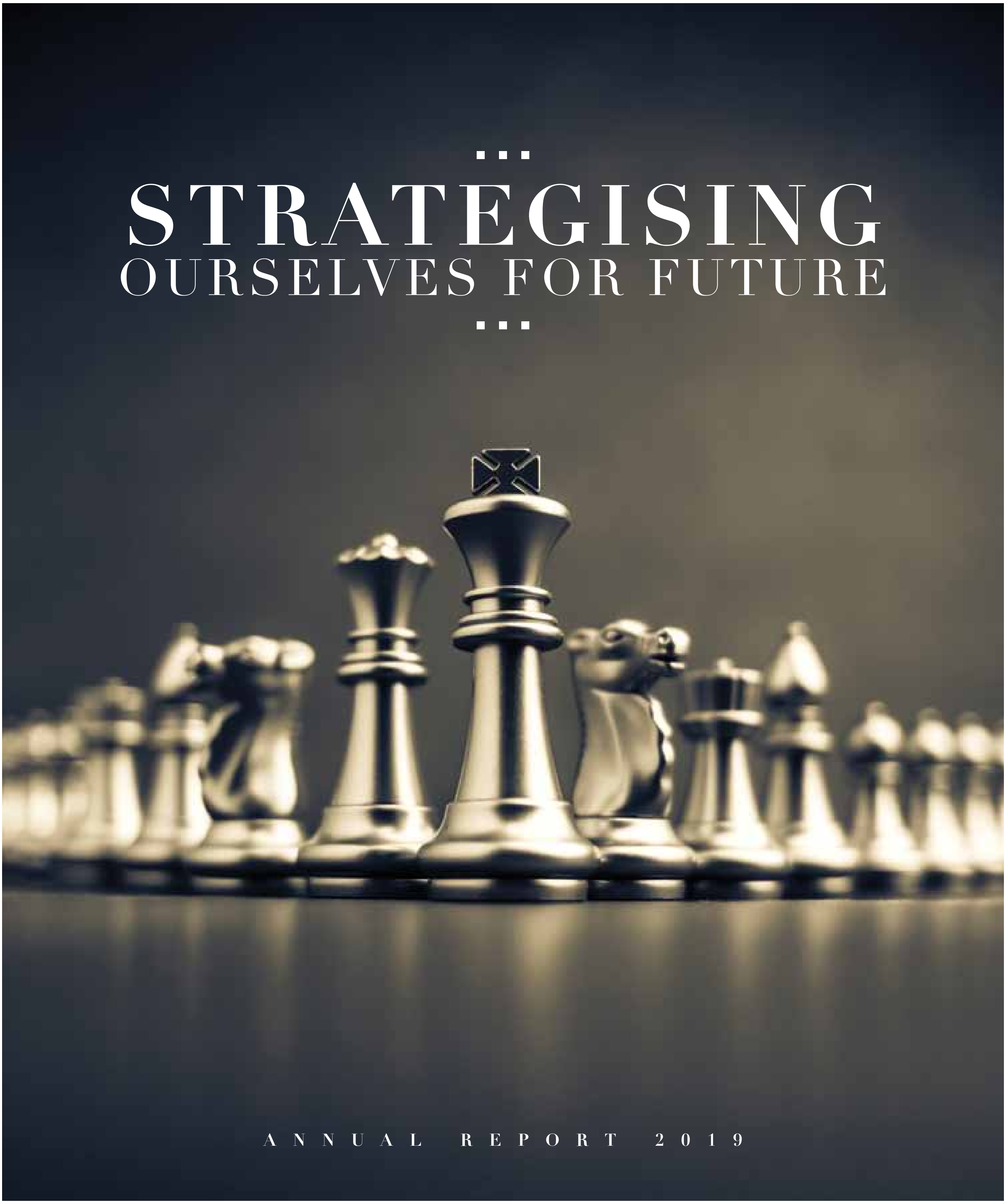
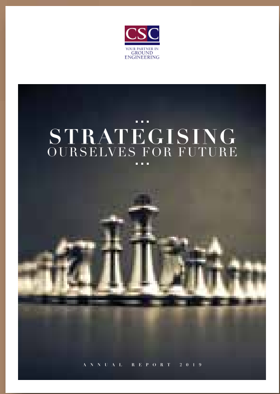
CSC

YOUR PARTNER IN
GROUND
ENGINEERING

STRATEGISING
OURSELVES FOR FUTURE



ANNUAL REPORT 2019



STRATEGISING OURSELVES FOR FUTURE

A good chess match will reveal a player's analytical depth and tactical skills, as the game requires keen preparation, determination and execution. Beyond the art of chess, these qualities are similarly reflected in the business environment, where leaders hone strategic thinking and sharpen their focus to stay ahead of the game. At CSC Holdings Limited (CSC), we build on our strategic game plan to enhance value, monitor industry developments to seize opportunities, as well as understand the competition to optimise our market position. By making the right moves and working as one, we are confident in mastering the chessboard, which enables us to overcome challenges and pave the way forward for a better future.

CONTENTS

CSC HOLDINGS LIMITED AT A GLANCE

CSC Holdings Limited Group of companies ("the Group") is Singapore's leading 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 Exchange Limited 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 1,750 employees, the Group currently operates in Singapore, Malaysia 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.

CORPORATE PROFILE

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
- 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

STRENGTH IN SYNERGY

ALIGNING OUR OBJECTIVES

We value the strength of synergy, building on teamwork to drive growth and enhance operational excellence. Beyond working as one, we are also driven to work towards a common goal – to create greater value for all our stakeholders.

CHAIRMAN'S STATEMENT

In the year ahead, we will continue to keep a tight rein on our costs to ensure our price-competitiveness in the market. We will also continue to ensure the optimisation of our cost and operational efficiencies as we strengthen ourselves for the journey ahead.

Dr Leong Horn Kee
Independent Non-Executive Chairman

DEAR SHAREHOLDERS,

Overall, the construction industry saw a general increase in the level of construction activity arising from higher demand from both the public and private sectors. The improvement was partly boosted by the Singapore government's decision to bring forward about $1.4 billion worth of projects to commence between 2017 and early 2019. While competition remained stiff, the higher construction demand relieved pressures on contract margins.

Stable tender prices, along with strict operational discipline on our part, enabled us to build a healthy order book in the financial year ended 31 March 2019 ("FY19"). However, due to issues not within our control arising from a sizeable project, our yield was eroded. Extended delays to the completion of the project meant that resources deployed could not be freed sooner, and this affected our capacity to take on more viable contracts. We thus recorded revenue of $323.1 million in FY19, compared to $338.8 million in the prior financial year ("FY18"). On the back of the lower revenue and the impact of the abovementioned project, we recorded a net loss of $18.0 million, compared to a loss of $13.5 million in FY18.

YEAR IN REVIEW

We were able to leverage on our track record and capabilities to secure a fair number of sizable contracts in Singapore and the region. These Singapore projects include public works such as part of the Deep Tunnel Sewerage System Phase 2 – Contract

T11 and a portion of the National Cancer Centre project at the Outram Medical Campus, as well as private projects such as foundation works for Neste Biofuel's new plant and a portion of the Micron Semiconductor's wafer fabrication facility. Riding the en-bloc sales momentum in the private residential market, we also managed to add several foundation contracts for private condominium development in Singapore. In Malaysia, revenue contribution was mainly derived from construction services rendered in the private residential sector.

Competition in the last few years has resulted in consolidation in the industry. We are thankful that our longstanding emphasis on financial discipline, particularly with regard to cash flow management, has helped us to remain resilient amid the difficult seasons. Operationally, our staff are constantly encouraged to explore new and more efficient work processes. This has enabled us to build our resilience against the brunt of the challenging industry conditions in the past few years.

OUTLOOK

We remain cautiously optimistic about the outlook of the construction industry in the years ahead.

There are opportunities arising from the pipeline of public projects in the medium term, including some notable ones such as the Cross Island Line, developments at the Jurong Lake District and at Changi Airport Terminal 5. Private sector demand will be supported by new industrial developments and the redevelopment momentum from en-bloc transactions in the past two years. The exit of the certain large players from the industry could lessen the competitive pressure, while our expertise and established track record will strengthen our ability to bid for future projects.

We are also mindful that the year ahead could bring new challenges. While the outlook of Singapore's construction sector looks to be positive, prevailing geopolitical headwinds, such as the US-China trade dispute, could have a detrimental effect on Singapore's economic growth and weigh on the construction sector's recovery.

In the year ahead, we will continue to keep a tight rein on our costs to ensure our price-competitiveness in the market. We will also continue to ensure the optimisation of our cost and operational efficiencies as we strengthen ourselves for the journey ahead.

ACKNOWLEDGEMENTS

Together with my fellow Directors, I would like to express my appreciation of the diligence and dedication of CSC's management and staff, for weathering through the past severe challenges. Looking ahead, the management team is ready to capitalise on any and all of the opportunities that may arise.

My fellow directors and I would also like to record our deepest appreciation for Mr Patrick Chee Teck Kwong, the former independent non-executive chairman, and Mr Tan Ee Ping, the former independent director, who retired at the last Annual General Meeting on 27 July 2018. We are indeed immensely grateful to Mr Chee and Mr Tan who have devoted selfless effort and provided invaluable guidance to CSC for 20 and 15 years respectively.

As the new Chairman in my first year of service, I wish to express my deep gratitude to my fellow directors and the senior management for their invaluable support, advice and counsel.

We also wish to thank our shareholders, customers, partners and associates for their continued unstinting support.

As we continue to chart our course of growth and sustainability, I am confident we will be able to build on our strengths and navigate through the challenges ahead.

Dr Leong Horn Kee
Independent Non-Executive Chairman

主席致辞

尊敬的股东：

就建筑业整体而言，建筑活动在公共和私人领域的需求带动下有所提升。新加坡政府提前于2017年至2019年初推出总值14亿的项目也刺激了建筑活动的提升。尽管竞争仍然激烈，需求的提升减轻了为取得项目而压低投标价给合约利润带来的压力。

稳定的投标价格加上集团实施严格的营运纪律，让我们在截至2019年3月31日的财政年度（“2019财年”）里取得了不俗的订单量。然而，由于一项规模相当大的项目发生了在我们控制范围以外的问题，不幸地让我们受到了影响。项目的延迟竣工导致我们无法及时调动为其部署的资源，影响了我们承接更有利于集团的项目。因此，2019财年里集团的营业额为3亿2310万元，前一财政年度（“2018财年”）则为3亿3880万元。在较低营业额和上述项目的影响下，我们在2019财年里报1800万元的净亏损，2018财年为1350万元的净亏损。

年度回顾

在2019财年里，我们凭借业绩记录和工程能力在新加坡和本区域争取到了数项规模相当大的项目。来自新加坡的项目包括了数项公共项目如深隧道阴沟系统第二阶段T11合同的部分施工和位于欧南医学园的新加坡国立癌症中心新设施的部分施工，以及私人项目如纳斯特石油公司新生产厂和美光半导体的晶圆制造厂的部分基础工程。乘着私宅集体出售的势头，我们在本地也获得了数项私人公寓项目的基础工程项目。在马来西亚，我们的收入来源主要来自于为私宅领域提供的建筑服务。

过去几年的激烈竞争导致整体行业的整合。集团长期以来一直秉持严谨的财务管理，尤其是在严格的管理现金流方面，让我们顽强地渡过重重困难。业务方面，集团一直鼓励员工寻找创新和更有效率的业务流程。这些让我们在过去几年在严峻营业环境时，能更顽强地承受压力。

展望未来

我们对建筑业在未来的一年的前景依旧保持审慎乐观。

即将推出的大型公共项目包括跨岛地铁线、以及裕廊湖区和樟宜机场第五搭客大厦的发展，预计将在中期内给市场带来商机。私人领域的需求将由新的工业发展项目以及近两年集体出售重建项目所带动。在三家主要业者退出市场以后，我们希望这能够减轻业内竞争的情况，而我们也能凭借专业知识和稳固的业绩记录加强我们投标项目的竞争力。

然而未来的一年既能带来商机，也能带来挑战。尽管新加坡建筑业前景目前看似乐观，但当前许多地缘政治的紧张局势，如日益升级的中美贸易纠纷，都有可能给新加坡的未来经济增长带来负面影响，从而打击建筑业的复苏。

在未来一年，我们将依旧谨慎管理集团成本，以确保我们在投标价格上保持竞争力。我们也将继续优化成本和营运效率，为未来做好万全准备。

致谢

我谨代表各董事成员，向管理团队和员工表示谢意。因为他们的勤奋和贡献，我们的团队才能安然度过了艰难时期。管理团队已做好准备把握任何商机。

我和我的董事会成员们谨在此向已在2018年7月27日的股东大会后卸任的前任独立非执行主席徐泽光先生和前任独立董事陈以彬先生表达万分感谢。徐先生和陈先生分别为公司付出了20年和15年的宝贵岁月，我们非常感激他们这么多年来给予的无私奉献和宝贵指导。

作为刚上任一年的主席，我非常感谢董事会成员和高级管理团队的宝贵支持，指导和建议。我们也感谢股东、客户、商业和合作伙伴们长期以来对集团不懈的支持。

我们将努力不懈地持续增长迈进，我坚信我们能发挥我们的实力来应付未来的挑战。

梁汉基博士
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.

CURRENT YEAR

RESIDENTIAL PROJECTS

- Condominiums in Klang Valley such as Platinum OUG Residence, Emerald Hills Lakefront Condominium and The Gems
- Vista Harmoni Apartment at Sentul, Kuala Lumpur

COMMERCIAL PROJECTS

- Condominium in Selangor such as Emerald 9 @ Cheras
- Mixed Development at Kuala Lumpur such as Trion @ Sungei Besi

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 Residensi Suasana @ Damansara Damai, Sky Awani and Citizen 2
- Service Apartments in Kuala Lumpur such as The Pano
- Mixed Developments at Selangor such as Equine Residence
- Condominiums in Johor such as Bora Residences @ Tropicana Danga Bay, Molek Regency Condominium and Horizon Hills
- I-Santorini Condo at Tanjung Tokong, Penang

VIETNAM
- High Rise Residential Complex for Regency Park @ District 2, Riviera Point @ District 7, and Palm Heights for Palm City in District 2, Ho Chi Minh City

THAILAND
- Condominiums at Bangkok such as The LPN Rattanathibet Condominium, Villa Arcadia at Srinakarin, U-Delight Condominium, Parque Condominium and LPN Condo at Nawamin Soi 38

INDUSTRIAL PROJECTS

MALAYSIA
- MEMC solar wafer manufacturing plant in Kuching
- Polyvinyl Butyral (PVB) Resin Plant and 2nd Crystex Plant, Kuantan, Pahang
- Petronas Rapid Project in Pengerang

VIETNAM
- Industrial Complex in Long An Province

THAILAND
- New factory for ROHM Semiconductors, Pathum Thani
- Bangpoo SPP Power Plant in Bangkok
- TTCL Power Plant in Klong Luang Pathumthani
- Power Plants at Ayutthaya such as Siam Pure Rice Power Plant and NNEG Cogeneration Power Plant
- Jotun –Amata Factory in Chonburi

COMMERCIAL PROJECTS

MALAYSIA
- CIMB - Mapletree Office Tower in KL Sentral
- Mixed Development at Klang Valley such as Eco Sky Residence, Kiara 163, Datum Jelatek, Astoria Ampang, The Zizz @ Damansara North and Lexa Residence @ The Quartz
- Mixed Development at Kuala Lumpur such as Cerrado – Southville City @ KL South and Fera Residence @ The Quartz
- IKEA Tebrau in Johor Bahru

THAILAND
- Lumpini Night Bazaar at Ratchadapisek in Bangkok
- Don Mueang International Airport, Bangkok

LAOS
- Vientiane International Airport Terminal Building

INSTITUTIONAL PROJECTS

MALAYSIA
- Healthcare institutions such as National Cancer Centre and DEMC Specialist Hospital Shah Alam – Phase II
- Educational Institutions such as University Institute Teknologi MARA Campus in Seremban, Malaysia Multimedia University at Cyberjaya, Selangor, UiTM Campus at Puncak Alam, Selangor and International School in Kuala Lumpur

THAILAND
- Royal Thai Navy Hospital
- Educational Institutions such as Singapore International Schools in Bangkok and Chiangmai, Concordia International School
- New Thai Parliament House

OUR PROJECTS IN SINGAPORE

MAJOR FOUNDATION AND GEOTECHNICAL ENGINEERING WORKS AWARDED TO CSC GROUP (SINGAPORE PROJECTS)

CURRENT YEAR

INFRASTRUCTURE PROJECTS

- Design and Construction of Sewer Tunnel for Deep Tunnel Sewerage System Phase 2 Contract T11
- Changi Airport Package 3

RESIDENTIAL PROJECTS

- Public Residential Projects at Woodlands, Kallang Whampoa and other townships in Singapore
- Public Housing Developments at Punggol North, Geylang and other townships in Singapore
- South Ave Residences & Riverfront Residences
- Condominiums at Juniper Hill and Braddell Road and Parc Esta Condominium

INDUSTRIAL PROJECTS

- Neste Singapore Expansion Project
- Siltronic Factory at Tampines Industrial Avenue 5
- JTC Corporation Service Corridor Pipe Rack

COMMERCIAL PROJECTS

- Claymore Road Hotel

INSTITUTIONAL PROJECTS

- New National Cancer Centre at Outram Medical Campus
- Polyclinic and Senior Care Centre at Chin Cheng Ave
- Nursing Home at Potong Pasir

PREVIOUS YEARS

INFRASTRUCTURE PROJECTS

- Mass Rapid Transit (MRT) Stations of Keppel, Tanjong Katong, Sungei Bedok, Bayshore MRT Stations and tunnels along Thomson East Coast Line
- Changi Airport Terminal 4
- Kim Chuan Depot Extension
- Construction of service tunnel, access shafts and ancillary works on Jurong Island

RESIDENTIAL PROJECTS

- The Scotts Towers
- Public Residential Projects at Punggol, Bukit Panjang and other townships in Singapore
- Stars of Kovan Condominium
- Public Housing Developments at Punggol East, Marsiling, Woodlands, Bidadari, Bukit Panjang, Tampines and Hougang and other townships in Singapore
- Condominium developments at Orchard Boulevard
- Stirling Residences

INDUSTRIAL PROJECTS

- Extension for Micron Technology
- HDB Defu Industrial City
- Systems on Silicon Manufacturing Co. Pte Ltd (SSMC) Fab Production Building
- MSD Warehouse at Tuas West Drive
- TimMac@Kranji for Metal, Machinery and Timber (MMT) high rise hub for SMEs

COMMERCIAL PROJECTS

- Project Jewel (Changi Airport)
- Woods Square
- Re-development of The American Club and Funan Mall
- New Bird Park at Mandai Lake Road
- Centrium Square

INSTITUTIONAL PROJECTS

- Singapore Sports Hub
- China Cultural Centre
- New State Courts Complex
- Tampines Town Hub
- Police Divisional HQ at Woodlands
- Process upgrading and equipment replacement at Woodleigh Waterworks

PROPERTIES OF THE GROUPS

As at 31 March 2019

1.
LEASEHOLD INDUSTRIAL LAND AND BUILDING ON LOTS A1283900 & A1283901 AT NO. 2 TANJONG PENJURU CRESENT, SINGAPORE 608968.

Tenure
60 years w.e.f
1 July 1978

Site Area (Sq m)
18,264.9

Approx Build-up Area (Sq m)
11,660.4

2.
LEASEHOLD LAND ON LOT 04812A MUKIM 7 AT 15 TUAS SOUTH STREET 6, SINGAPORE 636913.

Tenure
20 years 9 months
w.e.f 17 Feb 2015

Site Area (Sq m)
4,700.0

Approx Build-up Area (Sq m)
3,178.5

3.
LEASEHOLD INDUSTRIAL BUILDING ON LOTS MK7-672K AT NO. 13, PIONEER SECTOR 2, SINGAPORE 628374.

Tenure
28 years w.e.f
1 Sep 1997

Site Area (Sq m)
3,037.1

Approx Build-up Area (Sq m)
694.1

4.
FREEHOLD AGRICULTURE LAND HELD UNDER INDIVIDUAL TITLE GM 4789, LOT 808, TEMPAT SUNGEI LIAM, MUKIM ULU YAM, DAERAH HULU SELANGOR.

Tenure
Freehold

Site Area (Sq m)
21,549.0

Approx Build-up Area (Sq m)
21,549.0

5.
THREE FREEHOLD APARTMENTS KNOWN AS MOLEK REGENCY SERVICE APARTMENT ON LOT 191517, MUKIM PLENTONG AT A-15-18, A-16-17 AND B-11-11, NO. 59, JALAN MOLEK 3/20, TAMAN MOLEK, 81100 JOHOR BAHRU, MALAYSIA.

Tenure
Freehold

Site Area (Sq m)
464.5

Approx Build-up area (Sq m)
464.5

6.
LEASEHOLD APARTMENT AT EAST PARC @ MENJALARA, UNIT NO. 38-08, TYPE B AT LOT 44653, MUKIM BATU, DAERAH KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN, KUALA LUMPUR.

Tenure
99 years w.e.f.
26 August 2015

Site Area (Sq m)
55.74

Approx Build-up Area (Sq m)
55.74

7.
CONDOMINIUM AT SOVO, D'SARA SENTRAL, UNIT NO. S1-32-10, TYPE B, BLOCK S1, 32ND FLOOR HELD UNDER H.S. (D) 291822, PT 4629, PEKAN BARU SUNGAI BULOH, DISTRICT OF PETALING, NEGERI SELANGOR.

