 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;

c) reviewing the performance of the Management;

d) identifying the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

e) setting the Group's values and standards (including ethical standards), and ensure that obligations to the Shareholders and others are understood and met;

f) considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;

g) reviewing the business plans and financial performance of the Group regularly;

h) putting in place and reviewing the processes for financial reporting and compliance; and

i) deciding on matters reserved for the Board's decision, which includes, but is not limited to, major funding proposals, investment and divestment proposals, major acquisitions and disposals, corporate or financial restructurings, mergers and acquisitions, share issuances, distribution of dividends, major corporate policies on key areas of operation, the release of quarterly, half-yearly and full-year results and interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual) of a material nature.

In order to discharge the duties of the Board, all Board members bring their independent judgement, diversified knowledge, experience and expertise to address issues of strategy, performance, resources and the standards of conduct of the Company. At all times, all Directors objectively discharge their duties and responsibilities as fiduciaries in the interests of the Company.

The Board also delegates certain of its functions to the Audit Committee (the "AC"), Nominating Committee (the "NC"), Remuneration Committee (the "RC") 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 Constitution of the Company (the "Constitution") allows 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 2016 is set out below:

	Board Meeting		Audit Committee		Remuneration Committee	
Name of Directors	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Chee Teck Kwong Patrick	4	4	4	4	1	1
See Yen Tarn	4	4	NA	NA	NA	NA
Teo Beng Teck**	4	4	1	1	1	1
Ng San Tiong*	3	2	3	2	2	2
Tan Ee Ping	4	4	NA	NA	2	2
Tan Hup Foi @ Tan Hup Hoi	4	4	4	4	NA	NA

	Nominating Committee		Risk Management Committee	
Name of Directors	No. of Meetings	Attendance	No. of Meetings	Attendance
Chee Teck Kwong Patrick	1	1	NA	NA
See Yen Tarn	1	1	4	4
Teo Beng Teck	NA	NA	4	4
Ng San Tiong	NA	NA	NA	NA
Tan Ee Ping	NA	NA	4	4
Tan Hup Foi @ Tan Hup Hoi	1	1	NA	NA

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.

Directors are provided with regular updates, particularly on relevant new laws and regulations by the Company Secretary. The Directors are issued with a copy of the Company's Best Practices on Securities' Dealings as they are privy to price sensitive information. The Directors have access to the advice and services of the Company Secretary and Management, and may in appropriate circumstances, seeks independent professional advice concerning the affairs of the Group. Directors have the opportunity to meet with Management to gain a better understanding of the Group's business operations and governance practices. Directors are informed and encouraged to attend relevant courses and trainings conducted by Singapore Institute of Directors, SGX-ST, businesses and consultants, as may be relevant to the effective discharge of their responsibilities, at the expense of the Group.

Notes:

* Mr Ng San Tiong resigned as Director and ceased to be a member of the AC and RC on 4 March 2016. Therefore he need not attend the meeting of the RC held on 17 May 2016. He attended two out of three meetings of AC and BOD held during his term as AC member and Director.

** Mr Teo Beng Teck was appointed as an AC and RC member, as Mr Ng San Tiong's replacement on 4 March 2016. He attended one out of one meeting of AC and RC held during his term as AC and RC member.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board consists of five Directors, three of whom are Independent Directors. The Directors as at the date of this report are 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 and Audit Committees	Director of – China International Holdings Limited – Hai Leck Holdings Limited – Ramba Energy Limited	Director of – Singapore Windsor Holdings Limited – Hengxin Technology Ltd – Hanwell Holdings Limited – Tat Seng Packaging Group Ltd
Mr See Yen Tarn	11 November 2005/ 25 July 2013	Group Chief Executive Officer Member of the Nomination, Risk Management and Executive Committees	Director of – Longcheer Holdings Limited – Eindec Corporation Limited – Singhaiyi Group Ltd	Director of – Linair Technologies Limited – Changjiang Fertilizer Holdings Limited – Lizhong Wheel Group Ltd
Mr Teo Beng Teck	24 November 2003/ 27 July 2015	Non-Executive Director Member of the Risk Management, Audit and Remuneration Committees	Nil	Director of Linair Technologies Limited
Mr Tan Ee Ping	28 August 2003/ 27 July 2015	Independent Director Chairman of the Remuneration and Risk Management Committees	Nil	Nil
Mr Tan Hup Foi @ Tan Hup Hoi	3 April 2006/ 27 July 2015	Independent Director Chairman of the Audit Committee and member of the Nominating Committee	Nil	Independent Non-Executive Chairman of Linair Technologies Limited Director of – SHC Capital Asia Limited – ECS Holdings Limited – Cityneon 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 and Independent Directors of the Board exercise no management functions in the Company or its subsidiary. Although all the Directors have an equal responsibility for the Group's operations, the roles of the Non-Executive and Independent Directors are particularly important in ensuring that the proposals by Management are fully discussed, examined and constructively challenged. The Non-Executive and Independent Directors help to develop proposals on business strategies, business operations and practices of the Group. In addition, the Non-Executive and Independent Directors evaluate the performance of Management by determining whether Management has met specific goals and objectives, which are pre-determined by the Board.

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:

a) reviewing the structure, size and composition of the Board;

b) reviewing the succession plans for Directors;

c) evaluation the performance and the effectiveness of the Board;

d) determining whether the Directors possess the necessary qualifications and expertise required to carry out his duties as a Director;

e) reviewing training and professional development programmes for the Board;

f) determining on an annual basis as to whether a Director is independent; and

g) establishing procedures for and making recommendations to the Board on all Board appointments and re-appointments.

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 Regulation 108 of the Constitution, 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 Regulation 104 of the Constitution also provides 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 Regulation 104. 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 2016, 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 provides 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. Each member of the NC has abstained from the deliberations in respect of the assessment on his own independence.

The NC has recommended the nomination of Mr Chee Teck Kwong Patrick for re-election as Director at the forthcoming AGM. The Board has accepted this recommendation and being eligible, Mr Chee Teck Kwong Patrick will be offering himself for re-election at the AGM.

Mr Tan Ee Ping was re-appointed at the last AGM of the Company held on 27 July 2015 to hold office until this AGM pursuant to Section 153(6) of the Companies Act, Chapter 50. On 3 January 2016, Section 153 of the Companies Act, Chapter 50 was repealed. As such, the NC has recommended the nomination of Mr Tan Ee Ping for re-appointment as a Director of the Company and to continue in office from the date of this AGM onwards without limitation in tenure save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution. The Board has accepted this recommendation and being eligible, Mr Tan Ee Ping, will offer himself for re-appointment at the forthcoming AGM.

Each member of the NC is required to abstain from voting on any resolutions, making any recommendations and/or participating in any deliberations of the NC in respect of his re-nomination as a Director.

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 conducted a self-assessment process that requires each Director to assess the performance of the Board as a whole for financial year ended 31 March 2016. 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 Teo Beng Teck, 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 include, *inter alia*:-

a) reviewing and recommending to the Board a framework for the remuneration of the Director and key senior executives and determining specific remuneration packages for each executive Director. These recommendations are submitted for endorsement by the entire Board and covers all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, and benefits in kind;

b) reviewing the terms and conditions of the service contracts of Directors and reviewing clauses allowing the early termination of the service contract and the corresponding compensation; and

c) determining whether any Director is eligible for any benefits under any share option schemes or performance share plans as may be implemented.

The recommendations of the RC pertaining to the service contracts of Directors are submitted for endorsement by the Board before the execution of any such service contracts.

The members of the RC are not allowed to participate in any decision concerning their own remuneration and no Director is involved in determining his own remuneration.

The RC also has full authority to engage and access independent and professional advice on remuneration matters, at the expense of the Company, if required.

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

The RC had recommended to the Board an amount of $327,175 and $321,000 as Directors' fees for the year ended 31 March 2016 and for the year ending 31 March 2017, respectively. These recommendations 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 [(1)] (%)	Bonus [(2)] (%)	Total (%)
$500,000.01 to $750,000	See Yen Tarn*	–	–	74	26	100
Below $250,000	Chee Teck Kwong Patrick	100	–	–	–	100
	Teo Beng Teck	65	35	–	–	100
	Tan Ee Ping	100	–	–	–	100
	Tan Hup Foi @ Tan Hup Hoi	100	–	–	–	100

* Mr See Yen Tarn is a Director of the Company and the Group CEO.
** 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 and the CEO as the Company believes that such disclosure would be prejudicial to the Company's interests and hamper its ability to retain its Board of Directors and the CEO.

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 thirteen executives' remuneration (who are not Directors of the Company or the CEO) of the Group for the year ended 31 March 2016 are set out below:-

Remuneration Band	Number of Key Executives	Salaries [1] (%)	Bonus [2] (%)	Total (%)
$250,000.01 to $500,000	8	75.80%	24.20%	100%
$250,000 and below	5	81.66%	18.34%	100%

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

The aggregate total remuneration paid to the top thirteen executives (who are not Directors of the Company or the CEO) of the Group for the year ended 31 March 2016 is approximately $3,653,000.

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 Company has established the PSS Scheme which was approved by shareholders at the EGM held on 25 July 2008 as a long-term incentive scheme for Directors and employees of the Group.

The PSS Scheme is 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 2016.

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 order to fulfill its responsibility to provide a balanced and understandable assessment of the Company's performance, position and prospects, the Board updates the shareholders on the operations and financial position of the Group through quarterly, half-yearly and full-year results announcements in addition to timely announcements of other matters as prescribed by the relevant rules and regulations. The Board has also taken adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the SGX-ST Listing Manual, by establishing written policies where appropriate.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

RISK MANAGEMENT POLICIES AND PROCESSES

The Board recognises the importance of sound internal controls and risk management practices and acknowledges its responsibility for the systems of internal controls and risk management of the Group. In this regard, the role of the Board includes:

(a) ensuring that Management maintains a sound system of risk management to safeguard shareholders' interests and the Group's assets;

(b) determining the nature and extent of significant risks that the Board is willing to take in achieving its strategic objective;

(c) determining the levels of risk tolerance and risk policies of the Company;

(d) overseeing Management in the design, implementation and monitoring of risk management and internal control systems (including financial, operational, compliance and information technology controls and risk management systems); and

(e) reviewing the adequacy and effectiveness of the risk management and internal control systems annually.

RISK MANAGEMENT COMMITTEE

In order to assist the Board in fulfilling its oversight responsibilities on risk management, the Group has set up a Risk Management Committee, comprising three Directors, namely 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 functions of the RMC under its terms of reference include:

a) reviewing the overall operating risk management philosophy, guidelines and major policies for effective risk management, including risk profile, risk tolerance level and risk strategy;

b) reviewing of tendering procedure for major projects and risk management control in project management;

c) overseeing and advising the Board on the current operating risk exposure and future risk strategy of the Company;

d) reviewing periodically the effectiveness of the Group's internal controls and risk management systems and framework to manage and mitigate risk within the agreed strategy; and

e) evaluating 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 controls and risk management systems were adequate and effective as at 31 March 2016 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 Teo Beng Teck, 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 2016 were $430,699 and $137,909 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 ventures 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.

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 Company has not distributed dividends for FY2016 to conserve its cash reserves for operation amidst volatile market conditions.

The Regulations 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 Regulations 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.

To ensure that the shareholders have the opportunity to participate effectively in and vote at general meetings, voting at general meetings has to be conducted by way of poll with effect from 1 August 2015. The Chairman of the meeting, with the assistance of service providers engaged by the Company, will brief shareholders to familiarise them with the detailed procedures involved in voting by way of poll. An announcement containing the detailed results of the number of votes cast for, and against, each resolution and the respective percentages will be announced after the general meeting via SGXNet (www.sgx.com).

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.

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' Statement 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 [(1)]	NIL	$3,665,101
Tat Hong Heavyequipment (Pte.) Ltd [(1)]	NIL	$1,430,100
CMC Construction Pte Ltd [(1)]	NIL	$896,408
Tat Hong Plant Hire Sdn Bhd [(1)]	NIL	$584,591
Tat Hong Heavyequipment (HK) Ltd [(1)]	NIL	$287,405

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, Tat Hong Heavyequipment (Pte.) Ltd, CMC Construction Pte Ltd, Tat Hong Plant Hire Sdn Bhd 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 Wednesday, 27 July 2016 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 64 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 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.

(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.

(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.

(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 27 July 2015; 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 2016 and as at 17 June 2016 respectively can be found on pages 67 to 68 and page 147 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[1]), 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[1]; or

(b) 5% of the listed company's latest audited consolidated NTA[1], 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 2016, the NTA of the Group was $183,886,000. 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 $9,194,000.

2. DEFINITIONS

For the purposes of Chapter 9 of the Listing Manual:

(a) an "**entity at risk**" means:

(i) the listed company;

(i) 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.

USE OF PROCEEDS RAISED FROM IPO AND ANY OFFERINGS PURSUANT TO CHAPTER 8

With reference to the Company's announcement dated 4 February 2016, as at 24 May 2016, the update on the utilisation of the net proceeds raised from the Rights cum Warrants Issue is as follows:

Intended use of net proceeds	Amount allocated $'million	Amount utilised $'million	Balance $'million
Financing of new Tuas Yard to be constructed and its related equipment expenditures	5.5 to 7.0	0.9	4.6
Working capital purposes	2.6 to 4.1	4.1 [2]	–
	9.6 [1]	5.0	4.6

The use of proceeds from the Rights cum Warrants Issue is in accordance with the intended use as disclosed in the Offer Information Statement dated 7 December 2015.

Notes:

[1] Net proceeds raised from the Rights cum Warrants Issue revised to $9.6 million from $9.8 million after deducting actual costs and expenses of $0.5 million.

[2] Working capital consists of trade payables and other operating expenses.

Capitalised terms used below, unless otherwise defined, shall have the same meanings as defined in the circular to shareholders of the Company dated 12 November 2015.

In connection with the Rights cum Warrants Issue that was undertaken by the Company, a Whitewash Waiver was granted on 12 October 2015 by the Securities Industry Council of Singapore whereby TH Investments Pte Ltd and its Concert Parties (comprising Tat Hong Investments Pte Ltd, Chwee Cheng & Sons Pte Ltd, Mr Ng Chwee Cheng, Chwee Cheng Trust, Mr Ng San Tiong, Mr Ng Sun Ho Tony, Mr Ng San Wee David and Mr Ng Sun Giam Roger) ("Concert Party Group") are waived from the requirement to make a general offer made pursuant to Rule 14 of the Singapore Code on Takeovers and Mergers (the "Code") as a result of the subscription for their pro-rate entitlement of the Rights Shares and Warrants Shares arising from the exercise of pro-rata entitlement of the Warrants under the Rights cum Warrants Issue.

The following disclosure note is provided in connection with the requirements of Note 2 on Section 2 of Appendix 1 of the Code.

(a) In the Extraordinary General Meeting held on 27 November 2015, the Independent Shareholders of the Company approved the Whitewash Resolution waiving their rights to receive a mandatory general offer from the Concert Party Group, for all the issued shares in the capital of the Company not already owned or controlled by them, as a result of the Concert Party Group's subscription of the Rights Shares and Warrants Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue. The Whitewash Resolution is subject to the acquisition of the Warrant Shares by the Concert Party Group upon the exercise of the Warrants being completed by 29 December 2020 (inclusive), which is within five (5) years of the date of issue of the Warrants;

(b) As at 17 June 2016 (i.e. Latest Practical Date), the Concert Party Group holds in aggregate:

   (i) 1,150,508,407 Shares, representing approximately 52.59% of the voting rights in the Company; and

   (ii) 273,632,590 Warrants, out of which 113,942,490 Warrants were pursuant to the Whitewash Waiver;

(c) The maximum potential voting rights of the Concert Party Group in the Company as at the Latest Practical Date, assuming that only the Concert Party Group (but not other shareholders) converts their Warrants in full is approximately 57.86% (based on the enlarged share capital of the Company of 2,461,407,171 Shares (excluding treasury shares) immediately following the allotment and issue of 273,632,590 Warrant Shares to the Concert Party Group);

(d) Having approved the Whitewash Resolution on 27 November 2015, Shareholders have waived their rights to receive a general offer from Concert Party Group at the highest price paid by the Concert Party Group for the Shares in the past 6 months preceding the date of the acquisition of the Warrant Shares; and

(e) Having approved the Whitewash Resolution on 27 November 2015, Shareholders could be foregoing an opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants.

DIRECTORS' STATEMENT

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 2016.

In our opinion:

(a) the financial statements set out on pages 73 to 144 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, 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.

DIRECTORS

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

Chee Teck Kwong Patrick	(Chairman)
See Yen Tarn	(Group Chief Executive Officer)
Teo Beng Teck	
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 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
The Company		
Chee Teck Kwong Patrick		
– ordinary shares		
– interest held	4,462,000	5,949,333
– warrants		
– interest held	–	7,436,665
See Yen Tarn		
– ordinary shares		
– deemed interest	6,350,000	8,466,666
– warrants		
– deemed interest	–	10,583,330

DIRECTORS' INTERESTS (CONT'D)

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
The Company		
Teo Beng Teck		
– ordinary shares		
– interest held	3,945,000	5,260,000
– warrants		
– interest held	–	6,575,000
Tan Ee Ping		
– ordinary shares		
– interest held	4,567,000	6,089,333
– deemed interest	50,000	66,666
– warrants		
– interest held	–	7,611,665
– deemed interest	–	83,330

Except as disclosed in this statement, 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 2016.

Except as disclosed under the "Share Options" section of this statement, 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 a firm in which a director has substantial financial interests as disclosed in note 31 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 a member of the firm. In addition, professional fees amounting to $30,000 (2015: $30,000) were paid to a director as disclosed in note 25 to the financial statements.

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 Teo Beng Teck.

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.

WARRANTS

On 30 December 2015, the Company issued 403,241,241 new ordinary shares in the capital of the Company at $0.025 each and 2,016,206,205 free detachable warrants. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of $0.01 and is exercisable during a five year period from the date of issue. The warrants will expire on 29 December 2020 (inclusive).

At the end of the financial year, details of the outstanding warrants on the unissued ordinary shares of the Company are as follows:

Date of issue of warrants	Exercise price per warrants	Warrants outstanding at 1 April 2015	Warrants issued	Warrants exercised	Warrants outstanding at 31 March 2016	Expiry date
30/12/2015	$0.01	–	2,016,206,205	(574,809,615)	1,441,396,590	29/12/2020

AUDIT COMMITTEE

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

- Tan Hup Foi @ Tan Hup Hoi (Chairman), independent director
- Chee Teck Kwong Patrick, independent director
- Teo Beng Teck, 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' statement. 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.

DIRECTORS' STATEMENT

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

30 June 2016

INDEPENDENT AUDITORS' REPORT

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 2016, 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 73 to 144.

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 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 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
30 June 2016

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Note	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Non-current assets					
Property, plant and equipment	4	167,912	185,617	40	*
Intangible assets	5	1,452	1,452	–	–
Investments in:					
– subsidiaries	6	–	–	94,419	94,418
– an associate	8	–	–	–	–
– a joint venture	9(a)	1,342	1,613	–	–
Other investment	10	855	828	–	–
Trade and other receivables	12	6,593	12,902	–	–
Deferred tax assets	18	154	–	22	29
		178,308	202,412	94,481	94,447
Current assets					
Inventories	11	24,353	27,001	–	–
Trade and other receivables	12	165,962	202,879	37,105	31,788
Cash and cash equivalents	13	31,568	19,167	5,962	508
		221,883	249,047	43,067	32,296
Total assets		400,191	451,459	137,548	126,743
Equity attributable to owners of the Company					
Share capital	14	80,289	64,953	80,289	64,953
Reserves	15	79,595	89,366	47,516	45,497
		159,884	154,319	127,805	110,450
Non-controlling interests	7	25,454	24,719	–	–
Total equity		185,338	179,038	127,805	110,450
Non-current liabilities					
Loans and borrowings	17	28,458	31,739	36	–
Deferred tax liabilities	18	1,096	570	–	–
		29,554	32,309	36	–
Current liabilities					
Loans and borrowings	17	69,945	86,358	104	–
Derivatives		69	–	–	–
Trade and other payables	19	94,951	139,035	9,523	16,192
Excess of progress billings over construction work-in-progress	20	186	587	–	–
Provisions	21	18,798	12,383	–	–
Current tax payable		1,350	1,749	80	101
		185,299	240,112	9,707	16,293
Total liabilities		214,853	272,421	9,743	16,293
Total equity and liabilities		400,191	451,459	137,548	126,743

* 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 2016

	Note	2016 $'000	2015 $'000
Revenue	22	382,341	427,925
Cost of sales		(358,014)	(403,835)
Gross profit		24,327	24,090
Other income		2,141	3,572
Distribution expenses		(779)	(557)
Administrative expenses		(26,856)	(31,812)
Other operating expenses		(804)	(5,049)
Results from operating activities		(1,971)	(9,756)
Finance income		1,259	232
Finance expenses		(3,553)	(3,848)
Net finance expenses	23	(2,294)	(3,616)
Share of (loss)/profit of a joint venture (net of tax)		(107)	168
Loss before tax		(4,372)	(13,204)
Tax expense	24	(1,094)	(429)
Loss for the year	25	(5,466)	(13,633)
Attributable to:			
Owners of the Company		(6,871)	(16,699)
Non-controlling interests		1,405	3,066
Loss for the year		(5,466)	(13,633)
Loss per share	26		
Basic loss per share (cents)		(0.48)	(1.38)
Diluted loss per share (cents)		(0.41)	(1.38)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2016

	2016 $'000	2015 $'000
Loss for the year	(5,466)	(13,633)
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	(3,206)	(828)
Other comprehensive income for the year, net of tax	(3,206)	(828)
Total comprehensive income for the year	(8,672)	(14,461)
Attributable to:		
Owners of the Company	(9,813)	(17,608)
Non-controlling interests	1,141	3,147
Total comprehensive income for the year	(8,672)	(14,461)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2016