Tenure
99 years w.e.f.
15 August 2013

Site Area (Sq m)
70.23

Approx Build-up Area (Sq m)
70.23

CORPORATE INFORMATION

BOARD OF DIRECTORS

NON-EXECUTIVE

Dr Leong Horn Kee
(Chairman, Independent Director)

Ong Tiew Siam
(Independent Director)

Tan Hup Foi @ Tan Hup Hoi
(Independent Director)

Teo Beng Teck

EXECUTIVE

See Yen Tarn
(Group Chief Executive Officer)

AUDIT COMMITTEE

Ong Tiew Siam *(Chairman)*

Dr Leong Horn Kee

Tan Hup Foi @ Tan Hup Hoi

Teo Beng Teck

NOMINATING COMMITTEE

Tan Hup Foi @ Tan Hup Hoi
(Chairman)

Dr Leong Horn Kee

See Yen Tarn

REMUNERATION COMMITTEE

Tan Hup Foi @ Tan Hup Hoi
(Chairman)

Dr Leong Horn Kee

Ong Tiew Siam

Teo Beng Teck

RISK MANAGEMENT COMMITTEE

Ong Tiew Siam *(Chairman)*

Teo Beng Teck

See Yen Tarn

EXECUTIVE COMMITTEE

See Yen Tarn *(Chairman)*

Koo Chung Chong

Lee Quang Loong

COMPANY SECRETARY

Lee Quang Loong

REGISTERED OFFICE

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W : http://www.cschl.com.sg

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M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

T : (65) 6228 0530

F : (65) 6225 1452

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants

16 Raffles Quay, #22-00
Hong Leong Building
Singapore 048581

Audit Partner-in-Charge

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

CORPORATE MILESTONES

1975
Founding of Ching Soon Engineering Pte Ltd.

1981
Incorporation of CS Construction & Geotechnic Pte Ltd.

1996
- Incorporation of CS Bored Pile System Pte Ltd.
- Incorporation of CS Geotechnic Pte Ltd.

1997
Incorporation of CSC Holdings Limited.

1998
- Listing of CSC Holdings Limited on the main board of the Singapore Exchange Limited.
- Incorporation of CS Industrial Land Pte Ltd.

1999
Joint venture with Santarli Construction Pte Ltd to form Excel Precast Pte Ltd.

2000
Incorporation of Kolette Pte Ltd.

2002
Acquisition of THL Engineering Pte Ltd.

2004
Joint Venture with Tat Hong Group's subsidiary, Tat Hong HeavyEquipment Pte Ltd to form THL Foundation Equipment Pte Ltd.

2006
- Incorporation of CS India Pte Ltd.
- Acquisition of L&M Foundation Specialist Pte Ltd.
- Incorporation of L&M Ground Engineering Sdn Bhd.

2007
- Acquisition of G-Pile Sistem Sdn Bhd.
- Acquisition of Soil Investigation Pte Limited.

2008
- Incorporation of CSC Ground Engineering Sdn Bhd.
- Acquisition of 70% equity stake in Wisescan Engineering Services Pte Ltd.
- Incorporation of L&M Foundation Specialist (Vietnam) Limited Company.
- Incorporation of L&M Foundation Specialist (Middle East) Limited Liability Company.

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

2010
- Acquisition of 30% stake in DW Foundation Pte Ltd.
- Joint Venture with Pathumthani (PACO) to form Siam CSC Engineering Co., Ltd.

2011
- Acquisition of 70% stake in ICE Far East Pte Ltd.
- Acquisition of additional 40% stake in DW Foundation Pte Ltd.
- Sale of Excel Precast Pte Ltd.

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.
- Investment in a property development in Hertford via a 21% investment in Coriolis Hertford Limited ("CHL"), a company incorporated in Hong Kong. CHL has a 40% stake in Railway Street Hertford Limited, the property development company which will carry out the development in Hertford.
- Incorporation of THL Foundation Equipment (Myanmar) Company Limited, a 90% owned subsidiary of THL Foundation Equipment Pte Ltd.

2018

- Incorporation of Coldhams Alliance Pte Ltd, 2TPC Pte Ltd and 2TPC Investments Pte Ltd.

2017

- Sale of Siam CSC Engineering Company Limited.
- Dilution of equity interest in WB Top3 Development Sdn Bhd ("WB Top3") (formerly known as Top3 Development Sdn Bhd) from 40% to 19% resulting from the introduction of WB Land Sdn Bhd as a new joint venture partner in WB Top3.

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 additional 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 for 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.
- 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.

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.

2012

- Incorporation of ICE Far East (Thailand) Co., Ltd.
- Acquisition of remaining 30% stake in CSC Ground Engineering Sdn Bhd.
- Acquisition of remaining 30% stake in DW Foundation Pte Ltd.
- Sale of Spectest Group.

2013

- Incorporation of CS Ground Engineering (International) Pte Ltd.
- Incorporation of ICE Far East Offshore Pte Ltd.
- Investment of 5% in Joint Venture Company, THAB Development Sdn Bhd.

STEP BY STEP

MAKING THE RIGHT MOVES

Guided by strategic vision and capable management, CSC is able to remain resilient by optimsing our strengths. We are focused on the horizon and strive to make the right moves that enable us to quickly adapt to challenges and stay ahead of the competition.

CEO'S STATEMENT

We have survived the industry downturn and outlasted our competition. Our focus this current financial year is to continue to strengthen our competitiveness and maintain economic sustainability.

See Yen Tarn
Chief Executive Officer

DEAR SHAREHOLDERS,

We closed the financial year ended 31 March 2019 ("FY19") with revenue of $323.1 million, compared to $338.8 million in FY18. Amid a competitive environment, we managed to sustain a healthy order book.

Our strict discipline in cost and operations management, along with the stability in tender prices in the latter half of FY19, helped to boost our gross profit and gross margins for the financial year. In this regard, gross profit for FY19 improved 34.1% to $15.0 million, from the prior financial year's ("FY18") $11.2 million; while gross margin rose to 4.6% in FY19, versus 3.3% in FY18.

Operating expenses rose 26.1% to $31.6 million in FY19, from $25.1 million in the previous year. The rise factored in higher legal fees incurred to recover outstanding debts due to us, as well as higher staff costs from a headcount increase. It also took into account impairment and expected credit losses that were recognised on trade and other receivables and contract assets. The expected credit losses were recognised in compliance with new accounting standards.

Net finance expenses increased 11.2% to $2.0 million, compared to $1.8 million in FY18, as short-term borrowings, drawn down for working capital, increased.

Taking into account the factors above, net loss before tax for FY19 was $16.7 million, compared to 12.8 million in FY18. Net loss after tax for FY19 thus amounted to $18.0 million, compared to $13.5 million in FY18. Excluding a provision for foreseeable loss of $1.0 million and the $1.1 million expected credit losses due to accounting adjustment, net loss before tax would have been $14.6 million in FY19.

As at 31 March 2019, net assets per ordinary share amounted to 6.1 cents, compared to 7.2 cents a year ago. We took on more debt during the year for use as working capital, which led to higher total borrowings of $102.7 million, compared to $80.4 million a year ago. Debt-to-equity ratio thus rose to 0.72 as at 31 March 2019, compared to 0.50 in the preceding year.

OPERATIONS REVIEW

In FY19, government infrastructure and residential projects formed the bulk of our order book, which also includes commercial and industrial projects in Singapore. Competition remained keen but we were able to leverage our capabilities in foundation and geotechnical engineering and our strong project track record to build out our order book, with close to $190 million worth of projects secured in FY19. Some of these projects include:

Infrastructure projects:

- Part of the Deep Tunnel Sewerage System Phase 2 Project – Contract T11 (Singapore)
- Soil improvement works for the airside road connection tunnel as part of the Singapore Changi Airport Package 3 (Singapore)
- Ground anchor installation for the New National Cancer Centre facility at the Outram Medical Campus (Singapore)
- Polyclinic and senior care centre at Chin Cheng Avenue (Singapore)
- Nursing home at Potong Pasir (Singapore)

Residential projects:

- Public housing developments at Woodlands, Kallang Whampoa, Punggol North, Geylang and other townships (Singapore)
- South Avenue Residences at Silat Avenue and Riverfront Residences at Hougang Avenue 7 (Singapore)
- Platinum OUG Residence, Emerald Hills Lakefront Condominium, the GEMS and other private residential developments in Klang Valley (Malaysia)
- Vista Harmoni Apartment in Kuala Lumpur (Malaysia)

Industrial projects:

- Neste Singapore expansion project at Tuas South Lane (Singapore)
- Siltronic Singapore factory at Tampines Industrial Avenue 5 (Singapore)
- JTC Corporation service corridor pipe rack construction project on Jurong Island (Singapore)
- Partial installation of base grouted bored piles at Micron Semiconductor's wafer fabrication facility at North Coast Drive (Singapore)

Commercial projects:

- A commercial redevelopment at Claymore Road (Singapore)

Our operations in FY19 were partially hampered by a sizeable project, which faced issues not within our control that led to delays in the delivery of the project and cost overrun for us. Due to the scale of the project, we had deployed significant resources to it, and the delays meant that we were then unable to take on more projects.

Our investment in Railway Street Hertford Limited ("RSHL"), in which we hold an effective 8.4% stake, is making progress. As at the close of FY19, RSHL has completed the development of a 0.7 acre freehold land in Hertford, Herfordshire in the United Kingdom into a property comprising 28 residential units and one commercial space. Sale of these units is currently ongoing. This investment has yielded us $0.6 million thus far.

The past 12 months saw some major players in Singapore capitulating under the weight of heavy competition and pricing pressure. Our ability to withstand such adversity bears testimony to the importance of our efforts in cash and cost management. Apart from keeping a tight rein on our expenditure, we have been able to maintain a favourable cash flow position through securing suitable projects and managing our project margins. This, along with our focus on maximising efficiency in our operations and asset utilisation, has served us well in withstanding the onslaught of difficult industry challenges.

LOOKING AHEAD

The Singapore construction sector was able to log its first quarter of year-on-year expansion after 10 consecutive quarters of decline. Total construction demand for 2019 is expected to be between $27 billion and $32 billion, according to the Building and Construction Authority. While indications point to light at the end of the tunnel for the sector, the Group is mindful of factors at play that could yet tip the scale. Externally, there are indications that 2019 as a whole could be more challenging, with Singapore's economic outlook potentially clouded by the cascading effects of rising world trade tensions, which could yet dampen construction demand. Within the construction sector, we will face strong competition from other players who have built up an appetite coming off the period of decline.

In the year ahead, local construction demand will continue to be buttressed by ongoing government spending in public infrastructure projects, such as the North-South Corridor and Changi Airport Terminal 5, along with other industrial and commercial construction activities. Additionally, the announcement in April 2019 by the operators of the two integrated resorts in Singapore to commit an estimated $9 billion in expanding the respective resorts should translate into construction demand for the next several years. On the other hand, the residential sector has been seeing growth easing as demand for private developments weakened in the wake of property cooling measures introduced in 2018.

We have survived the industry downturn and outlasted our competition. Our focus this current financial year is to continue to strengthen our competitiveness and maintain economic sustainability. To that end, we will continue our efforts to secure more projects, at reasonable margins, to build a healthy order book. We are also keeping up with our approach to maximise asset utilisation and optimise cost and operational efficiencies.

ACKNOWLEDGEMENTS

Amid a challenging operating environment, we have to be able to remain responsive and willing to adapt to industry changes to maintain our competitiveness. I am thus thankful that our team at CSC have been able to step up and show their commitment.

I would also like to extend my appreciation to our Board members for their guidance of the Group.

To all our shareholders, we thank you for your support.

See Yen Tarn
Chief Executive Officer

总裁致辞

尊敬的股东：

我们在截至2019年3月31日的财政年度（“2019财年”）里取得3亿2310万元的营业额，2018财年则为3亿3880万元。在竞争激烈的环境里，我们维持着不俗的订单量。

在我们严格的成本和营运管理以及投标价格在2019财年下半年回稳的双重帮助下，2019财年的毛利和毛利率都有所改善。集团毛利从前一财政年度（“2018财年”）的1120万元上涨34.1%至2019财年的1500万元，毛利率则从3.3%上升至2019财年的4.6%。

营运开支同比2018财年的2510万元，上升26.1%至2019财年的3160万元。营运开支的上升包含追讨未偿还债务所缴付的律师费，因员工人数增加后的而提高的成本，针对贸易及其他应收款项作出的账户减值和预计信用损失准备。预计信用损失方面是为符合新会计标准而作出的准备。

净财务支出从前一财年的180万元，上升11.2%至200万元，这是因为集团的营运资金而提高短期贷款的借入。

基于以上因素，2019财年的税前净亏损达1670万元，2018财年为1280万元。税后净亏损则达1800万元，2018财年为1350万元。我们在2019财年里作出了100万元的可预见损失准备，以及因为会计调整所做出的110万元预计信用损失。若排除它们，集团2019财年的税前净亏损本应为1460万元。

截至2019年3月31日，集团每普通股净资产值为6.1分，前一财年为7.2%。我们在2019财年里借入了更多贷款以作为营运资金用途，以致总贷款从前一财年的8040万元提高至1亿270万元。负债权益比率同比提高至0.72，前一财年则为0.50。

业务回顾

在2019财年里，集团承建的项目主要来自政府推出的公共基础设施、住宅，商用以及工业项目。虽然业内竞争仍然激烈，但凭借我们良好的施工记录和卓越的地基及岩土工程能力，我们成功争取了总价值将近1亿9000万元的项目。一些主要项目包括：

基础设施项目

- 深隧道阴沟系统第二阶段T-11合同的部分施工（新加坡）
- 樟宜机场第三配套的空测道路连接隧道的土壤改良工程（新加坡）
- 欧南医学园的新加坡国立癌症中心新设施的土锚安装工程（新加坡）
- 位于竞争道的综合诊疗所和年老护理中心（新加坡）
- 位于波东巴西的疗养院（新加坡）

住宅项目

- 位于兀兰、加冷沓鲁、榜鹅北、芽笼等市镇的公共住宅项目（新加坡）
- 位于石叻道的南大道住宅和后港7巷的滨河公寓（新加坡）
- 位于巴生谷的PLATINUM OUG住宅，EMERALD HILLS LAKEFRONT公寓，THE GEMS等私人住宅（马来西亚）
- 位于吉隆坡的VISTA HARMONI共管公寓 （马来西亚）

工业项目

- 纳斯特石油公司位于大士南巷的扩展项目（新加坡）
- 世创公司位于淡滨尼工业5道的生产厂（新加坡）
- 裕廊集团位于裕廊岛的服务走廊管架施工项目（新加坡）
- 美光半导体位于北海岸通道的晶圆制造厂的部分灌注桩基础施工（新加坡）

商业项目

- 位于克雷摩路的商业重建项目（新加坡）

集团的业务在2019财年里受到一项规模相当大的项目的部分影响，该项目面临了在我们控制范围以外的问题，导致项目延迟竣工，集团也面对成本超支。由与项目规模颇大，我们为此调动了不少资源来完成项目。项目的延迟竣工影响我们无法承接更多项目。

集团在RAILWAY STREET HERTFORD LIMITED（"RSHL"）的投资有了逐步进展。我们持有RSHL 8.4%的有效股权。截至2019财年底，RSHL已完成开发位于英国赫特福德郡的一块0.7英亩地皮，将其发展成包含28个住宅单位和一个商用空间的商住两用项目。单位销售目前正在进行中。这项投资至今已为集团带来60万元的收益。

过去12个月我们见证了新加坡几家主要业者不堪激烈竞争和价格压力的负荷。我们能够抵御这样的逆境，证明了现金流和成本的严格管理重要性。除了严格控制成本外，我们也通过争取适合的项目并谨慎管理项目的利润率，来维持稳健的现金流。我们致力专注优化营运效率和资产使用率，这让我们能够更顽强地抵御艰难挑战所带来的冲击。

未来一览

新加坡建筑业在经历了连续10个季度的萎缩后，终于出现扩张。根据新加坡建设局预测，2019年全年建筑合同总值有望达到270至320亿元。尽管建筑业开始看见服务需求复苏的曙光，集团也铭记着有许多不确定因素可能动摇复苏的趋势。对外，有迹象显示2019年新加坡整体前景将面对更多挑战。新加坡可能受到国际贸易纠纷升级的冲击，导致经济前景不明朗，这可能间接影响建筑需求。建筑业内，许多业者在经历建筑业低迷后迫切需要争取订单，我们将面对更强的竞争。

未来一年里，本地建筑需求主要来自于政府推出的公共基础设施项目，包括南北交通廊道、樟宜机场第五搭客大厦、以及其他工业和商业建筑项目。除此之外，2019年4月本地两家综合度假胜地业者也宣布投入约90亿元为各自的度假胜地进行扩建，并在未来几年会为建筑业带来需求。但另一方面，2018年实施房地产降温措施后，私宅需求也随之下滑，导致住宅领域的增长放缓。

我们在业内低迷和激烈的竞争中幸存下来。在当前的财政年度里，集团会继续加强竞争力并且维持经济可持续性。为此，我们将极力在合理利润率范围内争取更多项目，也将持之以恒，善加使用设备并且优化成本和营运效率。

致谢

在充满挑战的运营环境中，要保持竞争力，我们必须保持灵活敏捷，并积极变通。这些都体现在我们集团的团队中，为此我非常感谢。

我谨感谢集团的董事成员的指导。 我们也对各位股东给予集团的支持深表感谢。

薛献凡
集团总裁

FIVE YEARS FINANCIAL SUMMARY

	FY15	FY16	FY17	FY18	**FY19**
Group Profit & Loss (S$'m)					
Revenue	427.9	382.3	252.4	338.8	**323.1**
Gross Profit	24.1	24.3	8.2	11.2	**15.0**
Loss After Tax	(13.6)	(5.5)	(24.7)	(13.5)	**(18.0)**
EBITDA	19.2	24.4	8.2	14.8	**9.4**
Group Balance Sheet (S$'m)					
Property, Plant & Equipment	185.6	167.9	164.9	156.2	**137.1**
Other Non-Current Assets	16.9	10.4	14.8	17.0	**20.7**
Total Current Assets	249.0	221.9	171.8	161.8	**195.6**
Total Assets	451.5	400.2	351.5	335.0	**353.4**
Total Equity	179.0	185.3	171.0	159.4	**142.4**
Total Non-Current Liabilities	32.3	29.6	23.4	23.1	**19.5**
Total Current Liabilities	240.2	185.3	157.1	152.5	**191.5**
Total Equity & Liabilities	451.5	400.2	351.5	335.0	**353.4**
Per Share Data (Cents)					
Loss After Tax (Basic)	(1.38)	(0.48)	(1.16)	(0.65)	**(0.86)**
Net Asset Value	14.80	8.50	7.80	7.20	**6.10**
Financial Ratios					
Return on Equity	-10.2%	-4.4%	-16.6%	-10.3%	**-15.6%**
Gross Profit Margin	5.6%	6.4%	3.3%	3.3%	**4.6%**
Debt/Equity Ratio	66.0%	53.1%	50.1%	50.4%	**72.1%**
Current Ratio	1.04	1.20	1.09	1.06	**1.02**

FINANCIAL HIGHLIGHTS

Bored Piles / Diaphragm Walls

FY15	FY16	FY17	FY18	**FY19**
256.3	240.5	105.5	184.0	**159.3**

Driven Piles / Jack – in Piles

FY15	FY16	FY17	FY18	**FY19**
49.8	46.1	29.0	34.3	**36.2**

Other Foundation – Related Activities

FY15	FY16	FY17	FY18	**FY19**
46.7	32.6	46.8	47.3	**40.7**

Soil Investigation & Instrumentation Works

FY15	FY16	FY17	FY18	**FY19**
22.2	21.6	26.6	34.7	**33.4**

Sale & Lease of Foundation Engineering Equipment & Accessories

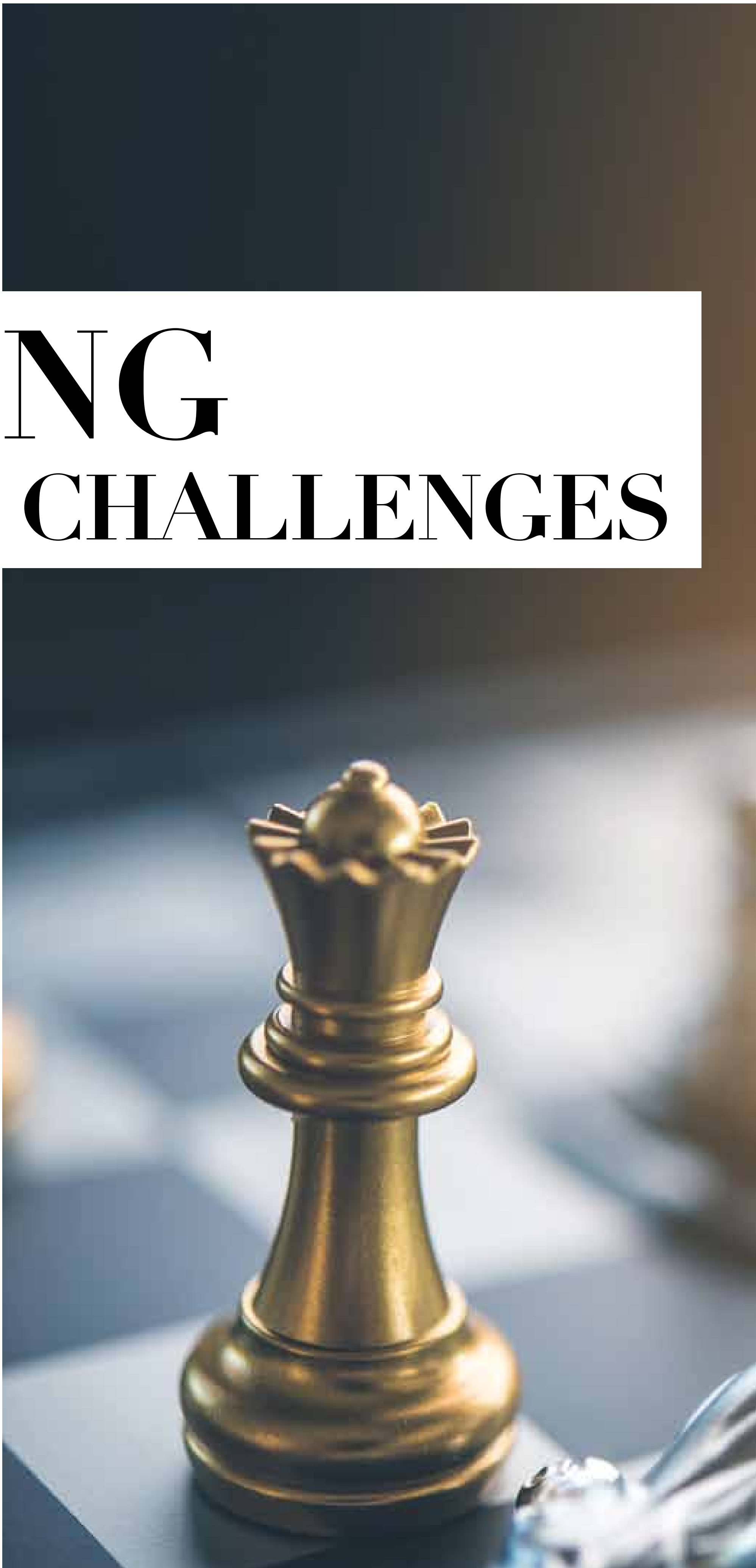
FY15	FY16	FY17	FY18	**FY19**
51.9	41.1	44.1	38.2	**52.8**

Others

FY15	FY16	FY17	FY18	**FY19**
1.0	0.4	0.4	0.3	**0.7**

RISING ABOVE CHALLENGES

SEIZING NEW OPPORTUNITIES



Despite a challenging operating environment, we remain cognizant of the need to grow our order books. To this end, we monitor industry developments closely and take a prudent approach to project tenders, so that we can still seize valuable opportunities as they arise.