	Note	Share capital $'000	Capital reserve $'000	Reserve for own shares $'000
At 1 April 2014		64,953	17,798	(2,336)
Total comprehensive income for the year				
Profit or loss		–	–	–
Other comprehensive income				
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		–	–	–
Transactions with owners of the Company, recorded directly in equity				
Contributions by and distributions to owners				
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 contributions by and distributions to owners		–	–	(18)
Changes in ownership interests in subsidiaries				
Acquisition of non-controlling interests without a change in control	27.2(b)	–	–	–
Total changes in ownership interests in subsidiaries		–	–	–
Total transactions with owners of the Company		–	–	(18)
At 31 March 2015		64,953	17,798	(2,354)
At 1 April 2015		64,953	17,798	(2,354)
Total comprehensive income for the year				
Profit or loss		–	–	–
Other comprehensive income				
Translation differences relating to financial statements of foreign subsidiaries and a joint venture		–	–	–
Total other comprehensive income		–	–	–
Total comprehensive income for the year		–	–	–
Transactions with owners of the Company, recorded directly in equity				
Contributions by and distributions to owners				
Issue of shares from rights issue	14	10,081	–	–
Issue of shares from exercise of warrants	14	5,748	–	–
Share issuance expenses	14	(493)	–	–
Dividends paid to non-controlling interests		–	–	–
Total contributions by and distributions to owners		15,336	–	–
Changes in ownership interests in a subsidiary				
Acquisition of non-controlling interests without a change in control	27.1(a)	–	–	–
Total changes in ownership interests in a subsidiary		–	–	–
Total transactions with owners of the Company		15,336	–	–
At 31 March 2016		80,289	17,798	(2,354)

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

Reserve on consolidation $'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	(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)
–	–	–	–	(18)	–	(18)
–	–	–	(1,210)	(1,210)	–	(1,210)
–	–	–	–	–	(600)	(600)
–	–	–	(1,210)	(1,228)	(600)	(1,828)
–	–	(1,060)	–	(1,060)	(1,847)	(2,907)
–	–	(1,060)	–	(1,060)	(1,847)	(2,907)
–	–	(1,060)	(1,210)	(2,288)	(2,447)	(4,735)
116	(2,943)	(923)	77,672	154,319	24,719	179,038
116	(2,943)	(923)	77,672	154,319	24,719	179,038
–	–	–	(6,871)	(6,871)	1,405	(5,466)
–	(2,942)	–	–	(2,942)	(264)	(3,206)
–	(2,942)	–	–	(2,942)	(264)	(3,206)
–	(2,942)	–	(6,871)	(9,813)	1,141	(8,672)
–	–	–	–	10,081	–	10,081
–	–	–	–	5,748	–	5,748
–	–	–	–	(493)	–	(493)
–	–	–	–	–	(195)	(195)
–	–	–	–	15,336	(195)	15,141
–	–	42	–	42	(211)	(169)
–	–	42	–	42	(211)	(169)
–	–	42	–	15,378	(406)	14,972
116	(5,885)	(881)	70,801	159,884	25,454	185,338

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2016

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Loss for the year		(5,466)	(13,633)
Adjustments for:			
Allowance for foreseeable losses (reversed)/recognised on construction work-in-progress	21	(316)	316
Allowance for obsolete inventories	11	–	*
Bad debts written off		89	272
Depreciation of property, plant and equipment	4	26,473	28,799
Gain on disposal of:			
– property, plant and equipment		(959)	(1,472)
– assets held for sale		–	(56)
Impairment losses recognised/(reversed) on:			
– property, plant and equipment	4	–	6,876
– trade and other receivables	12	1,514	(5,378)
Inventories written down	11	7	94
Inventories written off	25	6	8
Net finance expenses	23	2,294	3,616
Property, plant and equipment written off	25	15	–
Provision for liquidated damages	21	3,448	5,197
Provision made/(reversed) for rectification costs	21	3,344	(1,620)
Share of loss/(profit) of a joint venture (net of tax)		107	(168)
Tax expense	24	1,094	429
		31,650	23,280
Changes in working capital:			
Inventories		4,153	7,212
Trade and other receivables		40,975	23,924
Trade and other payables		(38,459)	12,053
Cash generated from operations		38,319	66,469
Taxes paid		(1,201)	(2,384)
Interest received		545	73
Net cash generated from operating activities		37,663	64,158
Cash flows from investing activities			
Purchase of property, plant and equipment		(9,257)	(9,633)
Proceeds from disposal of:			
– property, plant and equipment		3,510	3,021
– subsidiaries		360	337
– assets held for sale		–	139
Acquisition of non–controlling interests		(896)	(2,133)
Net cash used in investing activities		(6,283)	(8,269)

* Less than $1,000

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2016

	Note	2016 $'000	2015 $'000
Cash flows from financing activities			
Interest paid		(3,529)	(3,805)
Dividends paid:			
– owners of the Company		–	(1,210)
– non-controlling interests of subsidiaries		(195)	(600)
Proceeds from:			
– bank loans and finance lease loans		30,946	50,194
– bills payable		52,965	48,800
– cash grant from Productivity and Innovation Credit Scheme for acquisition of property, plant and equipment		18	68
– issue of shares from rights issue, net of expenses		9,588	–
– issue of shares from exercise of warrants, net of expenses		5,748	–
Purchase of treasury shares		–	(18)
Repayment of:			
– bank loans		(41,500)	(46,815)
– bills payable		(54,593)	(55,900)
– finance lease liabilities		(22,853)	(36,333)
Net cash used in financing activities		(23,405)	(45,619)
Net increase in cash and cash equivalents		7,975	10,270
Cash and cash equivalents at 1 April		18,295	7,927
Effect of exchange rate changes on balances held in foreign currencies		(335)	98
Cash and cash equivalents at 31 March	13	25,935	18,295

Significant non-cash transactions

(a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $12,414,000 (2015: $19,702,000) of which $3,683,000 (2015: $5,771,000) were acquired by means of finance leases. At reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to $1,503,000 (2015: $4,298,000). The unpaid liabilities for prior year's acquisition of property, plant and equipment amounting to $2,287,000 were financed by means of finance lease in current year.

(b) During the financial year, the Group disposed of property, plant and equipment with carrying amount of $1,550,000 (2015: $3,448,000) for sale consideration of $2,509,000, of which $898,000 (2015: $1,899,000) has not yet been received as at reporting date.

(c) During the financial year, inventories amounting to $2,872,000 (2015: $38,035,000) were reclassified to property, plant and equipment. During the financial year, the Group financed these property, plant and equipment amounting to $5,682,000 by means of finance leases.

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 June 2016.

1 DOMICILE AND ACTIVITIES

CSC Holdings Limited ("the Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 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 notes 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 the 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.

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 and estimation of recoverable amounts of intangible assets
- Note 6 – Measurement of impairment losses on interests in subsidiaries
- Note 11 – Measurement of allowance for obsolete inventories
- Note 12 – Measurement of impairment losses on trade and other receivables and amount due from customers for contract works
- Note 21 – Measurement of allowance for foreseeable losses on construction work-in-progress, provision for liquidated damages and provision for rectification costs
- Note 22 – 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).

2.5 Changes in accounting policies

On 1 April 2015, the Group adopted new and amended FRS and interpretations to FRS (INT FRS) that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

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.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- 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 pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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 interests'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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Subsidiaries

Subsidiaries are entities controlled by 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 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.

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.

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. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associate and joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

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.

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 investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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.

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. Fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the end of the reporting period. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

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.

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.

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. 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

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 (excluding prepayments).

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

Non-derivative financial liabilities (cont'd)

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 (excluding deposits received, advance payments received for contracts and deferred revenue).

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.

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.

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.

3.8 Construction work-in-progress

Construction work-in-progress represent the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date (see note 3.13) less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented in trade and other receivables as amount due from customers for contract works for all contracts in which costs incurred plus recognised profits exceed progress billings and recognised losses. If progress billings and recognised losses exceed costs incurred plus recognised profits, then the difference is presented as excess of progress billings over construction work-in-progress as part of current liabilities in the statement of financial position.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

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 recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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.

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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 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.

3.11 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. If the effect is material, 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.

3.12 Financial guarantee contracts

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Company will be required to make a payment under the guarantee. A provision is recognised based on the Group'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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 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.

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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 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.

3.15 Finance income and finance costs

Finance income comprises mainly interest income on funds invested, imputed interest on non-current amount due from customers for contract works 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 amount due from customers for contract works 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.

3.16 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax 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 or receivable on the taxable income or loss 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:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associate and joint arrangement to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

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 temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Tax (cont'd)

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 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 for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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 determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. 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 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.

3.17 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.

3.18 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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 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 2016, 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 and the Company, except for those discussed below:

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for the adoption by the Group for the financial year ending 31 March 2019.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces a new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Company. The Group is currently assessing the impact of FRS 115 and FRS 109 and plans to adopt the new standards on the recognised effective dates.

4 PROPERTY, PLANT AND EQUIPMENT

	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
Group						
Cost						
At 1 April 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
Additions	585	–	10,438	512	879	12,414
Reclassification from inventories	–	–	2,872	–	–	2,872
Disposals/Write-offs	–	–	(4,613)	(18)	(324)	(4,955)
Transfer to inventories	–	–	(8,706)	–	–	(8,706)
Translation differences	(19)	(8)	(3,959)	(67)	(40)	(4,093)
At 31 March 2016	13,210	110	338,759	13,414	3,880	369,373
Accumulated depreciation and impairment losses						
At 1 April 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
Depreciation charge for the year	369	–	24,539	1,166	399	26,473
Disposals/Write-offs	–	–	(3,058)	(9)	(323)	(3,390)
Transfer to inventories	–	–	(6,428)	–	–	(6,428)
Translation differences	(2)	–	(1,353)	(35)	(28)	(1,418)
At 31 March 2016	2,221	–	185,964	10,345	2,931	201,461
Carrying amounts						
At 1 April 2014	7,078	–	155,094	4,176	484	166,832
At 31 March 2015	10,790	118	170,463	3,764	482	185,617
At 31 March 2016	10,989	110	152,795	3,069	949	167,912

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment, renovations and furniture and fittings $'000	Motor vehicles $'000	Total $'000
Company			
Cost			
At 1 April 2014 and 31 March 2015	21	6	27
Additions	47	–	47
Disposals	–	(6)	(6)
At 31 March 2016	68	–	68
Accumulated depreciation			
At 1 April 2014 and 31 March 2015	21	6	27
Additions	7	–	7
Disposals	–	(6)	(6)
At 31 March 2016	28	–	28
Carrying amounts			
At 1 April 2014 and 31 March 2015	*	*	*
At 31 March 2016	40	–	40

* Less than $1,000

(i) Included in the above are property, plant and equipment acquired under finance lease arrangements (note 17) with the following carrying amounts:

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Plant and machinery	66,059	85,943	–	–
Office equipment, renovations and furniture and fittings	252	–	40	–
Motor vehicles	666	211	–	–
	66,977	86,154	40	–

(ii) Leasehold land and properties, and plant and machinery of the Group with total carrying amounts of $6,894,000 (2015: $10,958,000) are mortgaged to banks as security for certain bank facilities extended by the banks to the Group (note 17).

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(iii) In the current and previous financial year, certain CGUs (entities) of the Group incurred operating losses due to intense competition following 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 these 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.

As a result of the assessment, in prior year, 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.

During the re-estimation of the recoverable amounts of those impaired property, plant and equipment in the current financial year, no additional impairment loss or any reversal of previously recognised impairment loss was considered necessary.

(iv) Changes in accounting estimates

In the current financial year, the Group conducted an operational efficiency review of its plant and machinery in the foundation engineering business.

Certain plant and machinery, which management had previously intended to sell after 10 years of use, is now expected to remain in production for additional 3 years. As a result, the expected useful lives of the plant and machinery increased and its estimated residual values decreased.

The directors are of the view that the revised useful lives and residual values better reflect the pattern of consumption of the future economic benefits embodied in the assets at the end of their useful lives. The effect of these changes on depreciation expense, included in cost of sales is as follows:

	2016 $'000	2017 $'000	2018 $'000	2019 $'000	2020 $'000	Later $'000
Increase in depreciation expense	150	251	268	101	42	36

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

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. Recoverable amounts are estimated using either value-in-use or fair value less costs to sell.

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(v) (Cont'd)

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. (4) Key assumption to be applied in determining the fair value less cost to sell. The fair value less costs of disposal calculation is based on available data from binding sales transaction, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset (income approach).

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 or any adjustments to be made on available sales data 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.

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.

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 business intentions and changes to the environment and customer requirements.

5 INTANGIBLE ASSETS

	Goodwill on consolidation $'000	Customer contracts $'000	Total $'000
Group			
Cost			
At 1 April 2014	2,539	2,038	4,577
Write-off	–	(2,038)	(2,038)
At 31 March 2015 and 31 March 2016	2,539	–	2,539
Accumulated amortisation and impairment losses			
At 1 April 2014	1,087	2,038	3,125
Write-off	–	(2,038)	(2,038)
At 31 March 2015 and 31 March 2016	1,087	–	1,087
Carrying amounts			
At 1 April 2014, 31 March 2015 and 31 March 2016	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:

	2016 $'000	2015 $'000
Soil Investigation Pte Ltd ("SI")	900	900
Wisescan Engineering Services Pte Ltd ("WES")	552	552
	1,452	1,452

The Group has determined the recoverable amounts of SI and WES 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 (2015: three to five-year) period.

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

	SI		WES	
	2016 %	2015 %	2016 %	2015 %
Revenue growth rate	0 – 5.0	1.0 – 5.0	0 – 10.0	0 – 10.0
Pre-tax discount rate	3.6	3.6	3.6	3.6

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 SI and WES cash-generating units were higher than their respective carrying amounts.

5 INTANGIBLE ASSETS (CONT'D)

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

Source of estimation uncertainty

Goodwill is assessed for impairment on an annual basis. The impairment assessment requires an estimation of the value-in-use of the cash-generating unit to which the goodwill is allocated.

Assessing the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and apply an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

6 INVESTMENTS IN SUBSIDIARIES

	Company	
	2016 $'000	2015 $'000
Investments in subsidiaries		
Unquoted shares, at cost	102,664	103,675
Impairment losses	(8,245)	(9,257)
	94,419	94,418

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.

Source of estimation uncertainty

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.

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 2016 %	2015 %
Held by Company				
+ 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	46.75

6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group 2016 %	Effective equity held by the Group 2015 %
Held by Company (cont'd)				
* ICE Far East Sdn. Bhd.	Trading and rental of piling hammers and other foundation equipment	Malaysia	46.75	46.75
# ICE Far East (HK) Limited	Rental of machinery and other related services	Hong Kong	46.75	46.75
* ICE Far East (Thailand) Co., Ltd	Trading and rental of machinery and other related services	Thailand	46.75	46.75
# ICE Far East Offshore Pte. Ltd.	Trading and rental of foundation engineering equipment and other related services (currently dormant)	Singapore	46.75	46.75
@ IMT-THL India Private Limited	Trading and rental of construction equipment and related parts	India	55	–
+ 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 (struck off)	Singapore	–	100
* CS Geo (Malaysia) Sdn. Bhd.	Piling, foundation and geotechnical engineering works	Malaysia	100	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

6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group 2016 %	Effective equity held by the Group 2015 %
Held by Company (cont'd)				
* GPSS Geotechnic Sdn. Bhd.	Piling, foundation and geotechnical engineering works (currently dormant)	Malaysia	100	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 (terminated)	Singapore	–	100
+ 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	100
+ CS Real Estate Investment Pte Ltd	Property development, property investment, property management and other related activities	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 accountant
@ Not required to be audited in the country of incorporation

KPMG LLP Singapore are the auditors 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 2016 %	Ownership interests held by NCI 2015 %
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
Wisescan Engineering Services Pte. Ltd. ("WES")	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.

	THLFE Group $'000	GPSS $'000	WES $'000	Intra-group elimination $'000	Total $'000
2016					
Revenue	45,881	93	9,275		
Profit	938	28	1,860		
Other comprehensive income	(469)	(42)	–		
Total comprehensive income	469	(14)	1,860		
Attributable to NCI:					
– Profit	469	10	558	368	1,405
– Other comprehensive income	(249)	(15)	–	–	(264)
– **Total comprehensive income**	220	(5)	558	368	1,141
Non-current assets	52,084	–	2,447		
Current assets	46,484	–	7,833		
Non-current liabilities	(10,782)	–	(189)		
Current liabilities	(36,889)	–	(2,986)		
Net assets	50,897	–	7,105		
Net assets attributable to NCI	25,478	–	2,132	(2,156)	25,454

7 NON-CONTROLLING INTERESTS (CONT'D)

	THLFE Group $'000	GPSS $'000	WES $'000	Intra-group elimination $'000	Total $'000
2016					
Cash flows from operating activities	8,112	4	3,022		
Cash flows from investing activities	(816)	176	(463)		
Cash flows from financing activities (including dividends paid to NCI of $195,000)	(10,290)	(12)	(328)		
Net (decrease)/increase in cash and cash equivalents	(2,994)	168	2,231		

	THLFE Group $'000	GPSS $'000	WES $'000	Intra-group elimination $'000	Total $'000
2015					
Revenue	58,389	1,222	10,672		
Profit	5,168	61	1,750		
Other comprehensive income	43	(27)	–		
Total comprehensive income	5,211	34	1,750		
Attributable to NCI:					
– Profit	2,271	21	525	249	3,066
– Other comprehensive income	90	(9)	–	–	81
– **Total comprehensive income**	2,361	12	525	249	3,147
Non-current assets	55,275	540	2,300		
Current assets	52,516	392	5,887		
Non-current liabilities	(15,567)	(40)	(158)		
Current liabilities	(40,856)	(276)	(2,134)		
Net assets	51,368	616	5,895		
Net assets attributable to NCI	25,887	216	1,769	(3,153)	24,719
Cash flows from operating activities	21,094	411	2,442		
Cash flows from investing activities	(842)	52	(656)		
Cash flows from financing activities (including dividends paid to NCI of $600,000)	(19,510)	(295)	(771)		
Net increase in cash and cash equivalents	742	168	1,015		

8 INVESTMENT IN AN ASSOCIATE

	Group 2016 $'000	Group 2015 $'000
Investment in an associate		
Investment in an associate	–	43
Impairment losses	–	(43)
	–	–

Details of the associate are as follows:

Name of associate	Principal activities	Country of incorporation	Effective equity held by the Group 2016 %	Effective equity held by the Group 2015 %
Held by L&M Foundation Specialist Pte Ltd				
# L&M Foundation, Philippines, Inc	Piling, foundation and geotechnical engineering works (currently dormant)	Philippines	–	40

Audited by another firm of certified public accountants

During the current financial year, the Group disposed of its investment in L&M Foundation, Philippines, Inc for a total consideration of $200. The disposal does not have any material financial impact to the Group.

Previously, the summarised financial information relating to an associate was not adjusted for the percentage of ownership held by the Group.

The financial information of the associate was as follows:

	Group 2015 $'000
Assets and liabilities	
Current assets	57
Total assets	57
Non-current liabilities	220
Current liabilities	2
Total liabilities	222
Net liabilities	(165)

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

9 JOINT ARRANGEMENTS

(a) Joint venture

	Group 2016 $'000	Group 2015 $'000
Investment in a joint venture	1,342	1,613

Details of the joint venture are as follows:

Name of joint venture	Principal activities	Country of incorporation	Effective equity held by the Group 2016 %	Effective equity held by the Group 2015 %
Held by CS Ground Engineering (International) Pte. Ltd.				
# Siam CSC Engineering Co., Ltd	Piling, foundation and geotechnical engineering works	Thailand	49	49

Audited by another firm of certified public accountants

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

	2016 $'000	2015 $'000
Result		
Revenue	3,511	6,663
(Loss)/profit after tax [a]	(293)	471
Other comprehensive income	(334)	293
Total comprehensive income	(627)	764
Assets and liabilities		
Non-current assets	3,191	4,099
Current assets [b]	2,303	5,394
Current liabilities [c]	(2,241)	(5,612)
Net assets	3,253	3,881

a Includes depreciation of $650,000 (2015: $417,000), interest expense of $1,000 (2015: $1,000) and tax credit of $94,000 (2015: $Nil).

b Includes cash and cash equivalents of $977,000 (2015: $1,755,000).

c Includes finance lease liabilities (exclude trade and other payables and tax provision) of $10,000 (2015: $22,000).

9 JOINT ARRANGEMENTS (CONT'D)

(a) Joint venture (cont'd)

	2016 $'000	2015 $'000
Group's interest in net assets of investee at beginning of the year	1,902	1,527
Share of total comprehensive income		
– (Loss)/profit after tax	(144)	231
– Other comprehensive income	(164)	144
	(308)	375
Elimination of unrealised profits on transactions with joint venture	(252)	(289)
Carrying amount of interest in investee at end of the year	1,342	1,613

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. Joint venture operators have joint control over NHBT, as the decisions about the relevant activities require the unanimous consent of both parties. Accordingly, the Group only recognises the assets owned by the Group, liabilities incurred and the Group's 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 2016 %	2015 %
Held by CS Industrial Properties Pte. Ltd.				
# NHCS Investment Pte. Ltd. and its subsidiary:	Investment holding	Singapore	49	49
# NH Singapore Biotechnology Pte. Ltd.	Providing fabrication, repair and maintenance facilities for heavy machinery	Singapore	49	49

Audited by another firm of public accountants and chartered accountants.

9 JOINT ARRANGEMENTS (CONT'D)

Source of estimation uncertainty

The Group evaluates annually whether the investment in joint venture is impaired, and determines the amount of impairment loss, if any, as a result of the joint venture inability to make the repayments. The Group determines the estimates based on historical repayments, financial performance and the quality of the assets of the joint venture. If the financial conditions of the joint venture were to deteriorate, impairment may need to be recognised.

As at the reporting date, management has carried out a review on the recoverable amount of its investments in joint venture and concluded no allowance for impairment loss is required.

10 OTHER INVESTMENT

	Group	
	2016 $'000	2015 $'000
Unquoted shares, at cost	193	193
Shareholder's loan	662	635
	855	828

In 2014, L&M Ground Engineering Sdn Bhd, 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, it is 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 2016 $'000	2015 $'000
Equipment and machinery	12,273	13,795
Spare parts	10,354	10,050
Raw materials	1,749	3,181
	24,376	27,026
Allowance for obsolete inventories	(23)	(25)
	24,353	27,001

The cost of inventories recognised in cost of sales amounted to $129,436,000 (2015: $145,007,000).