CORPORATE STRUCTURE

CSC HOLDINGS LIMITED

FOUNDATION AND GEOTECHNICAL ENGINEERING WORKS

SUBSIDIARIES

SINGAPORE

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

MALAYSIA

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

VIETNAM

- L&M Foundation Specialist (Vietnam) Limited Company

SOIL INVESTIGATION, INSTRUMENTATION AND SPECIALISED SURVEYING WORKS

SUBSIDIARIES

SINGAPORE

- Soil Investigation Pte Limited
- Wisescan Engineering Services Pte Ltd

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

MALAYSIA
- ICE Far East Sdn Bhd

HONG KONG
- ICE Far East (HK) Limited

THAILAND
- ICE Far East (Thailand) Co., Ltd

INDIA
- IMT – THL India Private Limited

PHILIPPINES
- THL Foundation Equipment (Philippines) Inc

MYANMAR
- THL Foundation Equipment (Myanmar) Company Limited

OTHERS

SUBSIDIARIES

SINGAPORE
- CS Industrial Properties Pte Ltd
- CS Real Estate Investments Pte Ltd
- CS Ground Engineering (International) Pte Ltd
- 2TPC Investments Pte Ltd
- 2TPC Pte Ltd

JOINT OPERATIONS

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

ASSOCIATE

SINGAPORE
- Coldhams Alliance Pte Ltd

MALAYSIA
- WB Top3 Development Sdn Bhd

HONG KONG
- Coriolis Hertford Limited

UK
- Hemingford (Coldhams Lane) Limited
- Cambridge (Coldham's Lane) Limited
- Railway Street Hertford Ltd
- Allunite Limited

OTHER INVESTMENT

MALAYSIA
- THAB Development Sdn Bhd
- THAB PTP Sdn Bhd

BOARD OF DIRECTORS

1. DR LEONG HORN KEE
2. SEE YEN TARN
3. ONG TIEW SIAM
4. TAN HUP FOI @ TAN HUP HOI
5. TEO BENG TECK

1.

DR LEONG HORN KEE

Independent Non-Executive Chairman

Dr Leong joined the Board as an Independent Non-Executive Chairman in July 2018. He is a member of the Audit, Remuneration and Nominating Committees. He has experience in both the public sector in economic planning, trade and investments, and in the private sector in corporate finance, venture capital, merchant banking, hotels, property development and management. He served as a Member of Parliament for 22 years from 1984 to 2006. Currently, he serves as Singapore's Non-Resident High Commissioner to Cyprus.

Dr Leong holds a degree (Honours) in Production Engineering from Loughborough University, UK; a degree (Honours) in Economics from the University of London, UK, a degree in Chinese Language and Literature from Beijing Normal University, a Master of Business Administration degree from INSEAD, France as well as a Master in Business Research and a Doctorate in Business Administration from University of Western Australia.

2.

SEE YEN TARN

Executive Director / Group Chief Executive Officer

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

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.

ONG TIEW SIAM

Independent Director

Mr Ong joined the Board as an Independent Director in July 2018. He chairs the Audit and Risk Management Committees and is also a member of the Remuneration Committee. Mr Ong has over 40 years of experience in finance, accounting and administration. Mr Ong also sits on the board of other SGX-listed companies.

Mr Ong holds a Bachelor of Commerce (Accountancy) (Honours) degree in 1975 from the former Nanyang University, Singapore. He is also a fellow member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

4.

TAN HUP FOI @ TAN HUP HOI

Independent Director

Mr Tan joined the Board as an Independent Director in April 2006. He is the Chairman of the Nominating Committee and the Remuneration Committee and is a member of the Audit 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.

5.

TEO BENG TECK

Non-Executive Director

Mr Teo 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.

KEY MANAGEMENT


1.


2.


3.


4.


5.


6.


7.


8.


9.

1. SEE YEN TARN
2. KOO CHUNG CHONG
3. LEE QUANG LOONG
4. LIM YEOW BENG
5. GWEE BOON HONG
6. GOH SWEE LENG
7. LIM KOH SENG
8. WONG WAI LIN, EILEEN
9. KAM WAI CHIANG, GARY

10. KELVIN CHUE MUN WAI
11. LOH BOON CHONG
12. LIM YONG KENG DANNY (LIN YONGQING)
13. PHOON SOO HIN
14. TAN YONG BENG
15. CHUA KENG GUAN
16. LAWRENCE CHONG JONG AN
17. HAH HEN KHEAN
18. KAAN CHI LOONG
19. LIM LEONG KOO
20. YEE LIP CHEE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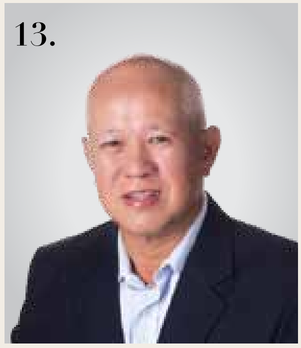
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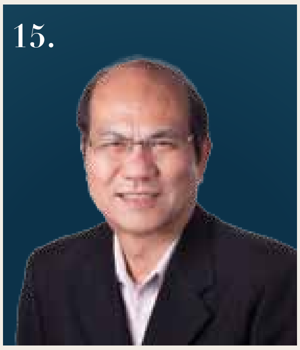
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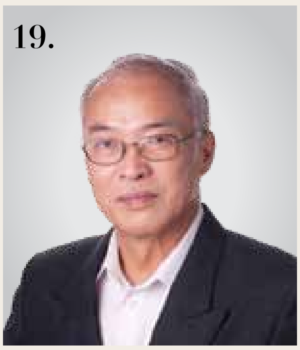
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KEY MANAGEMENT

EXECUTIVE COMMITTEE (EXCO) MEMBER OF CSC GROUP

1. SEE YEN TARN

Executive Director /
Group Chief Executive Officer /
EXCO Member of CSC Group

Mr See is also the Executive Director of the Board of Directors of the Company. Please refer to page 29 of the Annual Report for his profile under the Board of Directors' section.

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 rose through the ranks of the Group. In 2010, he became an EXCO Member of the Group and in June 2016, he was promoted to the position of Group Chief Operating Officer.

Mr Koo has been with the Group for more than 20 years. His experience includes foundation engineering, property and management in both local and overseas markets. He was a former Council Member of Singapore Contractor Association (SCAL). 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 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 (ACCA) in 1997 and is currently a member of the Institute of Singapore Chartered Accountants.

CORPORATE

4. LIM YEOW BENG

Director, Contracts

Mr Lim joined the Group as General Manager, Contracts & Legal in January 2003. In April 2017, he was appointed as Director, Contracts, overseeing the management of Contract Department as well as advising all legal, insurance and contract related matters of the Group. He has more than 30 years experience in this field.

5. GWEE BOON HONG

Director, Technical

Mr Gwee joined the Group when the Group acquired L&M Foundation Specialist Pte Ltd in November 2006. He was promoted to Director, Technical in April 2017 overseeing the management and operation of Technical Department.

He holds a Bachelor degree in Engineering (Civil) and a Master degree in Engineering from the National University of Singapore in addition to a Certified Diploma in Accountancy and Finance from ACCA. He is currently a registered Professional Engineer (Civil & Geotechnical) in Singapore. He has more than 20 years of design and construction experience in geotechnical engineering works in Singapore as well as in the South East Asia region.

6. GOH SWEE LENG

General Manager, 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. In April 2019, he was promoted to General Manager, Marketing/Tender.

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 25 years of Human Resource experience in both the private sector and the public sector. Mr Lim obtained his Bachelor degree in Business Administration from the National University of Singapore and subsequently a post graduate degree in Master of Science in Human Resource Management from the National University of Ireland.

8. 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 20 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.

KEY MANAGEMENT

OPERATION

SINGAPORE

Bored Piles Division

10. KELVIN CHUE MUN WAI

General Manager of CS Bored Pile System Pte Ltd ("CSBP") and DW Foundation Pte Ltd ("DWF")

Mr Chue joined the Group in January 2012 as Senior Project Manager of DWF. He was subsequently appointed the Deputy General Manager of CSBP and DWF in March 2017. In April 2018, he was appointed as General Manager of CSBP and DWF.

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

Diaphragm Walls and Soil Improvement Divisions

11. LOH BOON CHONG

Director of L&M Foundation Specialist Pte Ltd ("LMFS")

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 a Director of LMFS to manage LMFS 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.

Driven Piles / Jack-In Piles / Micro Piles

12. LIM YONG KENG DANNY (LIN YONGQING)

Director of CS Construction & Geotechnic Pte Ltd ("CSCG")

Mr Danny Lim has been with the Group since 1996 when he was a Site Engineer. He was promoted as the General Manager of CSCG on April 2016. In April 2017, he was appointed as Director of CSCG overseeing general management and operations matters of CSCG.

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

13. PHOON SOO HIN

Director of Soil Investigation Pte Ltd ("SIPL")

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.

In January 2017, he was appointed as Director, Regional Business where he was responsible for identifying new business opportunities in the regional market and overseeing the development of new overseas businesses and projects. In July 2018, he was appointed as Director of SIPL where he was responsible for overall management of SIPL.

Mr Phoon has more than 30 years of working experience, mainly in geotechnical and foundation engineering works. He was also involved in the operation of bored piling, diaphragm wall, and 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.

14. TAN YONG BENG

General Manager of Soil Investigation Pte Ltd ("SIPL")

Mr Tan joined the Group in December 2012 as a Pile Instrumentation Manager and was subsequently promoted to Senior Manager in May 2016, in which he oversees the operations and development of the various departments. In July 2018, he was appointed as the General Manager of SIPL overseeing the general management and operations matters.

Mr Tan graduated with a Bachelor Degree in Civil and Environmental Engineering from Nanyang Technological University in 2003. He has 10 years' experience in soil investigation and geotechnical engineering. He has accumulated extensive overseas working experience on iconic projects during his career formative years, specializing in deep foundation testing. He later honed his skills in a government statutory board and subsequently took up a business development role with a local property developer before joining SIPL.

15. CHUA KENG GUAN

Managing Director of Wisescan Engineering Services Pte Ltd ("WES")

Mr Chua joined the Group as the Managing Director of 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 Fellow 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 ("THLFE")

Mr Chong was the co-founder and the Managing Director of 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. HAH HEN KHEAN

Managing Director of ICE Far East Pte Ltd ("ICEFE")

Mr Hah joined 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 and Thailand) in July 2014.

18. KAAN CHI LOONG

Director of THL Foundation Equipment Pte Ltd ("THLFE")

Mr Kaan joined THLFE as a sales engineer in June 1994. He was subsequently promoted to General Manager in July 2008. In June 2017, he was promoted to Director of THLFE overseeing general management and overseas expansion of THLFE.

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.

MALAYSIA

Bored Piles / Diaphragm Walls Division

Driven Piles, Jack–In Piles & Micro Piles Division

19. LIM LEONG KOO

Managing Director of G-Pile Sistem Sdn Bhd ("G-Pile") and Borneo Geotechnic Sdn Bhd ("BG")

Mr Lim joined the Group in July 2006 as Senior Manager (International Business/Special Projects). He was subsequently appointed a Director of G-Pile. He was promoted to his current position as the Managing Director of G-Pile in February 2009. In March 2017, he was appointed as Managing Director of BG and is now in charge of the Group's Malaysian operations.

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

20. YEE LIP CHEE

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

Mr Yee joined the Group in 2008 as General Director of LMVN where he was responsible for the business operation and management of LMVN.

Mr Yee has more than 25 years of experience in the field of deep foundation works. He holds a Bachelor degree in Civil Engineering from the National Taiwan University.

CSC EVENTS

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1. **Shou Gong Dinner**
   25.1.2019
2. **Kai Gong Ceremony**
   11.2.2019
3. **2018 AGM & EGM**
   27.7.2018
4. **7th Month Prayer**
   21.8.2018
5. **2018 EGM**
   12.12.2018

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

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.

CORPORATE GOVERNANCE REPORT

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 2019 ("FY2019") 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
Dr Leong Horn Kee	3	3	3	3	NA	NA
See Yen Tarn	4	4	NA	NA	NA	NA
Teo Beng Teck	4	4	4	4	1	1
Ong Tiew Siam	3	3	3	3	NA	NA
Tan Hup Foi @ Tan Hup Hoi	4	4	4	4	NA	NA
Chee Teck Kwong Patrick*	1	1	1	1	1	1
Tan Ee Ping*	1	1	NA	NA	1	1

	Nominating Committee		Risk Management Committee	
Name of Directors	No. of Meetings	Attendance	No. of Meetings	Attendance
Dr Leong Horn Kee	1	1	NA	NA
See Yen Tarn	3	3	3	3
Teo Beng Teck	NA	NA	3	3
Ong Tiew Siam	NA	NA	2	2
Tan Hup Foi @ Tan Hup Hoi	3	3	NA	NA
Chee Teck Kwong Patrick*	2	2	NA	NA
Tan Ee Ping*	NA	NA	1	1

* Mr Chee Teck Kwong Patrick and Mr Tan Ee Ping retired at the last Annual General Meeting held on 27 July 2018 pursuant to Regulation 104 of the Company's Constitution and they did not offer themselves up for re-election.

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.

CORPORATE GOVERNANCE REPORT

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
Dr Leong Horn Kee	28 July 2018 / **	Independent Non-Executive Chairman Member of the Audit Committee, Remuneration Committee and Nominating Committee	Director of – IGG Inc – SPH Reit Management Pte Ltd which is the management company of listed company, SPH Reit – ESR Funds Management (S) Limited which is the management company of listed company, ESR Reit	Director of – Tat Hong Holdings Ltd – Viva Industrial Trust Management Pte Ltd which is the management company of listed company, Viva Industrial Trust
Mr See Yen Tarn	11 November 2005/ Not subject to retirement under Regulation 104 of the Company's Constitution	Group Chief Executive Officer Member of the Nominating Committee, Risk Management Committee and Executive Committee	Director of – LCT Holdings Limited – Eindec Corporation Limited – Singhaiyi Group Ltd	Nil
Mr Teo Beng Teck	24 November 2003/ 26 July 2017	Non-Executive Director Member of the Risk Management Committee, Audit Committee and Remuneration Committee	Nil	Nil
Mr Ong Tiew Siam	28 July 2018 / **	Independent Director Chairman of the Audit Committee and Risk Management Committee and member of Remuneration Committee	Director of – Valuetronics Holdings Limited	Director of – FungChoi Media Group Limited – Tat Hong Holdings Ltd – Design Studio Group Ltd

CORPORATE GOVERNANCE REPORT

Name of Directors	Date of appointment / Date of last re-election	Functions	Current directorships in other listed companies and other major appointments	Past directorships in other listed companies and major appointments over the preceding three years
Mr Tan Hup Foi @ Tan Hup Hoi	3 April 2006/ 25 July 2018	Independent Director Chairman of Nominating Committee and Remuneration Committee and member of Audit Committee	Nil	Nil

** Dr Leong Horn Kee and Mr Ong Tiew Siam will be seeking for re-election pursuant to Regulation 108 of the Company's Constitution at the forthcoming Annual General Meeting.

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 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.

Dr Leong Horn Kee is 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, Dr Leong 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.

CORPORATE GOVERNANCE REPORT

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 Tan Hup Foi @ Tan Hup Hoi (Chairman), Dr Leong Horn Kee 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, all new Directors of the Company will 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.

CORPORATE GOVERNANCE REPORT

Mr Tan Hup Foi @ Tan Hup Hoi has 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 considering whether the independent directors who have served on the Board for more than nine years are still independent, the NC, *inter alia*, including the guidance in accordance with Guideline of the Code of Corporate Governance, has also taken into consideration the following factors:–

a. The considerable amount of experience and wealth of knowledge that each Independent Director brings to the Company.

b. The attendance and active participation in the proceedings and decision making process of the Board and Committee meetings.

c. Provision of continuity and stability at the Board level as each Independent Director has developed deep insight into the business of the Company and possesses experience and knowledge of the business.

d. The qualification and expertise of each Independent Director provides reasonable checks and balances for the Management.

e. Each Independent Director has provided adequate attention and sufficient time has been devoted to the proceedings and business of the Company. Each of them is adequately prepared, responsive and actively involved in the discussions at the meeting.

f. Each Independent Director provides overall guidance to Management and acts as safeguard for the protection of Company's assets and shareholders' interests.

g. Each Independent Director is the Chairman of their respective committees and has led their respective Board Committees effectively in making independent and objective decision.

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 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. 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, 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; and

– has any material contractual relationship with the Group other than as a Director.

CORPORATE GOVERNANCE REPORT

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 NC with the concurrence of the Board, concludes that Mr Tan Hup Foi @ Tan Hup Hoi remains independent.

The NC has recommended the nomination of Mr Teo Beng Teck, Dr Leong Horn Kee and Mr Ong Tiew Siam for re-election as Directors at the forthcoming AGM. The Board has accepted this recommendation and being eligible, Mr Teo Beng Teck, Dr Leong Horn Kee and Mr Ong Tiew Siam will be offering themselves for re-election at the AGM. The additional information of the re-election Directors, Mr Teo Beng Teck, Dr Leong Horn Kee and Mr Ong Tiew Siam, are set out on pages 172 to 179 of this Annual Report.

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 candidates' 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; and

  (b) the Chairman of the Board should be an Independent Non-Executive Director.

– the Board should comprise business leaders and professionals with 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 FY2019. 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.

CORPORATE GOVERNANCE REPORT

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 four Non-Executive Directors, namely Mr Tan Hup Foi @ Tan Hup Hoi (Chairman), Dr Leong Horn Kee, Mr Ong Tiew Siam 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.

CORPORATE GOVERNANCE REPORT

The RC had recommended to the Board an amount of $334,300 as Directors' fees for the year ending 31 March 2020. This recommendation had been endorsed by the Board and will be tabled at the forthcoming AGM for shareholders' approval.

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

Remuneration Band	Name of Directors	Directors' Fees (%)**	Service Fees (%)	Salaries [(1)] (%)	Bonus [(2)] (%)	Total (%)
$500,000.01 to $750,000	See Yen Tarn*	–	–	76.57	23.43	100
Below $250,000	Dr Leong Horn Kee	100	–	–	–	100
	Ong Tiew Siam	100	–	–	–	100
	Tan Hup Foi @ Tan Hup Hoi	100	–	–	–	100
	Teo Beng Teck	70.87	29.13	–	–	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 ten executives' remuneration (who are not Directors of the Company or the CEO) of the Group for the FY2019 are set out below:–

Remuneration Band	Number of Key Executives	Salaries [(1)] (%)	Bonus [(2)] (%)	Others (Benefits in Kinds) (%)	Total (%)
$250,000.01 to $500,000	1	78.95	21.05	–	100
$250,000 and below	9	77.80	22.20	–	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 ten executives (who are not Directors of the Company or the CEO) of the Group for the FY2019 is approximately $3,500,000.

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.

CORPORATE GOVERNANCE REPORT

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 Ong Tiew Siam (Chairman), Mr See Yen Tarn and Mr Teo Beng Teck.

The RMC holds at least three 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;

CORPORATE GOVERNANCE REPORT

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.

In year 2013, the Group has implemented 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.

CORPORATE GOVERNANCE REPORT

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 2019 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 four Non-Executive Directors, namely Mr Ong Tiew Siam (Chairman), Mr Tan Hup Foi @ Tan Hup Hoi, Mr Teo Beng Teck and Dr Leong Horn Kee, 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 LLP and Singapore Assurance PAC are 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.

CORPORATE GOVERNANCE REPORT

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.

In identifying the key audit matters, the AC and external auditors had deliberated on the key audit matters and their disclosures. Having considered these key audit matters and their disclosure, the AC concurred with the external auditors on the approach and methodology applied to each of the key audit matters and its disclosures as set out under the Independent Auditor's Report on pages 59 to 60 of the Annual Report.

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 FY2019 were $459,858 and $176,491 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;

CORPORATE GOVERNANCE REPORT

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 the IA plans and all IA reports submitted by the Internal Auditors. Structured processes are in place so 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 Circular including the Notice of AGM to all shareholders at least 14 days before the AGM. The electronic Annual Report will be available at the Company's website at www.cschl.com.sg 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 FY2019 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.

CORPORATE GOVERNANCE REPORT

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 securities 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 securities on short-term considerations.

Directors are required to report to the Company Secretary whenever they deal in the Company's securities 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.

CORPORATE GOVERNANCE REPORT

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.

IPTs carried out during the financial year under review under Chapter 9 of the Listing Manual are 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) $'000	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Tat Hong Plant Leasing Pte Ltd (1)	3,573	NIL
Tat Hong Heavyequipment (Pte.) Ltd (1)	2,132	NIL
CMC Construction Pte Ltd (1)	445	NIL
Tat Hong (Thailand) Co., Ltd (1)	259	NIL
Tat Hong Heavyequipment (HK) Ltd (1)	112	NIL
THAB Development Sdn Bhd (2)	559	NIL
WB Top3 Development Sdn Bhd (3)	972	NIL

Notes:

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

(2) With reference to the Group's announcements on 25 October 2013, the Group entered into a Shareholders' Agreement ("SHA") with Tat Hong International Pte Ltd, AME Land Sdn Bhd and BP Lands Sdn Bhd in relation to THAB Development Sdn Bhd ("THAB"), to jointly undertake mixed property development in Iskandar Malaysia.

Pursuant to the SHA, the Group subscribed for shares equivalent to 5% of the enlarged share capital of THAB for RM0.5 million (equivalent to $0.2 million) and granted a shareholder's loan of RM4.4 million (equivalent to $1.7 million) to THAB in October 2013.