Included in the above are inventories amounting to $2,561,000 (2015: $3,261,000) acquired under finance lease agreements (note 17).

As at 31 March 2016, the write down of inventories to net realisable value amounted to $7,000 (2015: $94,000) for the Group. The write down is included in cost of sales.

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 2016 $'000	2015 $'000
At 1 April	25	25
Allowance recognised	–	*
Translation differences	(2)	–
At 31 March	23	25

* Less than $1,000

Source of estimation uncertainty

In performing the assessment of allowance for obsolete inventories, the Group considered the ageing of the inventories, physical and internal condition and marketability of the inventory items. The Group believes that no impairment loss is necessary in respect of the remaining balances of inventories due to continuous demands from customers. If changes to physical and internal condition of the inventories deteriorates, further impairment may be required.

12 TRADE AND OTHER RECEIVABLES

	Note	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Non-current assets					
Amount due from customers for contract works		6,593	12,594	–	–
Other receivables		–	308	–	–
Total non-current loans and receivables		6,593	12,902	–	–
Current assets					
Trade receivables		61,811	78,581	–	–
Impairment losses		(2,906)	(2,065)	–	–
		58,905	76,516	–	–
Amount due from customers for contract works		109,399	126,058	–	–
Impairment losses		(11,471)	(10,990)	–	–
		97,928	115,068	–	–
Other receivables		3,826	4,431	151	59
Amounts owing by:					
– subsidiaries (trade)		–	–	6,489	5,631
– subsidiaries (non–trade)		–	–	30,465	26,098
– a joint venture (trade)		1,268	2,029	*	*
– related corporations (trade)		760	1,076	–	–
– related corporations (non–trade)		1	1	–	–
		162,688	199,121	37,105	31,788
Deposits		2,791	3,096	–	–
Tax recoverable		62	163	–	–
Total current loans and receivables		165,541	202,380	37,105	31,788
Prepayments		421	499	–	–
		165,962	202,879	37,105	31,788

* Less than $1,000

Amount due from customers for contract works include $40,675,000 (2015: $43,321,000) relating to retention amounts for construction work-in-progress.

The Group's primary exposure to credit risk arises on its trade receivables and amount due from customers for contract works. Concentration of credit risk relating to trade receivables and amount due from customers for contract works 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 receivables and amount due from customers for contract works.

All the outstanding balances with subsidiaries, related corporations and joint venture are unsecured, interest-free and repayable on demand. The outstanding balances with subsidiaries, related corporations and joint venture are not impaired as at the financial year end.

12 TRADE AND OTHER RECEIVABLES (CONT'D)

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

	Gross 2016 $'000	Impairment losses 2016 $'000	Net 2016 $'000	Gross 2015 $'000	Impairment losses 2015 $'000	Net 2015 $'000
Group						
Not past due	114,721	(93)	114,628	161,321	(278)	161,043
Past due 0 – 30 days	7,905	(98)	7,807	5,834	(131)	5,703
Past due 31– 90 days	10,843	(11)	10,832	7,207	(140)	7,067
Past due 91– 180 days	16,020	(1,200)	14,820	11,823	(960)	10,863
Past due 181– 365 days	5,192	(818)	4,374	6,510	(47)	6,463
More than 365 days	31,830	(12,157)	19,673	35,642	(11,499)	24,143
	186,511	(14,377)	172,134	228,337	(13,055)	215,282
Company						
Not past due	37,103	–	37,103	31,786	–	31,786
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	2	–	2
	37,105	–	37,105	31,788	–	31,788

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

	Trade receivables $'000	Amount due from customers for contract works $'000	Amounts owing by an associate $'000	Total $'000
Group				
2016				
At 1 April	2,065	10,990	–	13,055
Impairment losses recognised	892	622	–	1,514
Impairment losses utilised	(51)	(141)	–	(192)
At 31 March	2,906	11,471	–	14,377
2015				
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

12 TRADE AND OTHER RECEIVABLES (CONT'D)

	Amounts owing by subsidiaries $'000	Total $'000
Company		
2016		
At 1 April 2015 and 31 March 2016	–	–
2015		
At 1 April	1,997	1,997
Impairment losses reversed	(87)	(87)
Impairment losses utilised	(1,910)	(1,910)
At 31 March	–	–

Source of estimation uncertainty

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.

13 CASH AND CASH EQUIVALENTS

	Note	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Cash at bank and in hand		21,116	18,315	462	508
Fixed deposits		10,452	852	5,500	–
Cash and cash equivalents		31,568	19,167	5,962	508
Bank overdrafts	17	(5,633)	(872)		
Cash and cash equivalents in the consolidated cash flow statement		25,935	18,295		

The bank overdrafts are unsecured and guaranteed by the Company.

14 SHARE CAPITAL

	Group and Company			
	2016		2015	
	No. of shares	$'000	No. of shares	$'000
Issued and fully-paid ordinary shares with no par value:				
At 1 April	1,230,243,725	64,953	1,230,243,725	64,953
Issue of shares from rights issue	403,241,241	10,081	–	–
Exercise of warrants	574,809,615	5,748	–	–
Share issuance expenses	–	(493)	–	–
At 31 March	2,208,294,581	80,289	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.

On 30 December 2015, the Company issued 403,241,241 new ordinary shares in the capital of the Company at $0.025 each and 2,016,206,205 free detachable warrants ("Rights cum Warrants Issue"). Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of $0.01 and is exercisable during a five year period from the date of issue. The warrants will expire on 29 December 2020 (inclusive).

On 18 January 2016, 574,809,615 warrants were exercised at $0.01 each pursuant to the Rights cum Warrants Issue. As at 31 March 2016, there were outstanding warrants of 1,441,396,590 (31 March 2015: Nil) for conversion into ordinary shares.

There were no buy-back of ordinary shares during the financial year. In the previous financial year, the Company completed the buy-back of 200,000 ordinary shares, representing 0.02% of the issued share capital on that date, under the terms of the Shares 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 per share, for a total consideration of $18,000. This amount was classified as a reduction in equity under "reserve for own shares". As at reporting date, the Company held 20,520,000 (2015: 20,520,000) of its own uncancelled shares.

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.

14 SHARE CAPITAL (CONT'D)

As the Group has suffered losses in 2015 and 2016, return on capital rates would not be meaningful and not presented.

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.

15 RESERVES

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Capital reserve	17,798	17,798	17,798	17,798
Reserve for own shares	(2,354)	(2,354)	(2,354)	(2,354)
Reserve on consolidation	116	116	–	–
Foreign currency translation reserve	(5,885)	(2,943)	–	–
Other reserve	(881)	(923)	–	–
Accumulated profits	70,801	77,672	32,072	30,053
	79,595	89,366	47,516	45,497

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 14).

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.

Other reserve relates to the changes in equity interest in subsidiaries without a change in control (i.e. represents difference between the purchase consideration and book value of non-controlling interests).

16 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 Teo Beng Teck.

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.

17 LOANS AND BORROWINGS

		Group		Company	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-current liabilities					
Secured bank loans		8,502	2,851	–	–
Unsecured bank loans		1,752	3,683	–	–
Finance lease liabilities		18,204	25,205	36	–
		28,458	31,739	36	–
Current liabilities					
Bank overdrafts	13	5,633	872	95	–
Bills payable		11,985	13,614	–	–
Secured bank loans		2,514	3,696	–	–
Unsecured bank loans		33,960	47,051	–	–
Finance lease liabilities		15,853	21,125	9	–
		69,945	86,358	104	–

The loans and borrowings are guaranteed by the Company except for $14,706,000 (2015: $19,234,000) which are guaranteed by both the Company and a related corporation.

17 LOANS AND BORROWINGS (CONT'D)

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

(a) a charge over the Group's leasehold land and properties (note 4) with a carrying amount of $5,305,000 (2015: $5,543,000);

(b) a legal mortgage over the Group's plant and machinery (note 4) with a carrying amount of $1,589,000 (2015: $5,415,000); and

(c) the Group's plant and machinery acquired under finance lease arrangements (notes 4 and 11) with a carrying amount of $69,538,000 (2015: $89,415,000).

Finance lease liabilities

The Group and Company have obligations under finance leases that are repayable as follows:

	Payments $'000	Interest $'000	Principal $'000
Group			
2016			
Repayable within 1 year	16,931	1,078	15,853
Repayable after 1 year but within 5 years	18,980	776	18,204
	35,911	1,854	34,057
2015			
Repayable within 1 year	22,573	1,448	21,125
Repayable after 1 year but within 5 years	26,381	1,176	25,205
	48,954	2,624	46,330

17 LOANS AND BORROWINGS (CONT'D)

	Payments $'000	Interest $'000	Principal $'000
Company			
2016			
Repayable within 1 year	11	2	9
Repayable after 1 year but within 5 years	39	3	36
	50	5	45
2015			
Repayable within 1 year	–	–	–
Repayable after 1 year but within 5 years	–	–	–
	–	–	–

Terms and debt repayment schedule

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

	Nominal interest rate %	Year of maturity	2016 Face value $'000	2016 Carrying amount $'000	2015 Face value $'000	2015 Carrying amount $'000
Group						
Secured bank loans	COF and SWAP + 1.85 - 2.30, 2.00 - 2.26	2017 - 2021	11,016	11,016	6,547	6,547
Unsecured bank loans	COF, SOR and SWAP + 1.25 - 1.75, 2.63 - 5.75	2017 - 2019	35,712	35,712	50,734	50,734
Finance lease liabilities	1.11 - 3.60	2017 - 2021	34,057	34,057	46,330	46,330
Bank overdrafts	PR + 0.50	2017	5,633	5,633	872	872
Bills payable	COF and SWAP + 1.50, prevailing interest rate + margin, 1.50 on face value	2017	11,985	11,985	13,614	13,614
			98,403	98,403	118,097	118,097
Company						
Finance lease liabilities	2.80	2021	45	45	–	–
Bank overdrafts	PR	2017	95	95	–	–
			140	140	–	–

18 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 2014 $'000	Recognised in profit or loss (note 24) $'000	Translation differences $'000	At 31 March 2015 $'000	Recognised in profit or loss (note 24) $'000	Translation differences $'000	At 31 March 2016 $'000
Group							
Deferred tax assets							
Property, plant and equipment	(2,367)	397	–	(1,970)	177	–	(1,793)
Unutilised tax losses	(1,260)	999	7	(254)	87	8	(159)
Unutilised capital allowances	(3,497)	1,168	39	(2,290)	782	73	(1,435)
Provisions	(675)	515	7	(153)	(44)	1	(196)
Trade and other receivables	(2)	(15)	1	(16)	6	–	(10)
Others	(664)	(63)	24	(703)	97	43	(563)
Total	(8,465)	3,001	78	(5,386)	1,105	125	(4,156)
Deferred tax liabilities							
Property, plant and equipment	11,759	(5,716)	(87)	5,956	(738)	(120)	5,098
Total	11,759	(5,716)	(87)	5,956	(738)	(120)	5,098

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

	Company 2016 $'000	Company 2015 $'000
Deferred tax assets		
Property, plant and equipment	*	–
Provisions	22	29
	22	29

* Less than $1,000

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:

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Deferred tax assets	(154)	–	(22)	(29)
Deferred tax liabilities	1,096	570	–	–
	942	570	(22)	(29)

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Trade payables	56,980	95,340	4	9
Other payables	415	394	134	123
Accruals	29,406	32,731	1,783	1,779
Amounts owing to:				
– subsidiaries (trade)	–	–	1,746	2,325
– subsidiaries (non-trade)	–	–	5,856	11,956
– related corporations (trade)	1,959	1,656	–	–
– related corporation (non-trade)	50	2	–	–
Financial liabilities at amortised cost	88,810	130,123	9,523	16,192
Advance payments received for contracts	2,030	6,175	–	–
Deferred revenue	3,530	2,119	–	–
Deposits received	581	618	–	–
	94,951	139,035	9,523	16,192

20 EXCESS OF PROGRESS BILLINGS OVER CONSTRUCTION WORK-IN-PROGRESS

		Group	
	Note	2016	2015
		$'000	$'000
Costs incurred and attributable profits		439,955	491,210
Progress billings		(324,149)	(353,145)
		115,806	138,065
Progress billings in excess of construction work-in-progress		(186)	(587)
Amount due from customers for contract works	12	115,992	138,652
		115,806	138,065

21 PROVISIONS

	Foreseeable losses $'000	Liquidated damages $'000	Rectification costs $'000	Total $'000
Group				
2016				
At 1 April	316	5,164	6,903	12,383
Provisions (reversed)/made	(316)	3,448	3,344	6,476
Translation differences	–	(61)	–	(61)
At 31 March	–	8,551	10,247	18,798
2015				
At 1 April	–	–	8,523	8,523
Provisions made/(reversed)	316	5,197	(1,620)	3,893
Translation differences	–	(33)	–	(33)
At 31 March	316	5,164	6,903	12,383

It is expected that the majority of the provisions will be utilised within the next financial year.

Foreseeable losses

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.

Liquidated damages

The provision for liquidated damages is 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.

Rectification costs

The Group recognised provision for rectification costs 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, the provision is provided by reference to actual historical costs percentage established since this most appropriately reflect the estimated costs for rectification works. It is possible that management's estimates used are not indicative of future rectification costs that it will incur. Any increase or decrease would affect profit or loss in the future years.

Source of estimation uncertainty

The provision recognised represents management's best estimate of the expected future cost required. Significant estimates and assumptions are made in determining the provisions. Those estimates and assumptions deal with uncertainties such as: changes to timing, extent and cost required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions recognised are periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statement of financial position and statement of profit or loss by adjusting the provision.

22 REVENUE

	Group 2016 $'000	Group 2015 $'000
Contract revenue	340,470	374,911
Sale of goods	30,314	37,127
Rental income	11,557	15,887
	382,341	427,925

Source of estimation uncertainty

As explained in note 3.13, 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 costs to complete, rectification and foreseeable costs at each reporting date. 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 the current and future years. As at 31 March 2016, the management considered that all costs to complete and revenue can be reliably estimated.

23 FINANCE INCOME AND EXPENSES

	Group 2016 $'000	Group 2015 $'000
Interest income:		
– fixed deposits	35	1
– others	510	72
Imputed interest on:		
– non-current amount due from customers for contract works and other receivables	714	159
Finance income	1,259	232
Interest expense:		
– bank overdrafts	(96)	(150)
– finance leases	(1,772)	(2,134)
– bank loans	(1,464)	(1,458)
– bills payable	(215)	(106)
– others	(6)	*
Finance expenses	(3,553)	(3,848)
Net finance expenses recognised in profit or loss	(2,294)	(3,616)

* Less than $1,000

24 TAX EXPENSE

	Group 2016 $'000	Group 2015 $'000
Current tax expense		
Current year	1,798	2,978
(Over)/under provided in prior years	(1,071)	166
	727	3,144
Deferred tax expense/(credit)		
Movements in temporary differences	173	(2,832)
Under provided in prior years	194	117
	367	(2,715)
	1,094	429

Reconciliation of effective tax rate

	Group 2016 $'000	Group 2015 $'000
Loss for the year	(5,466)	(13,633)
Total tax expense	1,094	429
Loss before tax	(4,372)	(13,204)
Tax calculated using corporate tax rate at 17%	(743)	(2,245)
Effect of tax rates in foreign jurisdictions	202	235
Tax exempt income	(32)	(45)
Tax incentives	(607)	(373)
Income not subject to tax	(128)	(331)
Expenses not deductible for tax purposes	273	639
Tax losses and deductible temporary differences for which deferred tax assets were not recognised	3,007	2,578
Utilisation of previously unrecognised deferred tax assets	(19)	(283)
Effect of share of a joint venture	18	(29)
(Over)/under provided in prior years	(877)	283
	1,094	429

Deferred tax assets have not been recognised in respect of the following items:

	Group 2016 $'000	Group 2015 $'000
Tax losses arising from operations in:		
– Singapore	30,551	19,356
– Others	5,915	2,978
	36,466	22,334
Deductible temporary differences		
– Singapore	34,436	32,313
– Others	1,407	1,064
	35,843	33,377

24 TAX EXPENSE (CONT'D)

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 2018. Accordingly, the tax charge of the Group for the year ended 31 March 2016 and 2015 had been reduced based on the above tax incentive.

25 LOSS FOR THE YEAR

The following items have been included in arriving at loss for the year:

	Group	
	2016 $'000	2015 $'000
Allowance for foreseeable losses (reversed)/recognised on construction work-in-progress	(316)	316
Bad debts written off	89	272
Depreciation of property, plant and equipment included in:		
– cost of sales	25,727	27,945
– administrative expenses	746	854
Directors' remuneration (excluding directors' fees)	637	633
Directors' fees	327	331
Foreign exchange loss	291	897
Gain on disposal of:		
– property, plant and equipment	(959)	(1,472)
– assets held for sale	–	(56)
Impairment losses recognised/(reversed) on:		
– property, plant and equipment	–	6,876
– trade and other receivables	1,514	(5,378)
Inventories written down	7	94
Inventories written off	6	8
Audit fees	431	436
Non-audit fees paid or payable to:		
– auditors of the Company	80	109
– other auditors	58	91
Operating lease expenses included in:		
– cost of sales	28,740	26,710
– administrative expenses	1,537	1,586
Professional fees paid to 1 director	30	30
Property, plant and equipment written off	15	–
Provision for liquidated damages	3,448	5,197
Provision made/(reversed) for rectification costs	3,344	(1,620)
Salaries, bonus and other costs	62,310	65,514
Contributions to defined contribution plans	3,307	3,141

26 LOSS PER SHARE

(a) Basic loss per share

	Group 2016 $'000	Group 2015 $'000
Basic loss per share is based on:		
Net loss attributable to ordinary shareholders	(6,871)	(16,699)

	Group 2016 No. of shares	Group 2015 No. of shares
Weighted average number of:		
Issued ordinary shares at beginning of the year	1,230,243,725	1,230,243,725
Rights issue of shares	102,462,938	–
Issue of shares in exercise of warrants	116,218,337	–
Ordinary shares held as treasury shares	(20,520,000)	(20,520,000)
Weighted average number of shares used to compute earnings per share	1,428,405,000	1,209,723,725

(b) Diluted loss per share

	Group 2016 $'000	Group 2015 $'000
Diluted loss per share is based on:		
Net loss attributable to ordinary shareholders	(6,871)	(16,699)

For the purpose of calculating the diluted loss 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 warrants with the potential ordinary shares weighted for the period outstanding.

The weighted average number of ordinary shares in issue is as follows:

	Group 2016 No. of shares	Group 2015 No. of shares
Weighted average number of:		
Ordinary shares used in the calculation of basic earnings per share	1,428,405,000	1,209,723,725
Potential ordinary shares issuable under exercise of warrants	254,633,370	–
Weighted average number of ordinary shares issued and potential shares assuming full conversion	1,683,038,370	1,209,723,725

27 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

27.1 Acquisition of non-controlling interests and striking off/termination of subsidiaries in financial year 2016

(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 $169,000 in cash ("the Acquisition"). The Acquisition was completed on 31 March 2016, and following this, the Group's equity interest in GPSS has increased from 65% to 100%.

The carrying amount of GPSS's net assets in the Group's financial statements on the date of the acquisition was $391,000. The Group recognised an increase in other reserve and a decrease in non-controlling interests of $42,000 and $211,000 respectively.

The following summarises the effect of changes in the Group's ownership interest in GPSS:

	2016 $'000
Group's interest in net assets of investee at the beginning of the year	401
Effect of increase in Group's interest in net assets of investee	211
Share of comprehensive income	(10)
Group's interest in net assets of investee at the end of the year	602

(b) CS Industrial Land Pte. Ltd.

On 10 December 2015, CS Industrial Land 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.

(c) CS Geotechnic Soil Investigation JV

On 15 December 2015, CS Geotechnic Soil Investigation JV, a 100% owned partnership of the Group, was terminated. The termination does not have any financial impact to the Group.

27 ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)

27.2 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'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 disposed of his remaining equity interests of 15% for a cash consideration of $2,907,000 ("the Acquisition"). The Acquisition was completed on 31 March 2015, and following this, 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 $727,000 would be paid in 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	14,417

(c) CS India Pte. Ltd.

On 12 September 2014, CS India Pte. Ltd., a 100% owned subsidiary of the Group, has been struck off. The strike off does not have any financial impact to the Group.

28 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.

28 FINANCIAL RISK MANAGEMENT (CONT'D)

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	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Loans and receivables	172,134	215,282	37,105	31,788
Cash and cash equivalents	31,568	19,167	5,962	508
	203,702	234,449	43,067	32,296

The maximum exposure to credit risk for loans and receivables at the reporting date by geographic region was:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Singapore	135,580	178,927	22,979	17,734
Malaysia	32,455	33,727	14,099	14,053
Others	4,099	2,628	27	1
	172,134	215,282	37,105	31,788

The maximum exposure to credit risk for loans and receivables at the reporting date by business segment was:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Foundation and geotechnical engineering	154,077	196,867	31,786	27,369
Trading and lease of equipment	17,613	18,082	54	56
Others	444	333	5,265	4,363
	172,134	215,282	37,105	31,788

At the reporting date, there were no significant concentrations of credit risk with any counterparties.

28 FINANCIAL RISK MANAGEMENT (CONT'D)

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 amount due from customers for contract works and trade receivables totalling $163,426,000 (2015: $204,178,000). The liquidity of the Group is primarily dependent on the timely settlement of amount due from customers for contract works 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 $194,829,000 (2015: $222,682,000) that can be drawn down to meet short term financing needs. As at reporting date, $73,343,000 (2015: $81,044,000) 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.