In FY2019, the Group granted additional shareholder's loans in proportion to its shareholdings of RM1.7 million (equivalent to $0.6 million) to THAB for financing of property development.

(3) With reference to the Group's announcements on 20 May 2016 and 23 June 2016, the Group entered into a Shareholders' Agreement ("SA") with Triplestar Properties Sdn Bhd ("TSP") and Zillion Holding Sdn Bhd in relation to WB TOP3 Development Sdn. Bhd. (formerly known as TOP3 Development Sdn. Bhd.) ("WB TOP3"), to jointly undertake commercial property development in Seremban, Negeri Sembilan, Malaysia.

Pursuant to the SA, the Group subscribed for shares equivalent to 40% of the share capital of WB TOP3 for RM2.0 million (equivalent to $0.7 million) and granted a shareholder's loan of RM0.2 million (equivalent to $0.1 million) in proportion to its shareholdings to WB TOP3 during the first quarter ended 30 June 2016.

In September 2017, the Group entered into a new Shareholders' Agreement ("Revised SA") with TSP, Bluecrest Holding Pte Ltd and WB Land (Ainsdale) Sdn Bhd in relation to the investment in WB TOP3. Pursuant to the Revised SA, the Group's equity interest in WB TOP3 diluted from 40% to 19%.

In FY19, the Group granted additional shareholder's loan in proportion to its shareholdings of RM2.9 million (equivalent to $1.0 million) to WB TOP3 for financing of property development.

SUSTAINABILITY REPORTING

In accordance with the Singapore Exchange's sustainability reporting framework, the Group has established a Sustainability Team comprising representatives from various divisions. The Sustainability Team is responsible for determining and implementing relevant practices in material environmental, social and governance sustainability; taking into account their relevance to our business, strategy, business model and key stakeholders.

We will publish our inaugural Sustainability Report by 31 August 2019. To minimise the impact on the environment, the report will be published online via our website at www.cschl.com.sg and uploaded on the SGXNet.

WHITEWASH WAIVER IN RELATION TO RIGHTS CUM WARRANTS ISSUE

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 10 June 2019 (i.e. Latest Practical Date), the Concert Party Group holds in aggregate:

    (i) 1,190,618,407 Shares, representing approximately 51.16% of the voting rights in the Company; and

    (ii) 248,232,605 Warrants, out of which 83,942,490 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 55.86% (based on the enlarged share capital of the Company of 2,575,675,151 Shares (excluding treasury shares) immediately following the allotment and issue of 248,232,605 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 2019.

In our opinion:

(a) the financial statements set out on pages 63 to 164 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 2019 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 (International); 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:

Dr. Leong Horn Kee	(Chairman) (Appointed on 28 July 2018)
See Yen Tarn	(Group Chief Executive Officer)
Ong Tiew Siam	(Appointed on 28 July 2018)
Tan Hup Foi @ Tan Hup Hoi	
Teo Beng Teck	

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/date of appointment	Holdings at end of the year
The Company		
See Yen Tarn		
– ordinary shares		
– deemed interest	9,866,666	11,016,666
– warrants		
– deemed interest	10,583,330	10,583,330

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONT'D)

Name of director and corporation in which interests are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
The Company		
Ong Tiew Siam		
– ordinary shares		
– interest held	3,000,000	3,000,000
– warrants		
– interest held	15,000,000	15,000,000
Teo Beng Teck		
– ordinary shares		
– interest held	5,260,000	5,520,000
– warrants		
– interest held	6,575,000	6,575,000

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 financial year, or date of appointment if later, 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 2019.

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.

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 2018	Warrants issued	Warrants exercised	Warrants outstanding at 31 March 2019	Expiry date
30/12/2015	$0.01	1,420,545,290	–	(113,736,665)	1,306,808,625	29/12/2020

DIRECTORS' STATEMENT

AUDIT COMMITTEE

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

- Ong Tiew Siam (Chairman), independent director
- Dr. Leong Horn Kee, independent director
- Tan Hup Foi @ Tan Hup Hoi, 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 information and annual 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

Dr. Leong Horn Kee
Chairman

See Yen Tarn
Group Chief Executive Officer

28 June 2019

INDEPENDENT AUDITORS' REPORT

Members of CSC Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CSC Holdings Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2019, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 164.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of construction-related revenue and provisions (Refer to Notes 20 and 21 to the financial statements)

Risk:

Revenue is derived from the Group's construction contracts, whose single performance obligation is satisfied over time; and gives the Group an enforceable right to payment for performance completed to date. The progress towards the continuous satisfaction of a performance obligation is measured using the output method based on survey reports of contract activities.

The contracts are usually long term and complex in nature and may involve significant variations to the original contracts due to cost overruns and work variations which may require further negotiation and agreement with customers. Constraints on variable consideration such as liquidated damages will also need to be considered and are highly judgmental. Any changes in these estimates could result in material variances in the revenue recognised for each performance obligation and provisions recognised in relation to onerous contracts and rectification costs.

INDEPENDENT AUDITORS' REPORT

Members of CSC Holdings Limited

How the matter was addressed in our audit:

We verified the measurement of the progress of satisfaction of each performance obligation and the contract revenues recognised to contract terms, external survey reports, internal project status reports and other relevant supporting documents. We reviewed the reasonableness of estimates used in determining the transaction price and constraints applied by management towards the variable consideration. We selected a sample of contracts for testing using qualitative and quantitative criteria, such as contracts with low or negative margins, those with claims and other adverse developments during the financial year. We also reviewed management's assessment of the estimated costs to complete and probability of further costs, which would affect the reasonableness of provisions for rectification costs and onerous contracts.

<u>Impairment of trade receivables and contract assets (Refer to Notes 12 and 21 to the financial statements)</u>

Risk:

The Group's trade receivables and contract assets amounted to $38 million and $97 million respectively. At each reporting date, the Group identifies trade receivables and contract assets that are credit-impaired and determines the associated loss allowance. The Group then measures loss allowances at an amount equal to lifetime expected credit losses (ECL) in relation to the remaining trade receivables and contract assets.

Judgement is required in making assumptions about the risk of default and expected loss rates to determine if adequate loss allowances were made for these exposures.

How the matter was addressed in our audit:

We reviewed management's identification of trade receivables and contract assets that were credit-impaired. We also evaluated the appropriateness of the ECL model applied by management. We reviewed the reasonableness of management's segmentation of the customers into the respective credit risk rating classes and the expected credit loss rate applied by reference to market observable information and other information.

<u>Impairment of property, plant and equipment (Refer to Note 4 to the financial statements)</u>

Risk:

As a result of continued losses experienced by the Group in the current year, management has identified the existence of impairment indicators and carried out an impairment assessment on its property, plant and equipment.

As part of the impairment assessment, the Group engaged external valuers to value its property, plant and equipment to determine their recoverable amounts based on their fair values less costs to sell. While there is an active secondary market for these property, plant and equipment, the valuers incorporated relevant assumptions when determining the fair values of the Group's property, plant and equipment. The basis of these assumptions are inherently judgemental.

How the matter was addressed in our audit:

We evaluated the competence, capabilities and objectivity of the external valuer and held discussions with the external valuer to understand their valuation approach and basis of valuation.

We evaluated the appropriateness of the assumptions used by the external valuer, by comparing them against market observable data and other relevant information.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

INDEPENDENT AUDITORS' REPORT

Members of CSC Holdings Limited

We have obtained the directors' statement prior to the date of this auditor's report. The remaining other information are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information that are expected to be made available to us after the date of this auditors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

INDEPENDENT AUDITORS' REPORT

Members of CSC Holdings Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditors' report is Ling Su Min.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 June 2019

STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	Group 31 March 2019 $'000	Group 31 March 2018 $'000	Group 1 April 2017 $'000	Company 31 March 2019 $'000	Company 31 March 2018 $'000	Company 1 April 2017 $'000
Non-current assets							
Property, plant and equipment	4	137,101	156,221	164,929	12	22	31
Goodwill	5	1,452	1,452	1,452	–	–	–
Investments in:							
– subsidiaries	6	–	–	–	112,582	120,530	114,592
– associates	8	651	1,666	904	–	–	–
– a joint venture		–	–	704	–	–	–
Other investments	10	406	914	879	–	–	–
Contract assets	21	16,106	12,881	10,544	–	–	–
Trade and other receivables	12	2,007	–	–	9,856	–	–
Deferred tax assets	18	44	93	252	161	23	19
		157,767	173,227	179,664	122,611	120,575	114,642
Current assets							
Inventories	11	29,687	23,694	25,257	–	–	–
Contract assets	21	80,882	68,551	71,444	–	–	–
Trade and other receivables	12	53,757	50,033	56,378	13,198	19,262	26,485
Tax recoverable		506	533	266	–	–	–
Cash and cash equivalents	13	15,212	18,726	18,532	503	249	1,398
		180,044	161,537	171,877	13,701	19,511	27,883
Assets held for sale	14	15,539	198	–	–	–	–
		195,583	161,735	171,877	13,701	19,511	27,883
Total assets		353,350	334,962	351,541	136,312	140,086	142,525
Equity attributable to owners of the Company							
Share capital	15	81,635	80,498	80,292	81,635	80,498	80,292
Reserves	16	33,268	52,128	64,838	48,319	51,367	49,403
		114,903	132,626	145,130	129,954	131,865	129,695
Non-controlling interests	7	27,448	26,761	25,900	–	–	–
Total equity		142,351	159,387	171,030	129,954	131,865	129,695
Non-current liabilities							
Loans and borrowings	17	17,392	21,215	21,632	5	16	26
Deferred tax liabilities	18	2,079	1,853	1,726	–	–	–
		19,471	23,068	23,358	5	16	26
Current liabilities							
Loans and borrowings	17	85,313	59,162	64,050	11	160	10
Contract liabilities	21	4,225	52	775	–	–	–
Trade and other payables	19	95,434	86,459	84,185	6,319	8,012	12,753
Provisions	20	6,113	6,604	6,718	–	–	–
Current tax payable		443	230	1,425	23	33	41
		191,528	152,507	157,153	6,353	8,205	12,804
Total liabilities		210,999	175,575	180,511	6,358	8,221	12,830
Total equity and liabilities		353,350	334,962	351,541	136,312	140,086	142,525

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Revenue	21	323,129	338,773
Cost of sales		(308,124)	(327,580)
Gross profit		15,005	11,193
Other income		1,910	2,867
Distribution expenses		(846)	(732)
Administrative expenses		(27,400)	(24,059)
Other operating expenses		(377)	(439)
Impairment loss (recognised)/reversed on trade and other receivables and contract assets		(2,986)	161
Results from operating activities		(14,694)	(11,009)
Finance income		2,008	1,357
Finance expenses		(3,977)	(3,127)
Net finance expenses	22	(1,969)	(1,770)
Share of (loss)/profit of associates (net of tax)		(43)	3
Share of profit of a joint venture (net of tax)		–	1
		(43)	4
Loss before tax		(16,706)	(12,775)
Tax expense	23	(1,321)	(675)
Loss for the year	24	(18,027)	(13,450)
Profit/(loss) attributable to:			
Owners of the Company		(19,335)	(14,314)
Non-controlling interests		1,308	864
Loss for the year		(18,027)	(13,450)
Loss per share	25		
Basic loss per share (cents)		(0.86)	(0.65)
Diluted loss per share (cents)		(0.86)	(0.65)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2019

	2019 $'000	2018 $'000
Loss for the year	(18,027)	(13,450)
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Revaluation surplus of property, plant and equipment	1,117	–
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences – foreign operations	(421)	1,732
Foreign currency translation differences on dilution of interest in a joint venture reclassified to profit or loss	–	(1)
Other comprehensive income for the year, net of tax	696	1,731
Total comprehensive income for the year	(17,331)	(11,719)
Total comprehensive income attributable to:		
Owners of the Company	(18,590)	(12,710)
Non-controlling interests	1,259	991
Total comprehensive income for the year	(17,331)	(11,719)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

	Note	Share capital $'000	Capital reserve $'000	Reserve for own shares $'000
At 1 April 2017		80,292	17,798	(2,354)
Total comprehensive income for the year				
(Loss)/profit for the year		–	–	–
Other comprehensive income				
Foreign currency translation differences		–	–	–
Foreign currency translation differences on dilution of interest in a joint venture		–	–	–
Transfer of revaluation surplus of property, plant and equipment		–	–	–
Total other comprehensive income		–	–	–
Total comprehensive income for the year		–	–	–
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners				
Issue of shares from exercise of warrants	15	206	–	–
Dividends paid to non-controlling interests		–	–	–
Total contributions by and distributions to owners		206	–	–
Changes in ownership interests in a subsidiary				
Capital contribution by non-controlling interests of a subsidiary		–	–	–
Total changes in ownership interests in a subsidiary		–	–	–
Total transactions with owners of the Company		206	–	–
At 31 March 2018		80,498	17,798	(2,354)
At 1 April 2018		80,498	17,798	(2,354)
Adjustment on initial adoption of SFRS(I) 9*		–	–	–
Adjusted balances at 1 April 2018		80,498	17,798	(2,354)
Total comprehensive income for the year				
(Loss)/profit for the year		–	–	–
Other comprehensive income				
Foreign currency translation differences		–	–	–
Revaluation surplus of property, plant and equipment		–	–	–
Transfer of revaluation surplus of property, plant and equipment		–	–	–
Total other comprehensive income		–	–	–
Total comprehensive income for the year		–	–	–
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners				
Issue of shares from exercise of warrants	15	1,137	–	–
Dividends paid to non-controlling interests		–	–	–
Total contributions by and distributions to owners		1,137	–	–
At 31 March 2019		81,635	17,798	(2,354)

* See note 31

Reserve on consolidation $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Other reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
116	(7,373)	11,828	(881)	45,704	145,130	25,900	171,030
–	–	–	–	(14,314)	(14,314)	864	(13,450)
–	1,605	–	–	–	1,605	127	1,732
–	(1)	–	–	–	(1)	–	(1)
–	–	(629)	–	629	–	–	–
–	1,604	(629)	–	629	1,604	127	1,731
–	1,604	(629)	–	(13,685)	(12,710)	991	(11,719)
–	–	–	–	–	206	–	206
–	–	–	–	–	–	(195)	(195)
–	–	–	–	–	206	(195)	11
–	–	–	–	–	–	65	65
–	–	–	–	–	–	65	65
–	–	–	–	–	206	(130)	76
116	(5,769)	11,199	(881)	32,019	132,626	26,761	159,387
116	(5,769)	11,199	(881)	32,019	132,626	26,761	159,387
–	–	–	–	(270)	(270)	(122)	(392)
116	(5,769)	11,199	(881)	31,749	132,356	26,639	158,995
–	–	–	–	(19,335)	(19,335)	1,308	(18,027)
–	(372)	–	–	–	(372)	(49)	(421)
–	–	1,117	–	–	1,117	–	1,117
–	–	(597)	–	597	–	–	–
–	(372)	520	–	597	745	(49)	696
–	(372)	520	–	(18,738)	(18,590)	1,259	(17,331)
–	–	–	–	–	1,137	–	1,137
–	–	–	–	–	–	(450)	(450)
–	–	–	–	–	1,137	(450)	687
116	(6,141)	11,719	(881)	13,011	114,903	27,448	142,351

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Loss for the year		(18,027)	(13,450)
Adjustments for:			
Bad debts written off	24	5	50
Depreciation of property, plant and equipment	4	24,154	25,816
Gain on dilution of interest in a joint venture		–	(1)
Gain on disposal of:			
– property, plant and equipment		(884)	(1,723)
- assets held for sale		–	(91)
Impairment losses recognised/(reversed) on:			
– property, plant and equipment	4	11	63
– trade and other receivables and contract assets	24	2,986	(161)
Inventories written down	11	247	148
Inventories written off	24	370	96
Net finance expenses	22	1,969	1,770
Property, plant and equipment written off	24	17	–
Provision for onerous contracts	20	1,000	740
Provision for rectification costs	20	1,182	2,160
Share of loss/(profit) of associates (net of tax)		43	(3)
Share of profit of a joint venture (net of tax)		–	(1)
Tax expense	23	1,321	675
		14,394	16,088
Changes in:			
Inventories		(6,467)	(3,127)
Contract assets		(15,371)	8,413
Trade and other receivables		(7,969)	6,546
Contract liabilities		4,173	(723)
Trade and other payables		13,604	(5,241)
Cash generated from operations		2,364	21,956
Taxes paid		(740)	(1,763)
Interest received		288	185
Net cash generated from operating activities		1,912	20,378
Cash flows from investing activities			
Acquisition of property, plant and equipment		(16,034)	(11,176)
Proceeds from government grants for acquisition of property, plant and equipment		341	60
Proceeds from disposal of:			
– property, plant and equipment		2,710	6,958
– a joint venture in prior year		–	839
– assets held for sale		918	365
Dilution of interests in a subsidiary, net of cash disposed of	6	(52)	–
Investment in an associate		(27)	–
Shareholder's loan due from an associate		(1,400)	–
Subscription of convertible notes in investee	10	(120)	(120)
Net cash used in investing activities		(13,664)	(3,074)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Cash flows from financing activities			
Interest paid		(3,963)	(3,172)
Dividends paid to non-controlling interests of a subsidiary		(450)	(195)
Proceeds from:			
– bank loans		21,746	11,655
– refinancing of finance lease liabilities		971	1,760
– bills payable		164,536	64,791
– issue of shares from exercise of warrants, net of expenses		1,137	206
Repayment of:			
– bank loans		(21,674)	(24,369)
– bills payable		(149,986)	(53,427)
– finance lease liabilities		(9,112)	(13,093)
Decrease in fixed deposit pledged		–	1,000
Net cash generated from/(used in) financing activities		3,205	(14,844)
Net (decrease)/increase in cash and cash equivalents		(8,547)	2,460
Cash and cash equivalents at 1 April		15,758	13,090
Effect of exchange rate fluctuations on cash held		(18)	208
Cash and cash equivalents at 31 March	13	7,193	15,758

Significant non-cash transactions

(a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $16,885,000 (2018: $13,836,000), of which $2,460,000 (2018: $2,704,000) were acquired by means of finance lease arrangements. At reporting date, the unpaid liabilities from the purchase of property, plant and equipment amounted to $971,000 (2018: $2,254,000). The unpaid liabilities for prior year's acquisition of property, plant and equipment amounting to $2,239,000 (2018: $2,238,000) were paid during the financial year.

(b) During the financial year, the Group disposed of property, plant and equipment with a carrying amount of $1,714,000 (2018: $3,781,000) for a sale consideration of $2,598,000 (2018: $5,504,000), of which $154,000 (2018: $267,000) has not yet been received as at reporting date. Sale proceeds of $266,000 (2018: $1,721,000) from prior year's disposal of property, plant and equipment were received during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 June 2019.

1 DOMICILE AND ACTIVITIES

CSC Holdings Limited ('the Company') is a company incorporated in the Republic of Singapore. The address of the Company's registered office is No. 2, Tanjong Penjuru Crescent, Singapore 608968.

The financial statements of the Group as at and for the year ended 31 March 2019 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interests in equity-accounted investees.

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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ('SFRS(I)'). These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ('FRS'). An explanation of how the transition to SFRS(I) and application of SFRS(I) 9 and SFRS(I) 15 have affected the reported financial position and financial performance is provided in note 31.

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 SFRS(I) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Information about critical judgements in applying accounting policies 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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities 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 cash-generating units with goodwill;
- Note 6 – Measurement of impairment losses on interests in subsidiaries;
- Note 11 – Measurement of net realisable value on inventories;
- Note 20 – Recognition and measurement of provisions for rectification costs and onerous contracts;
- Note 21 – Estimation of revenue recognised for construction contracts; and
- Note 26 – Measurement of expected credit loss (ECL) allowance for trade and other receivables and contract assets.

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.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

When measuring the fair value of an asset or a liability, the Group uses observable market 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 fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Property, plant and equipment; and
- Note 26 – Financial instruments.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 April 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

Acquisitions from 1 April 2017

For acquisitions from 1 April 2017, the Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

- 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 date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and 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 SFRS(I)s.

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.

Acquisitions before 1 April 2017

As part of transition to SFRS(I), the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I), i.e. 1 April 2017. Goodwill arising from acquisitions before 1 April 2017 has been carried forward from the previous FRS framework as at the date of transition.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investments in associates and joint ventures (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 associates and joint ventures 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 commences until the date that significant influence 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 operations

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Subsidiaries, associates and joint ventures in the separate financial statements

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

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated 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 translated 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 translation are generally recognised in profit or loss.

Foreign operations

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

Foreign currency differences are recognised in other comprehensive income. Since 1 April 2017, the Group's date of transition to SFRS(I), such differences have been recognised in the foreign currency 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 to occur 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment

Recognition and measurement

Freehold and leasehold land and properties

Freehold and leasehold land and properties are measured at cost on initial recognition and subsequently at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Freehold and leasehold land and properties are revalued by an independent professional valuer with sufficient regularity such that the carrying amounts of these assets do not differ materially from that which would be determined using fair values at the reporting date. Upon revaluation, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and presented in the revaluation reserve in equity, unless they offset previous decreases in the carrying amounts of the same asset that were recognised in profit or loss, in which case, they are recognised in profit or loss. Decrease in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income and presented in the revaluation reserve in equity. All other decreases in carrying amounts are recognised in profit or loss.

Some of the revaluation reserve may be transferred as the asset is used by the Group. The amount of surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss. When a revalued freehold and leasehold land and property is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Plant and equipment

All other items of plant and equipment are measured at cost, which includes capitalised borrowing costs, 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 assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

Recognition and measurement (cont'd)

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is recognised 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. Freehold land is not depreciated.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1.

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.

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment – Policy applicable from 1 April 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 April 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset, on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 April 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial assets – Policy applicable before 1 April 2018

The Group classified non-derivative financial assets into the following categories: financial assets at FVTPL, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 April 2018

Financial assets at fair value through profit or loss

A financial asset was classified at fair value through profit or loss if it was classified as held for trading or was designated as such upon initial recognition. Financial assets were designated at fair value through profit or loss if the Group managed such investments and made purchase and sale decisions based on their fair value. Directly attributable transaction costs were recognised in profit or loss as incurred. Financial assets at fair value through profit or loss were measured at fair value, and changes therein, which took into account any interest income, were recognised in profit or loss.

Financial assets at fair value through profit or loss comprised investment in convertible notes.

Loans and receivables

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

Loans and receivables comprised cash and cash equivalents and trade and other receivables (excluding prepayments).

Available-for-sale financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Available-for-sale financial assets (cont'd)

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

Available-for-sale financial assets comprised equity securities.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(iv) ***Offsetting***

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

(v) ***Cash and cash equivalents***

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

(vi) ***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.

3.6 Impairment

(i) ***Non-derivative financial assets and contract assets***

Policy applicable from 1 April 2018

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets (as defined in SFRS(I) 15).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 April 2018

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

Objective evidence that financial assets (including equity securities) were impaired included 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Loans and receivables

The Group considered evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables were individually assessed for impairment. Those found not to be specifically impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The amount reclassified was 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. If the fair value of an impaired available-for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale were not reversed through profit or loss.

(ii) Associates and joint venture

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leased assets

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 measured at an amount to 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.

Other leases are operating leases and are not recognised in the Group’s statement of financial position.

3.8 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between finance expense and reduction of the outstanding 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. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group’s incremental borrowing rate.

3.9 Inventories

Equipment and machinery, spare parts and raw materials

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition. The 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.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Non-current assets held for sale

Non-current assets that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated.

3.11 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further 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.

3.12 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Rectification costs

A provision for rectification costs is recognised when the foundation and geotechnical engineering services are performed. The provision is based on actual costs to be incurred for completed projects and estimated costs to be incurred for projects that are still ongoing.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 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.

3.14 Revenue

Revenue from sale of goods and services is recognised in the ordinary course of business when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

The Group also considers when a transaction contains a significant financing component. The transaction price is required to be adjusted for the time value of money using a discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception ("market rate"). The market rate would reflect the credit characteristics of the party receiving financing in the contract.

The Group accounts for modifications to the scope or price of a contract as separate contracts if the modification adds distinct goods or services at their stand-alone selling prices. For contract modifications that add distinct goods or services but not at their stand-alone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations to be satisfied. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and recognises as a cumulative adjustment to revenue at the date of modification.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue (cont'd)

Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on foundation and geotechnical engineering services under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a PO can be reasonably measured, construction revenue is recognised over time as each PO is satisfied and when the Group has an enforceable right to payment for performance completed to date. The progress towards the completed satisfaction of each PO is measured using the output method based on direct measurements of the value of services delivered or surveys of work performed.

The likelihood of the Group suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Progress billings to the customer are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Trading of building products and plant and equipment

Revenue from trading of building products and plant and equipment are measured at the fair value of the consideration received or receivable, excluding estimates (subject to constraints) of variable consideration such as returns, trade discounts and volume rebates. Revenue is recognised at the point in time when the Group satisfies a PO by transferring the control over the promised good to the customer.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Government grants

Government grants related to assets 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 offset against the cost of the long-term assets and reduces future depreciation or amortisation expenses. For grants relating to qualified expenditure, these grants are recognised in profit or loss as deduction from the related expenses or recognised as other income on a systematic basis in the same period in which the expenses are recognised.

3.16 Finance income and finance costs

Finance income comprises mainly interest income on funds invested. Finance costs comprise interest expense on borrowings and imputed interest on non-current contract assets that are recognised in profit or loss.

Interest income or expense is recognised as it accrues in profit or loss, using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.17 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.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets.*

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. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Tax (cont'd)

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 and joint arrangements 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.

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.

Deferred tax assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Earnings per share

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

3.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors 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 Board of Directors 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 costs incurred during the year to acquire property, plant and equipment.

3.20 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in note 32.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

4 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	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/valuation							
At 1 April 2017	852	27,100	375	332,695	12,267	4,255	377,544
Additions	–	217	451	11,138	656	1,374	13,836
Reclassification from inventories	–	–	–	7,613	–	–	7,613
Reclassification to assets held for sale	–	(198)	–	(1,296)	–	–	(1,494)
Disposals/write-offs	–	–	–	(12,805)	(22)	(772)	(13,599)
Transfer to inventories	–	–	–	(5,811)	–	–	(5,811)
Effect of movements in exchange rates	63	5	43	2,764	83	31	2,989
At 31 March 2018	915	27,124	869	334,298	12,984	4,888	381,078
Additions	–	–	649	15,555	164	517	16,885
Reclassification from inventories	–	–	–	6,315	–	–	6,315
Reclassification to assets held for sale	–	(14,500)	(1,465)	(7,115)	–	–	(23,080)
Revaluation	–	1,117	–	–	–	–	1,117
Elimination of accumulated depreciation against cost on revaluation	–	(1,521)	–	–	–	–	(1,521)
Disposals/write-offs	–	–	–	(4,379)	(101)	(268)	(4,748)
Transfer to inventories	–	–	–	(7,543)	–	–	(7,543)
Effect of movements in exchange rates	(19)	–	(19)	(673)	(26)	(8)	(745)
At 31 March 2019	896	12,220	34	336,458	13,021	5,129	367,758

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	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							
Accumulated depreciation and impairment losses							
At 1 April 2017	–	–	–	200,131	9,331	3,153	212,615
Depreciation	–	1,486	–	23,154	635	541	25,816
Impairment losses	–	–	–	63	–	–	63
Reclassification to assets held for sale	–	–	–	(1,022)	–	–	(1,022)
Disposals/write-offs	–	–	–	(9,065)	(20)	(733)	(9,818)
Transfer to inventories	–	–	–	(4,527)	–	–	(4,527)
Effect of movements in exchange rates	–	–	–	1,668	45	17	1,730
At 31 March 2018	–	1,486	–	210,402	9,991	2,978	224,857
Depreciation	–	1,400	–	21,676	579	499	24,154
Impairment losses	–	–	–	11	–	–	11
Reclassification to assets held for sale	–	(1,365)	–	(5,456)	–	–	(6,821)
Elimination of accumulated depreciation against cost on revaluation	–	(1,521)	–	–	–	–	(1,521)
Disposals/write-offs	–	–	–	(2,709)	(100)	(208)	(3,017)
Transfer to inventories	–	–	–	(6,569)	–	–	(6,569)
Effect of movements in exchange rates	–	–	–	(450)	(13)	26	(437)
At 31 March 2019	–	–	–	216,905	10,457	3,295	230,657
Carrying amounts							
At 1 April 2017	852	27,100	375	132,564	2,936	1,102	164,929
At 31 March 2018	915	25,638	869	123,896	2,993	1,910	156,221
At 31 March 2019	896	12,220	34	119,553	2,564	1,834	137,101

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment, renovations and furniture and fittings $'000
Company	
Cost	
At 1 April 2017, 31 March 2018 and 31 March 2019	68
Accumulated depreciation	
At 1 April 2017	37
Depreciation	9
At 31 March 2018	46
Depreciation	10
At 31 March 2019	56
Carrying amounts	
At 1 April 2017	31
At 31 March 2018	22
At 31 March 2019	12

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

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Plant and machinery	28,912	37,506	–	–
Office equipment, renovations and furniture and fittings	90	144	12	22
Motor vehicles	1,385	1,536	–	–
	30,387	39,186	12	22

(ii) Leasehold land and properties, and plant and machinery of the Group with total carrying amounts of $11,400,000 (2018: $26,381,000) are mortgaged to banks as security for certain bank facilities extended by the banks to the Group (note 17).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(iii) The Group's freehold and leasehold land and properties were revalued on 31 March 2019 based on valuations performed by independent professional valuers. The surplus of $1,117,000 arising from the revaluations has been credited to other comprehensive income and accumulated in equity under revaluation reserve (note 16). The fair value of land and properties has been determined based on the market approach. The valuation model analyses sales of comparable land and properties and takes into consideration in-house adjustments made by the valuers on the comparable sales prices of an average of 4.3%. The fair value measurement is categorised as Level 3 on the fair value hierarchy and a 1% increase/(decrease) in the in-house adjustments would result in a decrease/(increase) in fair value of $134,000 and decrease/(increase) in other comprehensive income (and revaluation reserve) of $134,000. If the revalued land and properties had been included in the financial statements at historical cost less accumulated depreciation, the carrying amount as at 31 March 2019 would have been $9,943,000 (2018: $15,354,000).

(iv) Impairment loss is recognised when events and circumstances indicate that the property, plant and equipment may be impaired and the carrying amounts of the plant and equipment exceed their recoverable amounts. As a result of the challenging macro environment that resulted in losses recognised for the year, the Group carried out an impairment assessment on the Group's plant and equipment. The recoverable amounts of the plant and equipment were estimated using the fair value less costs to sell approach.

Under the market approach, the fair values were based on independent appraisals undertaken by a professional valuer at the reporting date. The valuation model analyses sales of comparable plant and machinery and takes into consideration in-house adjustments made by the valuer on the comparable sales prices of an average of 17.1% (2018: 11.2%) . The fair value measurement is categorised as Level 3 on the fair value hierarchy and a 1% increase/(decrease) in the in-house adjustments would result in a decrease/(increase) in fair value of $869,000 (2018: $985,000) and decrease/(increase) in profit or loss (and accumulated profits) of $169,000 (2018: $38,000).

As a result of the determination of recoverable amounts, a total impairment loss of $11,000 (2018: $63,000) was recognised on certain plant and equipment in the sales and lease of equipment business segment. The impairment loss was recognised under other operating expenses in the consolidated statement of profit or loss.

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

Useful lives and residual values of property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

Impairment assessment of plant and equipment

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

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

Management judgement is required in the area of asset impairment, particularly in assessing whether an event has occurred that may indicate that the related asset values may not be recoverable and whether the carrying value of an asset can be supported by its recoverable amount.

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, net of certain in-house adjustments made. Changing the adjustments made could materially affect the fair value less costs of disposal and hence, the Group's financial condition and results of operations.

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 an appropriate accounting classification.

5 GOODWILL

	Goodwill on consolidation $'000
Group	
Cost	
At 1 April 2017, 31 March 2018 and 31 March 2019	2,539
Accumulated impairment losses	
At 1 April 2017, 31 March 2018 and 31 March 2019	1,087
Carrying amounts	
At 1 April 2017, 31 March 2018 and 31 March 2019	1,452

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

5 GOODWILL (CONT'D)

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill has been 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:

	2019 $'000	2018 $'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 operations of each unit. The cash flow projections are based on financial budgets covering a five-year (2018: five-year) period.

The key assumptions used for value in use calculations are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	SI		WES	
	2019 %	2018 %	2019 %	2018 %
Revenue growth rate	0 – 2.0	0 – 2.4	0 – 3.0	0 – 3.9
Pre-tax discount rate	10.0	9.8	10.0	9.8

The revenue growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make. The pre-tax discount rates used were estimated based on an appropriate require rate of return on invested capital 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.

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. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations. Accordingly, there would be adjustments to the recoverable amounts of the cash-generating units, which could affect future periods' profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

6 INVESTMENTS IN SUBSIDIARIES

	Company	
	2019 $'000	2018 $'000
Equity investment, at cost	121,889	116,889
Impairment losses	(9,307)	(8,307)
	112,582	108,582
Shareholder's loan	–	11,948
	112,582	120,530

The shareholder's loan is unsecured, interest-free and settlement is neither planned nor likely to occur in the foreseeable future. Upon the adoption of SFRS(I) 9, the shareholder's loan of $11,948,000 was reclassified from investments in subsidiaries to non-current trade and other receivables (note 12).

As at 31 March 2019, certain non-trade amounts due from subsidiaries of $5,000,000 (2018: $6,000,000) were capitalised and recorded by the Company as an increase in cost of investment in the subsidiaries.

As at 31 March 2018, the Group owned 100% equity interest in Coldhams Alliance Pte Ltd ("CA"). In August 2018, the Group entered into a Shareholders Agreement ("SA") with several parties (collectively, the "Partners") in relation to CA.

Pursuant to the SA, CA increased its share capital from $2 to $50,000 by way of issuance of 49,998 new ordinary shares to the Partners, of which 27,498 were subscribed by the Group for a cash consideration of $27,498. As a result, the Group's effective equity interest in CA was diluted from 100% to 47.5%. Following the dilution in shareholdings and terms and conditions of the SA, the Group reclassified the investment in CA from a subsidiary to an investment in associate due to the loss of control over CA.

The effect on cash flows arising from the dilution is set out below:

	$'000
Trade and other receivables	2,513
Cash and cash equivalents	52
Trade and other payables	(2,565)
Net assets at the date of dilution	–
Gain on dilution of interests in a subsidiary	–*
Less: Cash and cash equivalents disposed of	(52)
Net cash outflow from dilution of interests in a subsidiary	(52)

* Less than $1,000

Due to the lack of positive cash flows from active operations by certain subsidiaries, the Company fully impaired its investments in those subsidiaries whose recoverable amounts were deemed to be $Nil as at 31 March 2019 and 31 March 2018; and an impairment loss of $1,000,000 (2018: $62,000) was recognised in other operating expenses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

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 amounts of the investments could change significantly as a result of changes in market conditions and the assumptions used in determining the recoverable amounts.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group 2019 %	2018 %
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
* 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group 2019 %	2018 %
Held by Company (cont'd)				
# IMT-THL India Private Limited	Trading and rental of construction equipment and related parts	India	55	55
# THL Foundation Equipment (Philippines) Inc	Wholesale trading of equipment, spare parts and consumable items	Philippines	55	55
# THL Foundation Equipment (Myanmar) Company Limited	Rental of foundation equipment and trading of construction materials	Myanmar	49.5	49.5
@ Kolette Pte. Ltd.	Sale and sublet of land and property development (in the process of striking off)	Singapore	100^	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	Vietnam	100	100
* L&M Ground Engineering Sdn. Bhd.	Piling, foundation and geotechnical engineering works (currently dormant)	Malaysia	100	100
* G-Pile Sistem Sdn. Bhd. and its subsidiary:	Investment holding, piling, foundation and geotechnical engineering works	Malaysia	100	100
* GPSS Geotechnic Sdn. Bhd.	Piling, foundation and geotechnical engineering works (currently dormant)	Malaysia	100	100
+ 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Group 2019 %	2018 %
Held by Company (cont'd)				
* 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
+ 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 Investments Pte Ltd and its subsidiaries:	Investment holding, property development, property investment, property management and other related activities	Singapore	100	100
+ Coldhams Alliance Pte. Ltd.	Investment holding, real estate activities with owned or leased properties	Singapore	47.5^^	100
# 2TPC Investments Pte. Ltd. and its subsidiary:	Investment holding, real estate activities with owned or leased properties	Singapore	100	–
# 2TPC Pte. Ltd.	Real estate activities with owned or leased properties	Singapore	100	–

\+ Audited by KPMG LLP Singapore
* Audited by other member firms of KPMG International
\# Audited by other firms of public accountants and chartered accountants (for Singapore entities) or certified public accountant. These subsidiaries are not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits
@ Not required to be audited in the country of incorporation
^ Subsequent to 31 March 2019, Kolette Pte. Ltd. was struck off (see note 30)
^^ As at 31 March 2019, Coldhams Alliance Pte. Ltd. is classified as an investment in associate (see note 8)

Although the Group owns less than half of ICE Far East Pte. Ltd. and its subsidiaries and THL Foundation Equipment (Myanmar) Company Limited, the management has determined that the Group has control through its control over the Board of Directors of these entities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

7 NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests (NCI) that are material to the Group.

Name	Principal places of business/Country of incorporation	Operating segment	Ownership interests held by NCI 2019 %	2018 %
THL Foundation Equipment Pte. Ltd. and its subsidiaries ("THLFE Group")	Singapore	Sales and lease equipment	45	45
Wisescan Engineering Services Pte. Ltd. ("WES")	Singapore	Foundation and geotechnical engineering	30	30

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

	THLFE Group $'000	WES $'000	Intra-group elimination $'000	Total $'000
2019				
Revenue	61,279	7,687		
Profit	2,182	919		
Other comprehensive income	(98)	–		
Total comprehensive income	2,084	919		
Attributable to NCI:				
– Profit	1,075	276	(43)	1,308
– Other comprehensive income	(49)	–	–	(49)
– **Total comprehensive income**	1,026	276	(43)	1,259
Non-current assets	47,878	3,026		
Current assets	52,245	7,206		
Non-current liabilities	(8,074)	(277)		
Current liabilities	(37,445)	(1,856)		
Net assets	54,604	8,099		
Net assets attributable to NCI	26,767	2,430	(1,749)	27,448
Cash flows used in operating activities	(1,949)	(12)		
Cash flows used in investing activities	(1,776)	(408)		
Cash flows from/(used in) financing activities (including dividends paid to NCI of $450,000)	2,427	(1,500)		
Net decrease in cash and cash equivalents	(1,298)	(1,920)		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

7 NON-CONTROLLING INTERESTS (CONT'D)

	THLFE Group $'000	WES $'000	Intra-group elimination $'000	Total $'000
2018				
Revenue	46,761	7,732		
Profit	539	1,566		
Other comprehensive income	232	–		
Total comprehensive income	771	1,566		
Attributable to NCI:				
– Profit	350	470	44	864
– Other comprehensive income	127	–	–	127
– **Total comprehensive income**	477	470	44	991
Non-current assets	45,169	2,359		
Current assets	45,469	8,201		
Non-current liabilities	(6,238)	(289)		
Current liabilities	(32,533)	(1,588)		
Net assets	51,867	8,683		
Net assets attributable to NCI	25,884	2,605	(1,728)	26,761
Cash flows from operating activities	5,508	1,387		
Cash flows from/(used in) investing activities	3,605	(80)		
Cash flows used in financing activities (including dividends paid to NCI of $195,000)	(8,390)	(650)		
Net increase in cash and cash equivalents	723	657		

8 INVESTMENT IN ASSOCIATES

	Group 2019 $'000	Group 2018 $'000
Unquoted equity investments	651	681
Shareholder's loans	–	985
	651	1,666

Details of the associates are as follows:

Name of associate	Principal activities	Principal place of business/Country of incorporation	Effective equity interest held by the Group 2019 %	Effective equity interest held by the Group 2018 %
WB TOP3 Development Sdn. Bhd.	Strategic investment in property development project in Malaysia	Malaysia	19	19
Coriolis Hertford Limited[(1)]	Strategic investor in property development project in United Kingdom	Hong Kong	21	21
Coldhams Alliance Pte. Ltd. [(1)]	Strategic investor in property development project in United Kingdom	Singapore	47.5	100

(1) These associates are not considered to be individually significant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

8 INVESTMENT IN ASSOCIATES (CONT'D)

(i) On 20 May 2016, the Group entered into a Shareholders' Agreement ("Shareholder Agreement") with several parties (collectively, the "JV Partners") to jointly undertake a proposed commercial development in Seremban, Negeri Sembilan, Malaysia. Pursuant to the Shareholder Agreement, the JV Partners incorporated TOP3 to acquire a piece of freehold land in Seremban in connection with the development of commercial properties for sale.

On 23 June 2016, the Group subscribed for ordinary shares equivalent to 40% of the equity interest of TOP3 for a subscription price of RM2,000,000 (equivalent to $669,000) and granted a shareholder's loan of RM240,000 (equivalent to $80,000) (2018: equivalent to $81,000) to TOP3.

On 14 September 2017, the Group entered into a new Shareholders' Agreement ("Revised Shareholder Agreement") with several parties in relation to the investment in a joint venture of the Group, TOP3 Development Sdn. Bhd.

Pursuant to the Revised Shareholder Agreement, TOP3 increased its share capital from RM5,000,000 to RM10,526,320 by way of issuance of 5,526,320 new ordinary shares to a new party. As a result, the Group's equity interest in TOP3 was diluted from 40% to 19%. Following the dilution in shareholdings and terms and conditions of the Revised Shareholder Agreement, the Group reclassified the investment in TOP3 from an investment in joint venture to an investment in associate.

Although the Group owns less than 20% interests in TOP3, management has assessed that it has significant influence because it participates in the financial and operating policies of TOP3 through its representation on the Board of Directors.

Upon the adoption of SFRS(I) 9, the shareholder's loan of $81,000 was reclassified from investment in associates to non-current trade and other receivables on 1 April 2018.

(ii) On 16 September 2016, the Group acquired 21% ownership in the equity interest of Coriolis Hertford Limited ("CHL") for a cash consideration of $7 and granted a shareholder's loan of $904,000 to CHL. CHL holds a 40% stake in Railway Street Hertford Limited ("RSH"), which has obtained full planning permission to carry out a property development project in Hertford, United Kingdom.

The Group has assessed that it has significant influence because it has representation on the Board of Directors and has power to participate in the financial and operating policies of CHL.

By virtue of the shareholder's agreement with its other investors, the Group is entitled to a return equal to 55% on the shareholder's loan for a period of 21 months from the date of commencement of development of the project. The Group will also be entitled to a further pro-rata return for each day of delay. The Group has recognised $562,000 in finance income for the year ended 31 March 2019.

Upon the adoption of SFRS(I) 9, the shareholder's loan of $904,000 was reclassified from investment in associates to non-current trade and other receivables on 1 April 2018.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

8 INVESTMENT IN ASSOCIATES (CONT'D)

(iii) Please refer to note 6 for details on investment in Coldhams Alliance Pte. Ltd. (“CA”). CA holds a 50% stake in Hemingford (Coldhams Lane) Limited, which has obtained full planning permission to carry out a residential development project in Cambridge, United Kingdom.

As part of the shareholders’ agreement with other investors, the Group also granted a shareholder’s loan of GBP770,000 (equivalent to $1.4 million) in the current year, in proportion to its shareholdings, to CA. The loan has been included in non-current trade and other receivables.

The following table summarises the financial information of the Group's interest in TOP3, based on its financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group’s accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of the remaining individually immaterial associates.