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

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
Group					
2016					
Non-derivative financial liabilities					
Secured bank loans	11,016	11,393	2,602	8,791	–
Unsecured bank loans	35,712	36,837	35,029	1,808	–
Finance lease liabilities	34,057	35,911	16,931	18,980	–
Bank overdrafts	5,633	5,923	5,923	–	–
Bills payable	11,985	12,369	12,369	–	–
Trade and other payables *	88,810	88,810	88,810	–	–
Recognised financial liabilities	187,213	191,243	161,664	29,579	–
Derivative financial instruments					
Forward contracts	69				
– inflow		(1,516)	(1,516)	–	–
– outflow		1,585	1,585	–	–
	69	69	69	–	–

28 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
Group					
2015					
Non-derivative financial liabilities					
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	–
Company					
2016					
Non-derivative financial liabilities					
Finance lease liabilities	45	50	11	39	–
Bank overdrafts	95	99	99	–	–
Trade and other payables *	9,523	9,523	9,523	–	–
Intra-group financial guarantee	–	243,128	209,558	33,570	–
Recognised financial liabilities	9,663	252,800	219,191	33,609	–
2015					
Non-derivative financial liabilities					
Trade and other payables *	16,192	16,192	16,192	–	–
Intra-group financial guarantee	–	272,254	231,868	40,386	–
Recognised financial liabilities	16,192	288,446	248,060	40,386	–

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

Intra-group financial guarantees

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risk and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given to its subsidiaries.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

At the reporting date, the Company had issued guarantees to banks in respect of bank facilities granted to subsidiaries amounting to $243,128,000 (2015: $272,254,000). The financial gurantees will expire when the loans have been paid and discharged and/or when the banking facilities are no longer available to the subsidiaries. The Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

28 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	
	2016 $'000	2015 $'000
Profile		
Fixed rate instruments		
Financial assets	10,452	852
Financial liabilities	(65,107)	(88,917)
	(54,655)	(88,065)
Variable rate instruments		
Financial assets	662	635
Financial liabilities	(33,296)	(29,180)
	(32,634)	(28,545)

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 1 to 22 (2015: 6 to 55) 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 1 to 22 (2015: 6 to 55) 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 2015.

	Group Profit before tax	
	2016 $'000	2015 $'000
Variable rate financial instruments	(47)	(31)

There is no impact on other comprehensive income and equity.

28 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
Group						
2016						
Trade and other receivables	1,018	–	3,268	360	–	730
Cash and cash equivalents	818	81	162	–	–	–
Loans and borrowings	–	(311)	(2,155)	–	–	–
Trade and other payables	(485)	(4,183)	(21)	(2)	(9)	–
Net statement of financial position exposure	1,351	(4,413)	1,254	358	(9)	730
Derivatives	–	(1,516)	–	–	–	–
Net exposure	1,351	(5,929)	1,254	358	(9)	730
2015						
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

28 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 2015.

	Profit before tax	
	2016 $'000	2015 $'000
Group		
Euro	135	349
US dollar	(593)	(680)
Japanese Yen	125	55
Malaysian Ringgit	36	70
Australian dollar	(1)	(6)
Thai Baht	73	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 market interest rate.

Fixed rate non-current bank loans, finance lease liabilities and non-current receivables

The fair values have 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, current amount due from customers for contract works, 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.

28 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
Group							
31 March 2016							
Assets							
Trade and other receivables	12	–	172,134	–	–	172,134	172,134
Cash and cash equivalents	13	–	31,568	–	–	31,568	31,568
		–	203,702	–	–	203,702	203,702
Liabilities							
Bank overdrafts	17	–	–	(5,633)	–	(5,633)	(5,633)
Bills payable	17	–	–	(11,985)	–	(11,985)	(11,985)
Secured bank loans	17	–	–	(11,016)	–	(11,016)	(10,936)
Unsecured bank loans	17	–	–	(35,712)	–	(35,712)	(35,712)
Finance lease liabilities	17	–	–	–	(34,057)	(34,057)	(32,179)
Derivatives		(69)	–	–	–	(69)	(69)
Trade and other payables *	19	–	–	(88,810)	–	(88,810)	(88,810)
		(69)	–	(153,156)	(34,057)	(187,282)	(185,324)
31 March 2015							
Assets							
Trade and other receivables	12	–	215,282	–	–	215,282	215,282
Cash and cash equivalents	13	–	19,167	–	–	19,167	19,167
		–	234,449	–	–	234,449	234,449
Liabilities							
Bank overdrafts	17	–	–	(872)	–	(872)	(872)
Bills payable	17	–	–	(13,614)	–	(13,614)	(13,614)
Secured bank loans	17	–	–	(6,547)	–	(6,547)	(6,419)
Unsecured bank loans	17	–	–	(50,734)	–	(50,734)	(50,734)
Finance lease liabilities	17	–	–	–	(46,330)	(46,330)	(44,324)
Trade and other payables *	19	–	–	(130,123)	–	(130,123)	(130,123)
		–	–	(201,890)	(46,330)	(248,220)	(246,086)

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

28 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	Other financial liabilities outside the scope of FRS 39 $'000	Total carrying amount $'000	Fair value $'000
Company						
31 March 2016						
Assets						
Trade and other receivables	12	37,105	–	–	37,105	37,105
Cash and cash equivalents	13	5,962	–	–	5,962	5,962
		43,067	–	–	43,067	43,067
Liabilities						
Bank overdrafts	17	–	(95)	–	(95)	(95)
Finance lease liabilities	17	–	–	(45)	(45)	(42)
Trade and other payables	19	–	(9,523)	–	(9,523)	(9,523)
		–	(9,618)	(45)	(9,663)	(9,660)
31 March 2015						
Assets						
Trade and other receivables	12	31,788	–	–	31,788	31,788
Cash and cash equivalents	13	508	–	–	508	508
		32,296	–	–	32,296	32,296
Liabilities						
Trade and other payables	19	–	(16,192)	–	(16,192)	(16,192)

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 2016 %	Group 2015 %
Non-current receivables	4.88	4.88 – 5.00
Fixed rate bank loans	1.75 – 5.75	1.30 – 5.58
Finance lease liabilities	1.17 – 3.50	1.25 – 3.55

28 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
Group				
2016				
Financial assets carried at fair value				
Trade and other receivables	–	6,593	–	6,593
Financial liabilities carried at fair value				
Derivative financial liabilities	–	(69)	–	(69)
Financial liabilities not carried at fair value but for which fair value are disclosed				
Secured bank loans	–	(10,936)	–	(10,936)
Unsecured bank loans	–	(35,712)	–	(35,712)
Finance lease liabilities	–	(32,179)	–	(32,179)
	–	(78,827)	–	(78,827)
2015				
Financial assets carried at fair value				
Trade and other receivables	–	12,902	–	12,902
Financial liabilities not carried at fair value but for which fair value are disclosed				
Secured bank loans	–	(6,419)	–	(6,419)
Unsecured bank loans	–	(50,734)	–	(50,734)
Finance lease liabilities	–	(44,324)	–	(44,324)
	–	(101,477)	–	(101,477)
Company				
2016				
Financial liabilities not carried at fair value but for which fair value are disclosed				
Finance lease liabilities	–	(42)	–	(42)
2015				
Financial liabilities not carried at fair value but for which fair value are disclosed				
Finance lease liabilities	–	–	–	–

29 DIVIDENDS

No dividends were proposed by the directors in respect of the financial years ended 31 March 2016 and 2015.

30 COMMITMENTS

As at reporting date, the Group had the following commitments:

(a) Operating lease expenses commitments (as lessee)

The Group leases offices and equipment under operating leases. The leases typically run for an initial period of 4 months 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:

	2016 $'000	2015 $'000
Within 1 year	5,588	7,875
After 1 year but within 5 years	5,867	3,237
After 5 years	9,912	9,958
	21,367	21,070

(b) Capital expenditure contracted for but not recognised in the financial statements is as follows:

	2016 $'000	2015 $'000
Capital commitment in respect of:		
– acquisition of property, plant and equipment	2,258	600

(c) Operating lease income commitments (as lessor)

The Group leases out its plant and machinery. The leases typically run for an initial period of 1 year, 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.

Non-cancellable operating lease rentals are receivable as follows:

	2016 $'000	2015 $'000
Within 1 year	282	–

31 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 2016 $'000	Group 2015 $'000
Short-term employee benefits	6,742	6,618
Post employment benefits	367	296
	7,109	6,914

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 2016 $'000	Transaction value for the year ended 2015 $'000
Professional fees	25	30	30

Other related party transactions

Other than as disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

	Group 2016 $'000	Group 2015 $'000
Companies in which a substantial shareholder of the Group has substantial financial interests		
Revenue from foundation engineering works	896	1,710
Revenue from rental and service income	328	1,458
Sale of plant and equipment	720	90
Expenses for foundation engineering works	–	(245)
Rental and operating lease expenses	(3,927)	(2,717)
Purchase of plant and equipment	(1,101)	(882)
Upkeep of machinery and equipment expenses	(83)	(143)
Firm in which a director of the Group has substantial financial interests		
Consultancy fee paid	–	(10)
Service fee paid	(49)	–
Joint venture		
Revenue from rental and service income	27	174
Management fee income	–	113
Sale of plant and equipment	154	1,113

32 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 2016 or 2015.

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.

32 SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

Information about reportable segments

	Foundation and geotechnical engineering		Sales and lease of equipment		Others		Total	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
External revenue	341,249	377,040	41,092	50,885	–	–	382,341	427,925
Inter-segment revenue	69,068	63,056	10,259	19,482	–	–	79,327	82,538
Interest revenue	1,251	228	8	4	–	–	1,259	232
Interest expense	(2,128)	(2,219)	(1,425)	(1,629)	–	–	(3,553)	(3,848)
Reportable segment (loss)/ profit before tax	(6,876)	(20,481)	1,591	5,459	(53)	(28)	(5,338)	(15,050)
Share of (loss)/profit of a joint venture	(107)	168	–	–	–	–	(107)	168
Reportable segment assets	295,853	346,791	91,433	97,794	5,194	4,531	392,480	449,116
Investment in a joint venture	1,342	1,613	–	–	–	–	1,342	1,613
Capital expenditure	9,159	12,946	2,687	2,726	568	4,030	12,414	19,702
Reportable segment liabilities	167,313	214,590	42,691	53,559	342	42	210,346	268,191
Other material items								
Allowance for foreseeable losses reversed/ (recognised) on construction work-in-progress	316	(316)	–	–	–	–	316	(316)
Bad debts written off	(89)	(272)	–	–	–	–	(89)	(272)
Depreciation of property, plant and equipment	(23,087)	(25,337)	(3,386)	(3,439)	–	(23)	(26,473)	(28,799)
Impairment losses (recognised)/ reversed on:								
- property, plant and equipment	–	(6,876)	–	–	–	–	–	(6,876)
- trade and other receivables	(1,432)	5,764	(82)	(386)	–	–	(1,514)	5,378
Gain on disposal of property, plant and equipment	625	1,286	334	186	–	–	959	1,472
Inventories written down	–	(19)	(7)	(75)	–	–	(7)	(94)
Provision for liquidated damages	(3,448)	(5,197)	–	–	–	–	(3,448)	(5,197)
Provision (made)/reversed for rectification costs	(3,344)	1,620	–	–	–	–	(3,344)	1,620

32 SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

Reconciliations of reportable segment profit or loss, assets and liabilities and other segmental information:

	2016 $'000	2015 $'000
Profit or loss		
Total profit or loss for reportable segments	(5,285)	(15,022)
Other profit or loss	(53)	(28)
	(5,338)	(15,050)
Elimination of inter-segment transactions	6,387	7,357
Unallocated amounts:		
– other corporate expenses	(5,314)	(5,679)
Share of (loss)/profit of a joint venture	(107)	168
Consolidated loss before tax	(4,372)	(13,204)
Assets		
Total assets for reportable segments	387,286	444,585
Other assets	5,194	4,531
	392,480	449,116
Investment in a joint venture	1,342	1,613
Other unallocated amounts	6,369	730
Consolidated total assets	400,191	451,459
Liabilities		
Total liabilities for reportable segments	210,004	268,149
Other liabilities	342	42
	210,346	268,191
Other unallocated amounts	4,507	4,230
Consolidated total liabilities	214,853	272,421

There are no reconciling items with respect to the other items.