	TOP3 $’000	Immaterial associates $’000	Total $’000
2019			
Revenue	126		
Loss after tax	(114)		
Other comprehensive income	(75)		
Total comprehensive income	(189)		
Attributable to investee’s shareholders	(189)		
Non-current assets	156		
Current assets	13,051		
Non-current liabilities	(9,814)		
Net assets	3,393		
Attributable to investee’s shareholders	3,393		
Group’s interest in net assets of investee at beginning of the year	681	–	681
Addition during the year	–	27	27
Share of total comprehensive income			
– Loss after tax	(22)	(21)	(43)
– Other comprehensive income	(14)	–	(14)
	(36)	(21)	(57)
Carrying amount of interest in investee at end of the year	645	6	651

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Year ended 31 March 2019

8 INVESTMENT IN ASSOCIATES (CONT'D)

	TOP3 $'000
2018	
Revenue	29
Profit after tax	18
Other comprehensive income	148
Total comprehensive income	166
Attributable to investee's shareholders	166
Non-current assets	1,402
Current assets	2,610
Current liabilities	(430)
Net assets	3,582
Attributable to investee's shareholders	3,582
Group's interest in net assets of investee at beginning of the year	–
Reclassified from investment in a joint venture	649
Share of total comprehensive income	
– Profit after tax	3
– Other comprehensive income	29
	32
Carrying amount of interest in investee at end of the year	681

9 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 partners have joint control over NHBT, as the decisions about the relevant activities require the unanimous consent of the parties. Accordingly, the Group only recognises the assets owned by the Group, liabilities assumed and the Group's share of the expenses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

9 JOINT OPERATION (CONT'D)

Details of the joint operation are as follows:

Name of joint operation	Principal activities	Principal place of business/Country of incorporation	Effective equity interest held by the Group 2019 %	2018 %
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.

At the reporting date, the Company had issued guarantees to a bank in respect of bank facilities granted to NHBT amounting to $5,232,000 (2018: $5,632,000). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantee.

10 OTHER INVESTMENTS

	Group 2019 $'000	2018 $'000
Non-current investments		
Equity investments – available-for-sale (held at cost)	–	169
Debt investments – available-for-sale (held at cost)	–	625
Equity investments – at FVOCI	166	–
Debt investments – designated at FVTPL	–	120
Debt investments – mandatorily at FVTPL	240	–
	406	914

Equity investments – at FVOCI (2018: Equity investments – available-for-sale (held at cost))

At 1 April 2018, the Group designated its investment in unquoted ordinary shares equivalent to 5% of the equity interests of THAB Development Sdn Bhd ("THAB"), as equity investments at FVOCI because the equity investment represents investments that the Group intends to hold for the long-term for strategic purposes. No dividends were recognised and there were no transfers of any cumulative gain or loss within equity, relating to this investment, during the year ended 31 March 2019.

For the financial year ended 31 March 2018, the investment was classified as available-for-sale and carried at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

10 OTHER INVESTMENTS (CONT'D)

Debt investments – available-for-sale (held at cost)

The shareholder's loan due from THAB was unsecured, and bore interest at 6 month Kuala Lumpur Interbank Offered Rate + 0.5% premium. The amount was reclassified to non-current trade and other receivables as a result of the adoption of SFRS(I) 9 as at 1 April 2018.

Debt investments – mandatorily at FVTPL (2018: Debt investments – designated at FVTPL)

On 14 December 2017, the Group entered into an Investment Agreement (the "Agreement"), to subscribe for $240,000 of unsecured convertible notes (the "Notes") issued by Ackcio Pte. Ltd. ("Ackcio"). The Notes were subscribed over 6 monthly instalments of $40,000 each, commencing from January 2018.

The Notes are unsecured and bear simple interest of 5% per annum. The Group is entitled to elect, at its sole and absolute discretion, either (i) to redeem the Notes at the redemption price (principal amount and unpaid interest accrued) on the third anniversary of the issue date of the Notes ("Maturity Date") or other date mutually agreed between the Group and Ackcio, or (ii) to convert the Notes into 685,714 new redeemable convertible preferences shares in the share capital of Ackcio at any time after the issue date of the Notes but before and on the Maturity Date.

For the financial year ended 31 March 2018, the Notes were designated at fair value through profit or loss because they were managed on a fair value basis and their performance was actively monitored.

Credit and market risks, and fair value measurement

The Group's exposure to credit and market risk, and fair value measurement are disclosed in note 26.

11 INVENTORIES

	Group	
	2019 $'000	2018 $'000
Equipment and machinery	16,120	12,180
Spare parts	10,307	9,396
Raw materials	3,260	2,118
	29,687	23,694
Allowance for obsolete inventories	–*	–*
	29,687	23,694

* Less than $1,000

The cost of inventories recognised in cost of sales amounted to $97,804,000 (2018: $124,164,000).

Included in the above are inventories amounting to $4,765,000 (2018: $700,000) acquired under finance lease agreements (note 17).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

11 INVENTORIES (CONT'D)

As at 31 March 2019, the write down of inventories to net realisable value amounted to $247,000 (2018: $148,000) for the Group. The write down has been included in other operating expenses.

There were no movements in allowance for obsolete inventories during the years ended 31 March 2019 and 31 March 2018.

Source of estimation uncertainty

For the financial year ended 31 March 2019, the Company engaged an independent valuer to assess the valuation of inventories. The net realisable value of certain inventories were estimated using the fair value less costs to sell approach. The fair value is based on the amount for which an asset could be exchanged between a willing buyer and a willing seller in an arm's length transaction.

A review is made on declines in net realisable value below cost which is recorded against the inventory balance for any such declines. These reviews require management to compare costs to the selling price less costs of completion and costs to make the sale to ascertain whether inventories are valued at the lower of cost and net realisable value. In any case, the net realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. The benchmarks for determining the amount of allowance or write-down include technical assessment and review of changing prices in subsequent sales.

In general, these evaluation criteria require significant judgement and any estimates formed affects the carrying amount of inventories at the reporting date. Possible changes in these estimates could result in revisions to the carrying amounts of inventories.

12 TRADE AND OTHER RECEIVABLES

	Group			Company		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Non-current assets						
Amount owing by:						
– a subsidiary (non-trade)	–	–	–	10,213	–	–
– impairment losses	–	–	–	(357)	–	–
	–	–	–	9,856	–	–
Loans owing by:						
– associates	1,438	–	–	–	–	–
– impairment losses	(40)	–	–	–	–	–
	1,398	–	–	–	–	–
– a third party (THAB - other investment)	633	–	–	–	–	–
– impairment losses	(24)	–	–	–	–	–
	609	–	–	–	–	–
	2,007	–	–	9,856	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

12 TRADE AND OTHER RECEIVABLES (CONT'D)

	Group 31 March 2019 $'000	Group 31 March 2018 $'000	Group 1 April 2017 $'000	Company 31 March 2019 $'000	Company 31 March 2018 $'000	Company 1 April 2017 $'000
Current assets						
Trade receivables	43,370	44,052	52,049	1	1	1
Impairment losses	(5,029)	(2,779)	(4,410)	(1)	–	–
	38,341	41,273	47,639	–	1	1
Other receivables	5,066	3,994	3,480	61	35	89
Impairment losses	(1)	–	–	(1)	–	–
	5,065	3,994	3,480	60	35	89
Loan owing by:						
– an associate	882	–	–	–	–	–
– impairment losses	(24)	–	–	–	–	–
	858	–	–	–	–	–
Amounts owing by:						
– subsidiaries (trade)	–	–	–	5,336	4,908	5,719
– impairment losses	–	–	–	(534)	(3)	–
	–	–	–	4,802	4,905	5,719
– subsidiaries (non-trade)	–	–	–	9,529	14,481	20,676
– impairment losses	–	–	–	(1,193)	(160)	–
	–	–	–	8,336	14,321	20,676
– associates (non-trade)	1,514	–	–	–	–	–
– impairment losses	(52)	–	–	–	–	–
	1,462	–	–	–	–	–
– a third party (THAB - other investment) (non-trade)	1,563	973	–	–	–	–
– impairment losses	(59)	–	–	–	–	–
	1,504	973	–	–	–	–
– related corporations (trade)	218	112	64	–	–	–
– a related corporation (non-trade)	–	5	–	–	–	–
	47,448	46,357	51,183	13,198	19,262	26,485
Deposits	5,869	3,158	4,844	–	–	–
	53,317	49,515	56,027	13,198	19,262	26,485
Prepayments	440	518	351	–	–	–
	53,757	50,033	56,378	13,198	19,262	26,485

The non-current non-trade amount owing by a subsidiary is unsecured, interest-free and repayable on demand. However, settlement is not expected to occur within the next 12 months.

The non-current loans owing by associates are unsecured, interest-free and repayable on demand. However, settlement is not expected to occur within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

12 TRADE AND OTHER RECEIVABLES (CONT'D)

The non-current loan owing by a third party is unsecured, bears interest at 6-month Kuala Lumpur Interbank Offered Rate + 0.5% premium and is repayable on demand. However, settlement is not expected to occur within the next 12 months.

The current loan owing by an associate is unsecured and the Group is entitled to a return equal to 55% on the loan for a period of 21 months from the date of commencement of development of the project. The Group will also be entitled to a further pro-rata return for each day of delay. The Group has recognised $562,000 in finance income for the year ended 31 March 2019.

All the outstanding non-trade balances with subsidiaries, associates, a third party and a related corporation are unsecured, interest-free and repayable on demand.

The Group's and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 26.

13 CASH AND CASH EQUIVALENTS

	Note	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Cash at bank and in hand		10,853	12,090	503	249
Fixed deposits		4,359	6,636	–	–
Cash and cash equivalents in the statement of financial position		15,212	18,726	503	249
Bank overdrafts	17	(8,019)	(2,968)		
Cash and cash equivalents in the statement of cash flow		7,193	15,758		

The bank overdrafts are unsecured and guaranteed by the Company.

14 ASSETS HELD FOR SALE

Asset held for sale as at 31 March 2018 related to a leasehold property located in Malaysia. The sale was completed during the year and there was no gain or loss recognised in profit or loss.

During the year, $720,000 of property, plant and equipment was reclassified to assets held for sale. The sale was completed in the same financial period and there was no gain or loss recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

14 ASSETS HELD FOR SALE (CONT'D)

Assets held for sale as at 31 March 2019 relate to the following:

(i) A leasehold land and property in Singapore, which is part of the assets of the foundation and geotechnical engineering segment, with carrying amount of $13,135,000 as at 31 March 2019 was classified as asset held for sale during the year, in view of the Group's intent and commitment to sell the leasehold land and property within the next 12 months. The fair value less costs to sell of the leasehold land and property of $14,800,000 has been determined based on a valuation performed by an independent professional valuer. Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. The fair value less costs to sell of the leasehold land and property has been determined based on the market approach. The valuation model analyses sales of comparable land and properties and takes into consideration in-house adjustments made by the valuer on the comparable sales prices of an average of 22%. The fair value measurement is categorised as Level 3 on the fair value hierarchy and a 1% increase/(decrease) in the in-house adjustments would result in a decrease/(increase) in fair value of $148,000. As the fair value less costs to sell is higher than the carrying amount, the leasehold land and property continues to be carried at its carrying amount upon reclassification.

The leasehold land and property is mortgaged to a bank as security for bank facility extended by the bank to the Group (note 17).

(ii) Plant and machinery which are part of the assets of the foundation and geotechnical engineering segment and sales and lease of equipment segment, with carrying amount of $2,404,000 as at 31 March 2019 were classified as held for sale during the year. They are measured according to the Group's policy stated in note 3.10 and the sales are expected to be completed within the next 12 months.

15 SHARE CAPITAL

	Group and Company			
	2019		2018	
	No. of shares	$'000	No. of shares	$'000
Issued and fully-paid ordinary shares with no par value:				
At 1 April	2,229,145,881	80,498	2,208,589,581	80,292
Exercise of warrants	113,736,665	1,137	20,556,300	206
At 31 March	2,342,882,546	81,635	2,229,145,881	80,498

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. All rights attached to the Company's shares held by the Group 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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

15 SHARE CAPITAL (CONT'D)

During the financial year, 113,736,665 (2018: 20,556,300) shares were issued upon exercise of 113,736,665 (2018: 20,556,300) warrants at $0.01 each, pursuant to the Rights cum Warrants Issue. As at 31 March 2019, there were 1,306,808,625 warrants (2018: 1,420,545,290) for conversion into 1,306,808,625 (2018: 1,420,545,290) ordinary shares.

There were no buy-back of ordinary shares during the financial year. As at reporting date, the Company held 20,520,000 (2018: 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. Consistent with prior year, the Board monitors capital using a gearing ratio, which is loans and borrowings divided by total equity (including non-controlling interests).

	Group	
	2019 $'000	2018 $'000
Loans and borrowings (note 17)	102,705	80,377
Total equity	142,351	159,387
Gearing ratio	72%	50%

The Board also continues to monitor the level of dividends to ordinary shareholders.

The loan facilities of certain subsidiaries are subject to externally imposed capital requirements where these subsidiaries are required 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.

As the Group expected its consolidated tangible net worth as at 31 March 2019 to fall below the $160 million required for one of the secured loans amounting to $5,232,000 (2018: $5,632,000), the Group requested for a waiver of the covenant from the bank prior to year end. The waiver was ultimately granted by the bank in March 2019 but was conditional upon the Group's consolidated EBITDA not being less than $10 million for the period ending 6 months on 30 September 2019 and completion of the sale of leasehold land and property which is currently classified as asset held for sale (see note 14) by 30 September 2019. Accordingly, the loan was classified as "current" as at 31 March 2019.

Except as disclosed above, the Company and its subsidiaries are not subject to externally imposed capital requirements and the subsidiaries have complied with the covenants at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

16 RESERVES

The reserves of the Group and the Company comprise the following balances:

	Group			Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Capital reserve	17,798	17,798	17,798	17,798	17,798	17,798
Reserve for own shares	(2,354)	(2,354)	(2,354)	(2,354)	(2,354)	(2,354)
Reserve on consolidation	116	116	116	–	–	–
Foreign currency translation reserve	(6,141)	(5,769)	(7,373)	–	–	–
Revaluation reserve	11,719	11,199	11,828	–	–	–
Other reserve	(881)	(881)	(881)	–	–	–
Accumulated profits	13,011	32,019	45,704	32,875	35,923	33,959
	33,268	52,128	64,838	48,319	51,367	49,403

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

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

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

The foreign currency translation reserve comprises:

(a) foreign currency 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.

The revaluation reserve relates to the revaluation surplus on certain property, plant and equipment (note 4(iii)) measured using the revaluation model.

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 the non-controlling interests).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

17 LOANS AND BORROWINGS

	Note	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Non-current liabilities					
Secured bank loans		4,987	10,800	–	–
Finance lease liabilities		12,405	10,415	5	16
		17,392	21,215	5	16
Current liabilities					
Bank overdrafts	13	8,019	2,968	–	150
Bills payable		31,272	16,746	–	–
Secured bank loans		5,806	2,217	–	–
Unsecured bank loans		31,871	29,554	–	–
Finance lease liabilities		8,345	7,677	11	10
		85,313	59,162	11	160

The loans and borrowings are guaranteed by the Company, out of which $15,148,000 (2018: $7,741,000) are also guaranteed by a related corporation.

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

(a) a charge over the Group's leasehold land and properties, and plant and machinery (note 4) with carrying amounts of $10,720,000 (2018: $24,985,000) and $680,000 (2018: $1,396,000) respectively;

(b) a charge over the Group's leasehold land and property classified as asset held for sale (note 14) with a carrying amount of $13,135,000 (2018: $Nil);

(c) the Group's plant and machinery acquired under finance lease arrangements (note 4) with a carrying amount of $30,387,000 (2018: $39,186,000); and

(d) the Group's inventories acquired under finance lease arrangements (note 11) with a carrying amount of $4,765,000 (2018: $700,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

17 LOANS AND BORROWINGS (CONT'D)

Finance lease liabilities

Finance leases liabilities are payable as follows:

	Future minimum lease payments $'000	Interest $'000	Present value of minimum lease payments $'000
Group			
2019			
Within one year	9,177	832	8,345
Between one and five years	13,038	708	12,330
More than five years	77	2	75
	22,292	1,542	20,750
2018			
Within one year	8,358	681	7,677
Between one and five years	10,918	649	10,269
More than five years	151	5	146
	19,427	1,335	18,092
Company			
2019			
Within one year	12	1	11
Between one and five years	5	–*	5
	17	1	16
2018			
Within one year	11	1	10
Between one and five years	17	1	16
	28	2	26

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

17 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

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

	Nominal interest rate %	Year of maturity	2019 Face value $'000	2019 Carrying amount $'000	2018 Face value $'000	2018 Carrying amount $'000
Group						
Secured floating rate bank loans	COF, SIBOR and SWAP + 1.75 – 2.41	2021 – 2022	10,793	10,793	13,017	13,017
Unsecured floating rate bank loans	SOR + 1.40	2019	–	–	454	454
Unsecured fixed rate bank loans	3.49 – 5.65	2020	31,871	31,871	29,100	29,100
Finance lease liabilities	1.25 – 3.50	2020 – 2026	22,292	20,750	19,427	18,092
Bank overdrafts	PR and BLR + 0.50 – 1.50	On demand	8,019	8,019	2,968	2,968
Bills payable	1.04, COF and SWAP + 0.85 – 3.90, prevailing interest rate	2020	31,272	31,272	16,746	16,746
			104,247	102,705	81,712	80,377
Company						
Finance lease liabilities	2.80	2021	17	16	28	26
Bank overdrafts	PR	On demand	–	–	150	150
			17	16	178	176

BLR: Base Lending Rate
COF: Cost of Funds
PR: Prime Rate
SIBOR: Singapore Interbank Offered Rate
SOR: Swap Offered Rate
SWAP: Bank's Swap Rate

Market and liquidity risks

Information about the Group's and the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 26.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

17 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities				
	Trade and other payables $'000	Bank overdrafts $'000	Other loans and borrowings $'000	Finance lease liabilities $'000	Total $'000
Balance at 1 April 2017	84,185	4,442	60,461	20,779	169,867
Changes from financing cash flows					
Interest paid	(45)	(146)	(2,078)	(903)	(3,172)
Proceeds from:					
– bank loans	–	–	11,655	–	11,655
– refinancing of finance lease liabilities	–	–	–	1,760	1,760
– bills payable	–	–	64,791	–	64,791
Repayment of:					
– bank loans	–	–	(24,369)	–	(24,369)
– bills payable	–	–	(53,427)	–	(53,427)
– finance lease liabilities	–	–	–	(13,093)	(13,093)
Total changes from financing cash flows	(45)	(146)	(3,428)	(12,236)	(15,855)
Effect of changes in foreign exchange rates	1,869	–	206	284	2,359
Other changes					
Liability-related					
Change in bank overdrafts	–	(1,474)	–	–	(1,474)
Change in trade and other payables	450	–	–	–	450
New finance leases	–	–	–	8,362	8,362
Interest expense	–	146	2,078	903	3,127
Total liability-related other changes	450	(1,328)	2,078	9,265	10,465
Balance at 31 March 2018	86,459	2,968	59,317	18,092	166,836
Balance at 1 April 2018	86,459	2,968	59,317	18,092	166,836
Changes from financing cash flows					
Interest paid	(1)	(412)	(2,592)	(958)	(3,963)
Proceeds from:					
– bank loans	–	–	21,746	–	21,746
– refinancing of finance lease liabilities	–	–	–	971	971
– bills payable	–	–	164,536	–	164,536
Repayment of:					
– bank loans	–	–	(21,674)	–	(21,674)
– bills payable	–	–	(149,986)	–	(149,986)
– finance lease liabilities	–	–	–	(9,112)	(9,112)
Total changes from financing cash flows	(1)	(412)	12,030	(9,099)	2,518
Effect of changes in foreign exchange rates	(465)	–	(3)	(150)	(618)
Other changes					
Liability-related					
Change in bank overdrafts	–	5,051	–	–	5,051
Change in trade and other payables	9,426	–	–	–	9,426
New finance leases	–	–	–	10,949	10,949
Interest expense	15	412	2,592	958	3,977
Total liability-related other changes	9,441	5,463	2,592	11,907	29,403
Balance at 31 March 2019	95,434	8,019	73,936	20,750	198,139

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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 2017 $'000	Recognised in profit or loss (note 23) $'000	Translation differences $'000	At 31 March 2018 $'000	Adjustment on initial adoption of SFRS(I) 9 $'000	At 1 April 2018 $'000	Recognised in profit or loss (note 23) $'000	Translation differences $'000	At 31 March 2019 $'000
Group									
Deferred tax assets									
Property, plant and equipment	(1,560)	139	–	(1,421)	–	(1,421)	(70)	–	(1,491)
Unutilised tax losses	(969)	263	2	(704)	–	(704)	–	(1)	(705)
Unutilised capital allowances	(1,251)	146	(8)	(1,113)	–	(1,113)	586	1	(526)
Provisions	(243)	155	(13)	(101)	–	(101)	13	2	(86)
Trade and other receivables	(10)	(13)	(1)	(24)	(67)	(91)	5	1	(85)
Others	(276)	95	(15)	(196)	–	(196)	(25)	3	(218)
Total	(4,309)	785	(35)	(3,559)	(67)	(3,626)	509	6	(3,111)
Deferred tax liabilities									
Property, plant and equipment	5,783	(512)	48	5,319	–	5,319	(158)	(15)	5,146

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

	Company 2019 $'000	Company 2018 $'000
Deferred tax assets		
Property, plant and equipment	–*	–*
Provisions	21	23
Trade and other receivables	140	–
	161	23

* 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 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Deferred tax assets	(44)	(93)	(161)	(23)
Deferred tax liabilities	2,079	1,853	–	–
	2,035	1,760	(161)	(23)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

19 TRADE AND OTHER PAYABLES

	Group			Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Trade payables	67,100	59,859	56,723	16	19	32
Other payables	575	1,637	1,004	54	102	124
Accruals	22,917	19,784	22,693	1,090	983	1,060
Employee benefits	1,148	1,008	972	122	131	109
Amounts owing to:						
– subsidiaries (trade)	–	–	–	1,987	447	874
– subsidiaries (non-trade)	–	–	–	3,050	6,330	10,554
– related corporations (trade)	2,214	2,468	1,265	–	–	–
– a related corporation (non-trade)	100	50	–	–	–	–
Financial liabilities at amortised cost	94,054	84,806	82,657	6,319	8,012	12,753
Deferred revenue	245	550	496	–	–	–
Deposits received	1,135	1,103	1,032	–	–	–
	95,434	86,459	84,185	6,319	8,012	12,753

All the outstanding non-trade balances with subsidiaries and a related corporation are unsecured, interest-free and repayable on demand.

The Group and the Company's exposures to currency risk and to liquidity risk related to trade and other payables are disclosed in note 26.

20 PROVISIONS

	Onerous contracts $'000	Rectification costs $'000	Total $'000
Group			
2019			
At 1 April	740	5,864	6,604
Provisions made	1,000	1,182	2,182
Provisions utilised	(740)	(1,933)	(2,673)
At 31 March	1,000	5,113	6,113
2018			
At 1 April	–	6,718	6,718
Provisions made	740	2,160	2,900
Provisions utilised	–	(3,014)	(3,014)
At 31 March	740	5,864	6,604

It is expected that the majority of the provisions will be utilised or no longer required within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

20 PROVISIONS (CONT'D)

Onerous contracts

As the unavoidable costs on a project is expected to exceed the revenue expected to be received, the Group has made provision for onerous contract of $1,000,000 as at 31 March 2019.

Rectification costs

The Group recognised provision for rectification costs for unfinalised projects. Additional provisions were made for new projects and construction works performed during the year based on management's estimate of future obligations. Unused provisions for projects that were finalised during the year were reversed and has been included in costs of sales in the statement of profit or loss.

Source of estimation uncertainty

The provisions recognised represent management's best estimate of the expected future costs 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 costs 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.

21 REVENUE

	Group	
	2019 $'000	2018 $'000
Revenue from contracts with customers	308,838	328,467
Rental income	14,291	10,306
	323,129	338,773

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Construction contracts

Nature of goods or services	The Group provides foundation and geotechnical engineering services for private and public sector work which include residential, commercial, industrial and infrastructure projects. These projects are carried out based on specifically negotiated contracts with customers.
When revenue is recognised	The Group assessed that these construction contracts qualify for over time revenue recognition as the projects have no alternative use for the Group due to contractual restrictions, and the Group generally has enforceable rights to payment for performance completed till date. The stage of completion is assessed by reference to surveys of work performed.
Significant payment terms	Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified construction milestones. If the value of the construction services rendered exceeds progress billings from the customer, a contract asset is recognised.
Defect liability period	The Group is required to make good any defects identified during the defect liability period, typically for a period of 6 months to 3 years, depending on the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

21 REVENUE (CONT'D)

Trading of building products and plant and equipment

Nature of goods or services	The Group sells building products and plant and equipment.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.
Significant payment terms	Invoices are issued when goods are delivered to the customers and are repayable within 30 days.
Obligations for warranties	Only new plant and equipment sold by the Group comes with a warranty term, typically for a period of 12 months or 1,000 to 2,000 work hours, whichever is shorter. The warranty is backed by a similar warranty provided by the manufacturer.

Disaggregation of revenue

In the following table, revenue is disaggregated by geographical regions and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 29).

	Foundation and geotechnical engineering		Sales and lease of equipment		Total reportable segments	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Geographical regions						
Singapore	218,613	241,796	28,273	22,104	246,886	263,900
Malaysia	51,548	58,015	3,657	2,346	55,205	60,361
Thailand	–	–	6,255	3,227	6,255	3,227
Vietnam	–*	649	–	–	–*	649
Other regions	–	–	492	330	492	330
	270,161	300,460	38,677	28,007	308,838	328,467
Major revenue streams						
Construction contracts	269,500	300,167	–	–	269,500	300,167
Trading of building products and plant and equipment	661	293	38,677	28,007	39,338	28,300
	270,161	300,460	38,677	28,007	308,838	328,467
Timing of revenue recognition						
Products transferred at a point in time	661	293	38,677	28,007	39,338	28,300
Products and services transferred over time	269,500	300,167	–	–	269,500	300,167
	270,161	300,460	38,677	28,007	308,838	328,467

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

21 REVENUE (CONT'D)

Source of estimation uncertainty

Revenue recognition on an uncompleted construction contract is dependent on estimating the total outcome of the construction contract. Based on the Group's experience and the nature of the foundation engineering activity undertaken, management estimates the variable consideration to be constrained and excluded from revenue recognition at each reporting date.

In making these estimates, management has relied on the expertise of quantity surveyors to determine the progress of the construction and also on past experience of completed projects. The estimated total contract costs is reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change. In addition, actual outcomes in terms of total revenue may be higher or lower than that estimated at the reporting date, which would affect the level of revenue recognised in the current and future years.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Receivables, which are included in 'Trade and other receivables'	32,698	35,651	43,571
Contract assets	96,988	81,432	81,988
Contract liabilities	(4,225)	(52)	(775)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction contracts. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The contract liabilities primarily relate to advance consideration received from customers for construction contracts.

Significant changes in the contract assets and contract liabilities balances during the year are as follows:

	2019		2018	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	8	–	731
Increases due to cash received, excluding amounts recognised as revenue during the year	–	(4,181)	–	(8)
Contract assets reclassified to trade receivables	(252,963)	–	(300,106)	–
Changes in measurement of progress	269,492	–	299,436	–
Impairment loss (recognised)/reversed on contract assets	(973)	–	114	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

21 REVENUE (CONT'D)

Transaction price allocated to the remaining performance obligation

At the reporting date, future revenue related to performance obligations that are unsatisfied (or partially satisfied) for construction contracts and trading of building products and plant and equipment of $158,808,000 and $16,716,000 respectively, are expected to be recognised within the next financial year.

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amounts presented above.

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

22 FINANCE INCOME AND EXPENSES

	Group	
	2019 $'000	2018 $'000
Interest income under effective interest method on:		
– cash and cash equivalents	118	132
– shareholder's loan to an associate	562	–
– shareholder's loan to a third party (THAB – other investment)	73	44
– others	97	9
Imputed interest on non-current contract assets	1,158	1,172
Finance income	2,008	1,357
Interest expense:		
– bank loans	(1,674)	(1,701)
– bank overdrafts	(412)	(146)
– bills payable	(918)	(374)
– finance leases	(958)	(903)
– others	(15)	(3)
Finance expenses	(3,977)	(3,127)
Net finance expenses recognised in profit or loss	(1,969)	(1,770)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

23 TAX EXPENSE

	Group 2019 $'000	Group 2018 $'000
Current tax expense		
Current year	1,021	927
Over provided in prior years	(51)	(525)
	970	402
Deferred tax expense		
Origination and reversal of temporary differences	254	626
Under/(over) provided in prior years	97	(353)
	351	273
	1,321	675

Reconciliation of effective tax rate

	Group 2019 $'000	Group 2018 $'000
Loss for the year	(18,027)	(13,450)
Tax expense	1,321	675
Share of loss/(profit) of associates (net of tax)	43	(3)
Share of profit of a joint venture (net of tax)	–	(1)
Loss before share of results of associates, a joint venture and tax expense	(16,663)	(12,779)
Tax using Singapore tax rate at 17%	(2,833)	(2,172)
Effect of tax rates in foreign jurisdictions	116	334
Tax exempt income	(158)	(340)
Tax incentives	(22)	(189)
Non-deductible expenses	512	693
Tax losses and deductible temporary differences for which deferred tax assets were not recognised	3,933	3,456
Utilisation of previously unrecognised deferred tax assets	(273)	(229)
Under/(over) provided in prior years	46	(878)
	1,321	675

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

	Group 2019 $'000	Group 2018 $'000
Tax losses arising from operations in:		
– Singapore	79,093	62,252
– Others	9,647	9,820
	88,740	72,072
Deductible temporary differences		
– Singapore	55,352	50,138
– Others	4,066	4,284
	59,418	54,422

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

24 LOSS FOR THE YEAR

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

	Group	
	2019	2018
	$'000	$'000
Audit fees paid or payable to:		
– auditors of the Company	436	419
– other auditors	24	31
Bad debts written off	5	50
Depreciation of property, plant and equipment included in:		
– cost of sales	22,801	24,440
– administrative expenses	1,353	1,376
Directors' remuneration (excluding directors' fees)	667	649
Directors' fees	321	321
Foreign exchange loss/(gain)	327	(465)
Gain on dilution of interest in a joint venture	–	(1)
Gain on disposal of:		
– property, plant and equipment	(884)	(1,723)
– assets held for sale	–	(91)
Government grants deducted from:		
– cost of sales	(31)	(163)
– administrative expenses	(62)	(58)
Impairment losses recognised/(reversed) on:		
– property, plant and equipment	11	63
– trade and other receivables and contract assets	2,986	(161)
Inventories written down	247	148
Inventories written off	370	96
Non-audit fees paid or payable to:		
– auditors of the Company	127	82
– other auditors	49	25
Operating lease expenses included in:		
– cost of sales	27,598	23,105
– administrative expenses	1,601	1,713
Professional fees paid to a director	30	30
Property, plant and equipment written off	17	–
Provision for onerous contracts	1,000	740
Provision for rectification costs	1,182	2,160
Salaries, bonus and other costs	63,537	57,113
Contributions to defined contribution plans	3,439	3,282

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

25 LOSS PER SHARE

The calculation of basic loss per share at 31 March 2019 was based on the loss attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding of 2,247,129,263 (2018: 2,193,883,958), calculated as follows:

(a) Basic loss per share

	Group	
	2019 $'000	2018 $'000
Loss attributable to ordinary shareholders	(19,335)	(14,314)

	No. of shares	No. of shares
Weighted average number of:		
Issued ordinary shares at beginning of the year	2,229,145,881	2,208,589,581
Issue of shares in exercise of warrants	38,503,382	5,814,377
Ordinary shares held as treasury shares	(20,520,000)	(20,520,000)
Weighted average number of shares used to compute earnings per share	2,247,129,263	2,193,883,958

(b) Diluted loss per share

The calculation of diluted loss per share at 31 March 2019 was based on loss attributable to ordinary shareholders, and a weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 2,247,129,263 (2018: 2,193,883,958), calculated as follows:

	Group	
	2019 $'000	2018 $'000
Loss attributable to ordinary shareholders	(19,335)	(14,314)

The weighted average number of ordinary shares (diluted):

	No. of shares	No. of shares
Weighted average number of:		
Weighted average number of ordinary shares issued and potential shares assuming full conversion	2,247,129,263*	2,193,883,958*

* As the Group was in a loss position, the warrants were not included in the computation of diluted loss per share because these potential ordinary shares would have been anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

In the opinion of the directors, the Group has taken appropriate quality control measures to mitigate the effect from any claims caused by product and construction defects, which may affect adversely its financial results, even though the Group is not covered by insurance against such events.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The carrying amounts of financial assets in the statements of financial position represent the Group's maximum exposures to credit risk, before taking into account any collateral held. The Group does not hold any collateral in respect of their financial assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Impairment losses on financial assets and contract assets recognised/(reversed) in profit or loss were as follows:

	2019 $'000	2018 $'000
Group		
Trade receivables and contract assets arising from contracts with customers	1,674	(535)
Trade receivables arising from rental income	1,112	374
Other receivables	1	–
Loans owing by:		
– associates	40	–
– a third party (THAB – other investment)	24	–
Amounts owing by:		
– associates (non-trade)	76	–
– a third party (THAB – other investment) (non-trade)	59	–
	2,986	(161)
Company		
Trade receivables	1	–
Other receivables	1	–
Amounts owing by:		
– subsidiaries (trade)	431	3
– subsidiaries (non-trade)	850	160
	1,283	163

Trade and other receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Group performs ongoing credit evaluations of its counterparties' financial condition and the review includes external ratings, if they are available, and credit agency information.

In monitoring counterparty credit risk, counterparties are grouped according to their credit characteristics, including their geographic location, external credit ratings, aging profile, and existence of previous financial difficulties.

The Group does not require collateral in respect of trade receivables and contract assets. The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

For loans receivables, other receivables, non-trade receivables and deposits, the Group also determines if there has been a significant increase in credit risk at the reporting date by reviewing any changes in the credit characteristics of their counterparties and supplementing it with other information that could affect the counterparty's behaviour.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) and contract assets at the reporting date by geographic region was as follows:

	Group			Company		
	2019 $'000	2018 $'000	1 April 2017 $'000	2019 $'000	2018 $'000	1 April 2017 $'000
Singapore	112,631	97,237	98,727	9,991	16,803	23,561
Malaysia	34,076	29,965	31,295	13,063	2,458	2,923
Thailand	3,995	2,742	2,611	–	1	1
Vietnam	209	364	3,583	–	–	–
Others	1,401	639	1,799	–	–	–
	152,312	130,947	138,015	23,054	19,262	26,485

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) and contract assets at the reporting date by business segment was as follows:

	Group			Company		
	2019 $'000	2018 $'000	1 April 2017 $'000	2019 $'000	2018 $'000	1 April 2017 $'000
Foundation and geotechnical engineering	134,091	114,192	124,135	15,556	13,123	21,154
Trading and lease of equipment	15,031	16,694	13,708	5	1	1
Others	3,190	61	172	7,493	6,138	5,330
	152,312	130,947	138,015	23,054	19,262	26,485

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

Expected credit loss assessment for counterparties as at 31 March 2019

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about counterparties) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

The following tables provide information about the exposure to credit risk and lifetime ECLs for trade and other receivables (excluding prepayments) and contract assets as at 31 March 2019:

	Weighted average loss rate %	Not credit-impaired $'000	Credit-impaired $'000	Gross carrying amount $'000	Total loss allowance $'000	Net $'000
31 March 2019						
Group						
Grade AA	0.07	1,452	–	1,452	(1)	1,451
Grade A	0.89	49,224	456	49,680	(442)	49,238
Grade B	0.96	44,535	326	44,861	(431)	44,430
Grade C	21.96	57,632	15,660	73,292	(16,099)	57,193
Total gross carrying amount		152,843	16,442	169,285	(16,973)	152,312
Loss allowance		(1,518)	(15,455)			
		151,325	987			
Company						
Grade C	8.30	23,188	1,952	25,140	(2,086)	23,054
Total gross carrying amount		23,188	1,952	25,140	(2,086)	23,054
Loss allowance		(821)	(1,265)			
		22,367	687			

Comparative information under FRS 39

The following table provides information about the exposure to credit risk and impairment for trade and other receivables (excluding prepayments) and contract assets as at 1 April 2017 and 31 March 2018:

	Group			Company		
	Gross $'000	Impairment losses $'000	Net $'000	Gross $'000	Impairment losses $'000	Net $'000
31 March 2018						
Not past due	88,483	–	88,483	19,423	(163)	19,260
Past due 1 – 30 days	7,903	–	7,903	–	–	–
Past due 31 – 90 days	6,923	–	6,923	–	–	–
Past due 91 – 180 days	12,794	(923)	11,871	–	–	–
Past due 181 – 365 days	4,887	–	4,887	–	–	–
More than 365 days	23,512	(12,632)	10,880	2	–	2
	144,502	(13,555)	130,947	19,425	(163)	19,262

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

	Group Gross $'000	Group Impairment losses $'000	Group Net $'000	Company Gross $'000	Company Impairment losses $'000	Company Net $'000
1 April 2017						
Not past due	96,296	(107)	96,189	26,483	–	26,483
Past due 1 – 30 days	2,487	(4)	2,483	–	–	–
Past due 31 – 90 days	6,142	(12)	6,130	–	–	–
Past due 91 – 180 days	11,670	(1,505)	10,165	–	–	–
Past due 181 – 365 days	7,097	(486)	6,611	–	–	–
More than 365 days	30,002	(13,565)	16,437	2	–	2
	153,694	(15,679)	138,015	26,485	–	26,485

The Group's and the Company's impaired trade and other receivables (excluding prepayments) and contract assets at 31 March 2018 had a gross carrying amount of $13,555,000 and $163,000 respectively (1 April 2017: $15,679,000 and $Nil respectively). At 31 March 2018, the impairment losses for the Group were related to several customers that had encountered financial difficulties and had indicated that they were not expecting to be able to pay their outstanding balances. At 31 March 2018, the impairment losses for the Company was related to one subsidiary which did not have positive cash flows from any active operations and management had assessed that the said subsidiary was not able to fully settle the outstanding balance.

Movements in allowance for impairment in respect of trade and other receivables (excluding prepayments) and contract assets

The movement in the allowance for impairment in respect of trade and other receivables (excluding prepayments) and contract assets during the year was as follows:

	Group $'000	Company $'000
At 1 April 2017 per FRS 39	15,679	–
Impairment loss recognised	–	163
Impairment losses reversed	(161)	–
Impairment losses utilised	(1,994)	–
Effect of movements in exchange rates	31	–
At 31 March 2018 per FRS 39	13,555	163

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Movements in allowance for impairment in respect of trade and other receivables (excluding prepayments) and contract assets (cont'd)

	Group $'000	Company $'000
At 1 April 2018 per FRS 39	13,555	163
Adjustment on initial application of SFRS(I) 9	459	640
At 1 April 2018 per SFRS(I) 9	14,014	803
Impairment loss recognised	2,986	1,283
Impairment loss utilised	(37)	–
Effect of movements in exchange rates	10	–
At 31 March 2019 per SFRS(I) 9	16,973	2,086

Trade and other receivables (excluding prepayments) and contract assets with a contractual amount of $37,000 written off during the year ended 31 March 2019 are still subject to enforcement activity.

The following significant changes in the gross carrying amounts of trade and other receivables (excluding prepayments) and contract assets contributed to the changes in the impairment loss allowance during 2019:

- Increase in the Group's credit-impaired balance of $2,348,000 are related to several customers that have encountered financial difficulties and have indicated that they are not expecting to be able to pay their outstanding balances, resulting in increase in the Group's impairment allowances of $1,900,000;

- Increase in the Company's credit-impaired balance of $1,789,000 relating to one subsidiary which management had assessed that the said subsidiary is not able to fully settle the outstanding balance based on projected future cash flows, resulting in increase in the Company's impairment allowances of $1,102,000; and

- Increase in the Group's trade and other receivables (excluding prepayments) and contract assets and change in the external credit ratings of the Group's and Company's debtors resulted in increase in the Group's and Company's impairment allowances of $1,059,000 and $181,000 respectively.

Cash and cash equivalents

The cash and cash equivalents of the Group and the Company are held with banks and financial institution counterparties, which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

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 given to its subsidiaries and a joint operation.

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.

The intra-group financial guarantees are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligation arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience so that the actual liability may vary considerably from the best estimates, as presented under Liquidity risk.

Source of estimation uncertainty

In deriving the impairment losses on trade and other receivables (excluding prepayments) under the expected credit loss model, the Group is required to make estimates to reflect reasonable and supportable information about creditworthiness, which includes historical, current and forecast information. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full. The amount and timing of recorded impairment losses would differ if the Group made different estimates and judgement.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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 contract assets and trade receivables totalling $135,547,000 (2018: $122,817,000). The liquidity of the Group is primarily dependent on the timely settlement of contract assets 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 $149,851,000 (2018: $143,908,000) that can be drawn down to meet short term financing needs. As at reporting date, $87,431,000 (2018: $63,238,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

			Cash flows		
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
2019					
Non-derivative financial liabilities					
Secured bank loans*	10,793	11,625	6,298	5,327	–
Unsecured bank loans	31,871	32,061	32,061	–	–
Finance lease liabilities	20,750	22,292	9,177	13,038	77
Bank overdrafts	8,019	8,473	8,473	–	–
Bills payable	31,272	31,602	31,602	–	–
Trade and other payables#	94,054	94,054	94,054	–	–
Recognised financial liabilities	196,759	200,107	181,665	18,365	77
2018					
Non-derivative financial liabilities					
Secured bank loans	13,017	14,193	2,546	11,647	–
Unsecured bank loans	29,554	29,746	29,746	–	–
Finance lease liabilities	18,092	19,427	8,358	10,918	151
Bank overdrafts	2,968	3,149	3,149	–	–
Bills payable	16,746	16,909	16,909	–	–
Trade and other payables#	84,806	84,806	84,806	–	–
Recognised financial liabilities	165,183	168,230	145,514	22,565	151
Company					
2019					
Non-derivative financial liabilities					
Finance lease liabilities	16	17	12	5	–
Trade and other payables	6,319	6,319	6,319	–	–
Intra-group financial guarantee	–	193,864	193,864	–	–
Recognised financial liabilities	6,335	200,200	200,195	5	–
2018					
Non-derivative financial liabilities					
Finance lease liabilities	26	28	11	17	–
Bank overdrafts	150	157	157	–	–
Trade and other payables	8,012	8,012	8,012	–	–
Intra-group financial guarantee	–	199,455	199,455	–	–
Recognised financial liabilities	8,188	207,652	207,635	17	–

* Included in the cash flows within 1 year are financial liabilities of $5,232,000 with contractual maturities that are more than 1 year (see note 15)
\# Excludes deposits received and deferred revenue

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the financial guarantees granted to the subsidiaries and a joint arrangement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (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.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Fixed rate instruments				
Financial assets	4,599	6,756	–	–
Financial liabilities	(52,621)	(47,192)	(16)	(26)
	(48,022)	(40,436)	(16)	(26)
Variable rate instruments				
Financial liabilities	(50,084)	(33,185)	–	(150)

Fair value sensitivity analysis for fixed rate instruments

The Group accounts for its convertible notes, amounting to $240,000 (2018: $120,000), as debt investments – mandatorily at FVTPL (see note 10). An increase/decrease of 100 basis point ("bp") in interest rate at the reporting date would not have a material effect. The remaining fixed rate financial assets and liabilities are not accounted for at fair value through profit or loss and 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, an increase of 100 basis point ("bp") in interest rate at the reporting date would decrease profit or loss (and accumulated profits) (before any tax effect) by the amounts shown below. A decrease in 100 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 2018.

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Variable rate financial instruments	(501)	(332)	–	(2)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments (cont'd)

There is no impact on other comprehensive income and equity.

Currency risk

Risk management policy

The Group is exposed to 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 in which these transactions primarily are denominated are the Euro, US Dollar, Japanese Yen, Chinese Renminbi, British Pound and Malaysian Ringgit. 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.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	Euro $'000	US Dollar $'000	Japanese Yen $'000	Chinese Renminbi $'000	British Pound $'000	Malaysian Ringgit $'000
Group						
2019						
Trade and other receivables	50	858	51	3	2,794	1,039
Cash and cash equivalents	62	713	1	–	1	3
Loans and borrowings	(831)	(4,118)	–	–	–	–
Trade and other payables	(147)	(224)	(116)	(3,636)	(5)	–
Net exposure	(866)	(2,771)	(64)	(3,633)	2,790	1,042
2018						
Trade and other receivables	641	3,642	67	–	276	–
Cash and cash equivalents	53	1,698	–	–	1	3
Loans and borrowings	(351)	(2,290)	(158)	–	–	–
Trade and other payables	(406)	(1,537)	(1,441)	(2,283)	(42)	–
Net exposure	(63)	1,513	(1,532)	(2,283)	235	3

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 2018.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Currency risk (cont'd)

Sensitivity analysis (cont'd)

	Profit or loss	
	2019	2018
	$'000	$'000
Group		
Euro	(87)	(6)
US Dollar	(277)	151
Japanese Yen	(6)	(153)
Chinese Renminbi	(363)	(228)
British Pound	279	24
Malaysian Ringgit	104	–*

* Less than $1,000

There is no impact on other comprehensive income and equity.