(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
2016				
Revenue from external customers	309,154	61,649	11,538	382,341
Non-current assets	135,858	17,756	15,750	169,364
2015				
Revenue from external customers	346,001	73,085	8,839	427,925
Non-current assets	150,600	19,381	17,088	187,069

Non-current assets presented consist of property, plant and equipment and intangible assets.

32 SEGMENT REPORTING (CONT'D)

(c) Major customers

There are no major customers who solely account for 10% or more of the Group's revenue.

33 SUBSEQUENT EVENTS

(a) In April 2016, the Group incorporated a 100% owned subsidiary, THL Foundation Equipment (Philippines) Inc.

(b) On 20 May 2016, the Group entered into a shareholders' agreement with several parties to acquire a piece of freehold land in Seremban, Negeri Sembilan, Malaysia to develop into commercial properties for sale ("proposed commercial development").

On 23 June 2016, the Group had subscribed for ordinary shares equivalent to 40% of the equity interests of Top3 Development Sdn Bhd ("Top3 Development") for a cash consideration of approximately $0.7 million in relation to the proposed commercial development.

On 27 June 2016, Top3 Development has accepted a conditional letter of offer (the "LO") to acquire 15 acres of freehold land in Seremban, Negeri Sembilan, Malaysia (the "Land"). Pursuant to the term of the LO, the acquisition of the Land is subject to the approval for conversion of Land use to commercial use and the execution of the sale and purchase agreement on terms mutually agreed by the Top3 Development and the vendor. The Land will cost approximately RM43 million (approximately $14.3 million) inclusive of stamp duties, GST and other applicable costs.

34 COMPARATIVE INFORMATION

During the current year, the Group modified the classification of certain current liabilities to reflect more appropriately the nature of these liabilities. Comparative amounts in statement of financial position were restated for consistency.

	As previously reported $'000	Amount reclassified $'000	As restated $'000
Statement of financial position			
Current liabilities			
Excess of progress billings over construction work-in-progress	7,806	(7,219)	587
Provisions	5,164	7,219	12,383

Since the amounts are reclassifications within current liabilities in the statement of financial position, this reclassification did not have any material effect on the Group's statement of financial position.

PROPERTIES OF THE GROUP

As at 31 March 2016

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 Cresent, 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 on Lot 4812A Mukim 7 at 15 Tuas South Street 6, Singapore 636913.	20 years 9 months wef 17 Feb 2015	4,700.0	3,178.5

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS

AS AT 17 JUNE 2016

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 2016, 45.49% 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	42	0.40	947	0.00
100 - 1,000	213	2.03	167,501	0.01
1,001 - 10,000	3,091	29.38	23,112,441	1.04
10,001 - 1,000,000	7,060	67.11	529,512,059	23.98
1,000,001 and above	114	1.08	1,655,501,633	74.97
	10,520	100.00	2,208,294,581	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% *
1	Bank of Singapore Nominees Pte Ltd	1,151,141,407	52.62
2	Chiu Hong Keong or Khoo Yok Yee	98,605,500	4.51
3	DBS Nominees Pte Ltd	19,874,804	0.91
4	OCBC Securities Private Ltd	15,961,531	0.73
5	Ong Kian Kok	15,460,000	0.71
6	Maybank Kim Eng Securities Pte Ltd	14,904,666	0.68
7	UOB Kay Hian Pte Ltd	14,509,266	0.66
8	United Overseas Bank Nominees Pte Ltd	13,205,158	0.60
9	ABN Amro Nominees Singapore Pte Ltd	11,974,896	0.55
10	Maybank Nominees (S) Pte Ltd	11,285,900	0.52
11	Poh Chee Kuan or Luo Taohong	9,529,333	0.44
12	HSBC (Singapore) Nominees Pte Ltd	9,133,332	0.42
13	CIMB Securities (S) Pte Ltd	8,886,916	0.41
14	Raffles Nominees (Pte) Ltd	8,524,533	0.39
15	OCBC Nominees Singapore Pte Ltd	8,006,411	0.37
16	Phillip Securities Pte Ltd	7,451,218	0.34
17	DBSN Services Pte Ltd	7,000,000	0.32
18	Lee Chin Chye	6,580,000	0.30
19	Tan Ee Ping	6,089,333	0.28
20	Ting Lay Choon	6,000,000	0.27
		1,444,124,204	66.03

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 17 June 2016 of 2,187,774,581 shares (which excludes 20,520,000 shares which are held as treasury shares representing approximately 0.94% of the total number of issued shares excluding treasury shares).

ANALYSIS OF SHAREHOLDINGS AND WARRANTHOLDINGS

As at 17 June 2016

SUBSTANTIAL SHAREHOLDERS

	No. of Shares			
	Direct Interest	%	Deemed Interest	% [1]
TH Investments Pte Ltd [2]	–	–	1,036,477,309	47.38
Chwee Cheng & Sons Pte Ltd [2]	–	–	1,036,477,309	47.38
Ng San Tiong [2][3]	–	–	1,048,753,308	47.94
Ng Sun Ho Tony [2]	–	–	1,036,477,309	47.38
Ng San Wee David [2]	–	–	1,036,477,309	47.38
Ng Sun Giam Roger [2]	–	–	1,036,477,309	47.38

Notes:

[1] The percentage of shareholdings was computed based on the issued share capital of the Company as at 17 June 2016 of 2,187,774,581 shares (which excludes 20,520,000 shares which are held as treasury shares representing approximately 0.94% of the total number of issued shares excluding treasury shares).

[2] 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, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, is deemed to be interested in 1,036,477,309 Shares held by TH Investments Pte Ltd.

[3] Mr. Ng San Tiong is also deemed interested in 12,275,999 Shares held through nominees.

ANALYSIS OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 – 99	11	1.18	490	0.00
100 – 1,000	4	0.43	2,100	0.00
1,001 – 10,000	20	2.15	146,225	0.01
10,001 – 1,000,000	798	85.62	156,074,075	10.83
1,000,001 and above	99	10.62	1,285,173,700	89.16
	932	100.00	1,441,396,590	100.00

TOP 20 WARRANTHOLDERS

S/No.	Name of Warrantholder	No. of Warrants	%
1	Chiu Hong Keong or Khoo Yok Yee	361,510,200	25.08
2	Bank of Singapore Nominees Pte Ltd	273,632,590	18.98
3	UOB Kay Hian Pte Ltd	130,946,330	9.08
4	DBSN Services Pte Ltd	35,000,000	2.43
5	ABN Amro Nominees Singapore Pte Ltd	30,665,295	2.13
6	Ong Kian Kok	25,000,000	1.73
7	Ong Tiew Siam	25,000,000	1.73
8	Lin Jian Qun	20,000,000	1.39
9	Citibank Nominees Singapore Pte Ltd	16,835,000	1.17
10	Soh Cheng Geek	15,000,000	1.04
11	Seah Tee Peng @ Sia Tee Peng	13,150,000	0.91
12	Poh Chee Kuan or Luo Taohong	11,911,665	0.83
13	Phua Soo Sing Roy	11,835,000	0.82
14	HSBC (Singapore) Nominees Pte Ltd	11,416,725	0.79
15	Soh Kay Min	11,000,000	0.76
16	Raffles Nominees (Pte) Ltd	10,150,415	0.70
17	Chua Leong Hai @ Chua Leang Hai	10,000,000	0.69
18	Wee Siew Tin	10,000,000	0.69
19	Maybank Kim Eng Securities Pte Ltd	9,718,465	0.67
20	Ting Lay Choon	8,138,800	0.56
		1,040,910,485	72.18

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting ("AGM") of CSC Holdings Limited (the "Company") will be held at 4th Floor, No. 2 Tanjong Penjuru Crescent, Singapore 608968 on Wednesday, 27 July 2016 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 March 2016 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Chee Teck Kwong Patrick, retiring by rotation pursuant to Regulation 104 of the Constitution of the Company and who, being eligible, offers himself for re-election: **(Resolution 2)**

   Mr Chee Teck Kwong Patrick will, upon re-election as a Director of the Company, remain as a Chairman of the Nominating Committee, member of the Audit and Remuneration Committees and will be considered independent.

3. To re-appoint Mr Tan Ee Ping who was previously re-appointed to hold office until this AGM pursuant to Section 153(6) of the Companies Act, Chapter 50 ("Companies Act"), which was in force immediately before 3 January 2016.

   [See Explanatory Note (i)] **(Resolution 3)**

   Mr Tan Ee Ping will, upon re-appointment as Director of the Company, remain as Chairman of the Remuneration and Risk Management Committees and will be considered independent.

4. To approve the payment of Directors' Fees of $327,175 for the year ended 31 March 2016. (2015: $331,000) **(Resolution 4)**

5. To approve the payment of Directors' Fees of $321,000 for the year ending 31 March 2017. **(Resolution 5)**

6 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)**

7. 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:

8. **Authority to issue shares**

   "That pursuant to Section 161 of the 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 Constitution 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)**

9. **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 authorized 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)**

10. **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
12 July 2016

Explanatory Notes:

(i) The Resolution 3 is for the re-appointment of Mr Tan Ee Ping as a Director of the Company. This resolution is to approve and authorise the continuation of Mr Tan Ee Ping in office, as a Director of the Company, from the date of the AGM onwards without limitation in tenure save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution. This is consequent upon the repeal of Section 153 of the Companies Act with effect from 3 January 2016. The resolution passed pursuant to Section 153(6) of the Companies Act at last year's AGM (as Section 153 was then still in force) could only permit the re-appointment of the Director, being over 70 years of age, to hold office as Director of the Company until this AGM.

(ii) The Ordinary Resolution 7 in item 8 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 9 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 10 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) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a member of the Company.

3. 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 AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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)

IMPORTANT:
1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy CSC Holdings Limited's shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

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 Annual General Meeting dated 12 July 2016.

PROXY FORM

(Please see notes overleaf before completing this Form)

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 19th Annual General Meeting (the "Meeting") of the Company to be held at the 4th Floor, No. 2 Tanjong Penjuru Crescent, Singapore 608968 on Wednesday, 27 July 2016 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.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	**Resolutions relating to:**	**For**	**Against**
1	Adoption of Directors' Statement and Audited Financial Statements for the year ended 31 March 2016		
2	Re-election of Mr Chee Teck Kwong Patrick as a Director		
3	Re-appointment of Mr Tan Ee Ping as a Director		
4	Approval of Directors' Fees amounting to $327,175, for the financial year ended 31 March 2016		
5	Approval of Directors' Fees amounting to $321,000, for the financial year ending 31 March 2017		
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 ____________ 2016

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

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Notes :

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his 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 the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of Companies Act, Chapter 50.
3. A proxy need not be a member of the Company.
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.

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 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Affix
Postage
Stamp

THE COMPANY SECRETARY
CSC HOLDINGS LIMITED
No. 2, Tanjong Penjuru Crescent,
Singapore 608968

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CSC HOLDINGS LIMITED
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