The Group and the Company is not exposed to any significant equity price risk as at 31 March 2019 and 31 March 2018.

Accounting classifications and fair values

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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts

The carrying amounts and fair values of the financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount					Fair value			
	Note	Mandatorily at FVTPL – others $'000	Amortised cost $'000	FVOCI – equity instruments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
31 March 2019										
Financial assets measured at fair value										
Equity investments – at FVOCI		–	–	166	–	166	–	–	166	166
Debt investments – mandatorily at FVTPL		240	–	–	–	240	–	–	240	240
		240	–	166	–	406				
Financial assets not measured at fair value										
Trade and other receivables #	12	–	55,324	–	–	55,324	–	55,324	–	55,324
Contract assets	21	–	96,988	–	–	96,988	–	96,988	–	96,988
Cash and cash equivalents	13	–	15,212	–	–	15,212				
		–	167,524	–	–	167,524				
Financial liabilities not measured at fair value										
Bank overdrafts	17	–	–	–	(8,019)	(8,019)				
Bills payable	17	–	–	–	(31,272)	(31,272)				
Secured bank loans	17	–	–	–	(10,793)	(10,793)				
Unsecured bank loans	17	–	–	–	(31,871)	(31,871)				
Finance lease liabilities	17	–	–	–	(20,750)	(20,750)	–	(18,772)	–	(18,772)
Trade and other payables *	19	–	–	–	(94,054)	(94,054)				
		–	–	–	(196,759)	(196,759)				

Excludes prepayments
* Excludes deposits received and deferred revenue

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

		Carrying amount					Fair value			
	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	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
31 March 2018										
Financial assets measured at fair value										
Debt investments – at FVTPL	10	120	–	–	–	120	–	–	120	120
Financial assets not measured at fair value										
Equity investments – available-for-sale (held at cost)	10	169	–	–	–	169				
Debt investments – available-for-sale (held at cost)	10	625	–	–	–	625				
Trade and other receivables #	12	–	49,515	–	–	49,515	–	49,515	–	49,515
Contract assets	21	–	81,432			81,432	–	81,432	–	81,432
Cash and cash equivalents	13	–	18,726	–	–	18,726				
		794	149,673	–	–	150,467				
Financial liabilities not measured at fair value										
Bank overdrafts	17	–	–	(2,968)	–	(2,968)				
Bills payable	17	–	–	(16,746)	–	(16,746)				
Secured bank loans	17	–	–	(13,017)	–	(13,017)				
Unsecured bank loans	17	–	–	(29,554)	–	(29,554)				
Finance lease liabilities	17	–	–	–	(18,092)	(18,092)	–	(16,109)	–	(16,109)
Trade and other payables *	19	–	–	(84,806)	–	(84,806)				
		–	–	(147,091)	(18,092)	(165,183)				

Excludes prepayments
* Excludes deposits received and deferred revenue

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

		Carrying amount			Fair value			
	Note	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company								
31 March 2019								
Financial assets not measured at fair value								
Trade and other receivables	12	23,054	–	23,054				
Cash and cash equivalents	13	503	–	503				
		23,557	–	23,557				
Financial liabilities not measured at fair value								
Finance lease liabilities	17	–	(16)	(16)	–	(14)	–	(14)
Trade and other payables	19	–	(6,319)	(6,319)				
		–	(6,335)	(6,335)				

		Carrying amount				Fair value			
	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	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company									
31 March 2018									
Financial assets not measured at fair value									
Trade and other receivables	12	19,262	–	–	19,262				
Cash and cash equivalents	13	249	–	–	249				
		19,511	–	–	19,511				
Financial liabilities not measured at fair value									
Bank overdrafts	17	–	(150)	–	(150)				
Finance lease liabilities	17	–	–	(26)	(26)	–	(23)	–	(23)
Trade and other payables	19	–	(8,012)	–	(8,012)				
		–	(8,162)	(26)	(8,188)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Estimation of fair values

The following methods and assumptions are used to estimate fair values of the following significant classes of financial instruments:

Debt investments and equity investments

The fair value of debt investments is determined by reference to the latest round of financing price occurring within the current financial year which is deemed to approximate the fair value at reporting date. The key unobservable input comprises the most recent transaction price. The estimated fair value would increase/(decrease) if the recent transaction prices were higher/(lower).

Fair values of equity instruments measured at fair value through other comprehensive income are determined using the net asset value of the investee, which is largely made up of financial assets and liabilities whose carrying values closely approximate their fair values. The Group believes that minimal future cash flows are expected as the investee was set up for a sole project which was completed in prior year. The estimated fair value would increase/(decrease) if the net asset value of the investee was higher/(lower).

Non-current finance lease liabilities, non-current trade and other receivables and non-current contract assets

The fair values have been determined by discounting the expected payments 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 current trade and other receivables, current contract assets, cash and cash equivalents, current trade and other payables and short term borrowings) are assumed to approximate their fair values because of the short period to maturity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

26 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

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 2019 %	Group 2018 %
Non-current trade and other receivables and non-current contract assets	4.88	4.88
Finance lease liabilities	1.50 – 3.40	1.50 – 3.40

Transfers between Levels 1, 2 and 3

There were no transfers of financial instruments between Levels 1, 2 and 3.

Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Equity investments – FVOCI $'000	Debt investments – mandatorily at FVTPL $'000
Group		
2019		
At 1 April	169	120
Purchases	–	120
Effect of movements in exchange rates	(3)	–
At 31 March	166	240

	Debt investments – designated at FVTPL $'000
Group	
2018	
At 1 April	–
Purchases	120
At 31 March	120

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

27 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 6 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:

	2019 $'000	2018 $'000
Within 1 year	5,815	4,792
After 1 year but within 5 years	5,526	3,233
After 5 years	8,271	8,908
	19,612	16,933

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

	2019 $'000	2018 $'000
Capital commitment in respect of:		
– acquisition of property, plant and equipment	–	1,143
– subscription of convertible notes	–	120

(c) Operating lease income commitments (as lessor)

There were no operating lease income commitments as at 31 March 2019 and 2018.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

28 RELATED PARTIES

Transactions with key management personnel

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	
	2019 $'000	2018 $'000
Short-term employee benefits	6,149	5,925
Post-employment benefits (including CPF)	320	322
	6,469	6,247

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	
		2019 $'000	2018 $'000
Professional fees	24	30	30

Other related party transactions

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

	Group	
	2019 $'000	2018 $'000
Companies in which a substantial shareholder of the Group has substantial financial interests		
Revenue from foundation engineering works	444	51
Revenue from trading of plant and equipment	259	11
Revenue from rental income	170	155
Rental and operating lease expenses	(5,464)	(5,183)
Purchase of plant and equipment	(73)	(547)
Upkeep of machinery and equipment expenses	(477)	(474)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

29 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 Board of Directors reviews the internal management reports on a quarterly 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 2019 or 2018.

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 Board of Directors. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

29 SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

Information about reportable segments

	Foundation and geotechnical engineering		Sales and lease of equipment		Total reportable segments	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Revenue from contracts with customers	270,161	300,460	38,677	28,007	308,838	328,467
Rental income	177	113	14,114	10,193	14,291	10,306
External revenue	270,338	300,573	52,791	38,200	323,129	338,773
Inter-segment revenue	60,139	47,901	15,542	15,010	75,681	62,911
Finance income	1,300	1,288	146	69	1,446	1,357
Finance expenses	(2,626)	(1,816)	(1,121)	(1,120)	(3,747)	(2,936)
Reportable segment (loss)/ profit before tax	(19,142)	(14,324)	3,316	740	(15,826)	(13,584)
Reportable segment assets	245,366	232,684	91,206	86,031	336,572	318,715
Capital expenditure	10,649	12,412	6,236	1,424	16,885	13,836
Reportable segment liabilities	160,585	132,028	41,127	34,034	201,712	166,062
Other material items						
Depreciation of property, plant and equipment	(19,534)	(21,493)	(3,988)	(3,691)	(23,522)	(25,184)
Impairment losses (recognised)/reversed on:						
– property, plant and equipment	–	–	(11)	(63)	(11)	(63)
– trade and other receivables and contract assets	(1,284)	907	(1,603)	(746)	(2,887)	161
Gain/(loss) on disposal of:						
– property, plant and equipment	782	677	102	1,046	884	1,723
– assets held for sale	–	91	–	–	–	91
Inventories written down	–	–	(247)	(148)	(247)	(148)
Inventories written off	–	–	(370)	(96)	(370)	(96)
Provision for onerous contracts	(1,000)	(740)	–	–	(1,000)	(740)
Provision for rectification costs	(1,182)	(2,160)	–	–	(1,182)	(2,160)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

29 SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

Information about reportable segments (cont'd)

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

	2019 $'000	2018 $'000
Finance income		
Total finance income for reportable segments	1,446	1,357
Finance income for other segments	562	–
	2,008	1,357
Finance expenses		
Total finance expenses for reportable segments	(3,747)	(2,936)
Finance expenses for other segments	(230)	(191)
	(3,977)	(3,127)
Profit or loss before tax		
Total loss before tax for reportable segments	(15,826)	(13,584)
Profit or loss before tax for other segments	302	(95)
	(15,524)	(13,679)
Elimination of inter-segment transactions	4,309	5,713
Unallocated amount:		
– other corporate expenses	(5,448)	(4,813)
Share of (loss)/profit of associates	(43)	3
Share of profit of a joint venture	–	1
Consolidated loss before tax	(16,706)	(12,775)
Depreciation of property, plant and equipment		
Total depreciation expenses for reportable segments	(23,522)	(25,184)
Depreciation expenses for other segments	(632)	(632)
	(24,154)	(25,816)
Impairment losses (recognised)/reversed on trade and other receivables and contract assets		
Total impairment losses for reportable segments	(2,887)	161
Impairment losses for other segments	(99)	–
	(2,986)	161
Assets		
Total assets for reportable segments	336,572	318,715
Assets for other segments	15,002	13,648
	351,574	332,363
Investments in associates	651	1,666
Deferred tax assets	44	93
Tax recoverable	506	533
Other unallocated amounts	575	307
Consolidated total assets	353,350	334,962

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

29 SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

Information about reportable segments (cont'd)

	2019 $'000	2018 $'000
Liabilities		
Total liabilities for reportable segments	201,712	166,062
Liabilities for other segments	5,467	6,020
	207,179	172,082
Deferred tax liabilities	2,079	1,853
Current tax payable	443	230
Other unallocated amounts	1,298	1,410
Consolidated total liabilities	210,999	175,575

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 and segment assets are based on the geographical location of the assets.

	Singapore $'000	Malaysia $'000	Thailand $'000	Vietnam $'000	Other regions $'000	Consolidated $'000
2019						
Revenue from external customers	253,416	58,246	9,475	2	1,990	323,129
Non-current assets	107,562	17,989	8,673	3	5,383	139,610
2018						
Revenue from external customers	268,466	62,943	5,582	649	1,133	338,773
Non-current assets	125,094	20,360	8,432	20	6,347	160,253

Non-current assets presented consist of property, plant and equipment, goodwill, investments in associates and other investments.

(c) Major customers

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

30 SUBSEQUENT EVENT

Subsequent to 31 March 2019, Kolette 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

31 EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

As stated in note 2.1, these are the first financial statements of the Group and of the Company prepared in accordance with SFRS(I).

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of the opening SFRS(I) statement of financial position at 1 April 2017 (the Group's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

In preparing the opening SFRS(I) statement of financial position, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with previous FRS.

In addition to the adoption of the new framework, the Group also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* and Amendments to SFRS(I) 15 *Clarifications to SFRS(I) 15*;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from SFRS(I) 4 *Insurance Contracts*;
- *Classification and Measurement of Share-based Payment Transactions* (Amendments to SFRS(I) 2);
- *Transfers of Investment Property* (Amendments to SFRS(I) 1-40);
- *Deletion of short-term exemptions for first-time adopters* (Amendments to SFRS(I) 1);
- *Measuring an Associate or Joint Venture at Fair Value* (Amendments to SFRS(I) 1-28); and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration.*

The application of the above standards and interpretations do not have a material effect on the financial statements, except for SFRS(I) 15 and SFRS(I) 9.

An explanation of how the transition from previous FRS to SFRS(I) and the adoption of SFRS(I) 9 and SFRS(I) 15 have affected the Group's financial position, financial performance and cash flows, and the Company's financial position is set out under the summary of quantitative impact and the accompanying notes.

Summary of quantitative impact

The following reconciliations summarise the impacts on initial application of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 on the Group's financial position as at 1 April 2017, 31 March 2018 and 1 April 2018 and the Group's profit or loss for the year ended 31 March 2018. There were no material adjustments to the Group's statement of comprehensive income and statement of cash flows for the year ended 31 March 2018 arising on transition to SFRS(I). There was no material impact on the Company's financial position as at 1 April 2017, 31 March 2018 and 1 April 2018 as a result of the adoption of SFRS(I).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

31 EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

Summary of quantitative impact (cont'd)

Reconciliation of the Group's equity

Consolidated statement of financial position

	31 March 2018			1 April 2018	
	As previously reported $'000	SFRS(I) 15 $'000	As adjusted $'000	SFRS(I) 9 $'000	As adjusted $'000
Non-current assets					
Property, plant and equipment	156,221	–	156,221	–	156,221
Goodwill	1,452	–	1,452	–	1,452
Investments in associates	1,666	–	1,666	(985)	681
Other investments	914	–	914	(625)	289
Contract assets	–	12,881	12,881	–	12,881
Trade and other receivables	12,881	(12,881)	–	1,610	1,610
Deferred tax assets	93	–	93	1	94
	173,227	–	173,227	1	173,228
Current assets					
Inventories	23,694	–	23,694	–	23,694
Contract assets	–	68,551	68,551	–	68,551
Trade and other receivables	121,330	(71,297)	50,033	(459)	49,574
Tax recoverable	533	–	533	–	533
Cash and cash equivalents	18,726	–	18,726	–	18,726
	164,283	(2,746)	161,537	(459)	161,078
Asset held for sale	198	–	198	–	198
	164,481	(2,746)	161,735	(459)	161,276
Total assets	337,708	(2,746)	334,962	(458)	334,504
Equity attributable to owners of the Company					
Share capital	80,498	–	80,498	–	80,498
Reserves	51,942	186	52,128	(270)	51,858
	132,440	186	132,626	(270)	132,356
Non-controlling interests	26,761	–	26,761	(122)	26,639
Total equity	159,201	186	159,387	(392)	158,995
Non-current liabilities					
Loans and borrowings	21,215	–	21,215	–	21,215
Deferred tax liabilities	1,853	–	1,853	(66)	1,787
	23,068	–	23,068	(66)	23,002
Current liabilities					
Loans and borrowings	59,162	–	59,162	–	59,162
Contract liabilities	–	52	52	–	52
Trade and other payables	86,511	(52)	86,459	–	86,459
Excess of progress billings over construction work-in-progress	926	(926)	–	–	–
Provisions	8,610	(2,006)	6,604	–	6,604
Current tax payable	230	–	230	–	230
	155,439	(2,932)	152,507	–	152,507
Total liabilities	178,507	(2,932)	175,575	(66)	175,509
Total equity and liabilities	337,708	(2,746)	334,962	(458)	334,504

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

31 EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

Summary of quantitative impact (cont'd)

Reconciliation of the Group's equity

Consolidated statement of financial position

	1 April 2017		
	FRS framework $'000	SFRS(I) 15 $'000	SFRS(I) framework $'000
Non-current assets			
Property, plant and equipment	164,929	–	164,929
Goodwill	1,452	–	1,452
Investments in:			
– an associate	904	–	904
– a joint venture	704	–	704
Other investments	879	–	879
Contract assets	–	10,544	10,544
Trade and other receivables	10,544	(10,544)	–
Deferred tax assets	252	–	252
	179,664	–	179,664
Current assets			
Inventories	25,257	–	25,257
Contract assets	–	71,444	71,444
Trade and other receivables	137,021	(80,643)	56,378
Tax recoverable	266	–	266
Cash and cash equivalents	18,532	–	18,532
	181,076	(9,199)	171,877
Total assets	360,740	(9,199)	351,541
Equity attributable to owners of the Company			
Share capital	80,292	–	80,292
Reserves	64,652	186	64,838
	144,944	186	145,130
Non-controlling interests	25,900	–	25,900
Total equity	170,844	186	171,030
Non-current liabilities			
Loans and borrowings	21,632	–	21,632
Deferred tax liabilities	1,726	–	1,726
	23,358	–	23,358
Current liabilities			
Loans and borrowings	64,050	–	64,050
Contract liabilities	–	775	775
Trade and other payables	84,960	(775)	84,185
Excess of progress billings over construction work-in-progress	186	(186)	–
Provisions	15,917	(9,199)	6,718
Current tax payable	1,425	–	1,425
	166,538	(9,385)	157,153
Total liabilities	189,896	(9,385)	180,511
Total equity and liabilities	360,740	(9,199)	351,541

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

31 EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

Summary of quantitative impact (cont'd)

Reconciliation of the Group's profit or loss

Consolidated statement of profit or loss

	Year ended 31 March 2018		
	FRS framework $'000	SFRS(I) 15 $'000	SFRS(I) framework $'000
Revenue	340,439	(1,666)	338,773
Cost of sales	(327,580)	–	(327,580)
Gross profit	12,859	(1,666)	11,193
Other income	2,867	–	2,867
Distribution expenses	(732)	–	(732)
Administrative expenses	(24,059)	–	(24,059)
Other operating expenses	(439)	–	(439)
Impairment loss reversed on trade and other receivables and contract assets	161	–	161
Results from operating activities	(9,343)	(1,666)	(11,009)
Finance income	185	1,172	1,357
Finance expenses	(3,621)	494	(3,127)
Net finance expenses	(3,436)	1,666	(1,770)
Share of profit of an associate (net of tax)	3	–	3
Share of profit of a joint venture (net of tax)	1	–	1
	4	–	4
Loss before tax	(12,775)	–	(12,775)
Tax expense	(675)	–	(675)
Loss for the year	(13,450)	–	(13,450)
Loss attributable to:			
Owners of the Company	(14,314)	–	(14,314)
Non-controlling interests	864	–	864
Loss for the year	(13,450)	–	(13,450)
Basic loss per share (cents)	(0.65)	–	(0.65)
Diluted loss per share (cents)	(0.65)	–	(0.65)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

31 EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

Notes to the reconciliations

SFRS(I) 1

In adopting SFRS(I) in 2019, the Group has applied the transition requirements in SFRS(I) 1 with 1 April 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) that are effective as at 31 March 2019 on a retrospective basis, as if such accounting policy had always been applied. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The Group has assessed that the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any significant impact on the financial statements.

SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group adopted SFRS(I) 15 in its financial statements using the retrospective approach. All requirements of SFRS(I) 15 have been applied retrospectively, except for the application of the practical expedients as described below, and the information presented for 2018 has been restated.

The Group has applied the following practical expedients as allowed under SFRS(I) 1.

- Completed contracts that began and ended in the same annual reporting period in 2018 and contracts completed at 1 April 2017 are not restated.

- For completed contracts that have variable consideration, the Group used the transaction price at the date the contract was completed to restate comparative information.

- For contracts modified before 1 April 2017, the Group has reflected the aggregate effect of all of the modifications that occurred before 1 April 2017 when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations. Had the Group elected not to apply this practical expedient, the amount of revenue recorded for the prior year would have been higher.

- For the year ended 31 March 2018, the Group did not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

31 EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

Notes to the reconciliations (cont'd)

SFRS(I) 15 (cont'd)

The impact upon the adoption of SFRS(I) 15 and significant judgements made in applying the standard are described below.

(i) Construction contracts

The Group previously recognised contract revenue by reference to the stage of completion of the contract activity, when the outcome of the construction contract can be estimated reliably, in accordance with FRS 11 *Construction Contracts*. Under SFRS(I) 15, the Group recognises revenue over time as each performance obligation is satisfied and when the Group has an enforceable right to payment for performance completed to date. The progress towards complete satisfaction of each performance obligation is measured using the output method, which is similar to the Group's previous approach.

Under SFRS(I) 15, management has also assessed that variable consideration such as discounts, penalties, including liquidated damages for delays, and other similar terms is typically constrained and is included in the transaction only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Liquidated damages (based on historical experience) are therefore excluded from revenue. The reduction in revenue and cost of sales arising from this was assessed to be insignificant. Consequently, only a retrospective adjustment of $2,746,000 was transferred from provisions to contract assets.

Under SFRS(I) 15, the Group needs to consider when a transaction contains a significant financing component. The transaction price is required to be adjusted using a discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception ("market rate"). The market rate would reflect the credit characteristics of the party receiving financing in the contract. Management has evaluated, among other factors, the market observable borrowing rates and consequently, the amount of $1,666,000 relating to the significant financing component was retrospectively adjusted against the transaction price.

Progress billings to the customer are typically triggered upon achievement of specified construction milestones. Under SFRS(I) 15, a contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract. Upon application of SFRS(I) 15, the amount of $71,297,000 and $12,881,000 were reclassified from current and non-current trade and other receivables to current and non-current contract assets respectively. The amount of $52,000 was reclassified from trade and other payables to contract liabilities. Provision for foreseeable losses of $740,000 was also reclassified from excess of progress billings over construction work-in-progress to provisions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

31 EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

Notes to the reconciliations (cont'd)

SFRS(I) 15 (cont'd)

(ii) Trading of building products and plant and equipment

Under FRS 18 *Revenue*, the Group recognised revenue from the trading of building products and plant and equipment at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates, provided the level of expected return of goods and amount of trade discounts and volume rebates can be estimated reliably. Such arrangements represent variable consideration under SFRS(I) 15 and revenue is recognised to the extent that it is highly probable that there will be no significant reversal when the uncertainty is resolved. As the Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the application of SFRS(I) 15 does not have a significant impact on the financial statements.

SFRS(I) 9

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' (ECL) model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 April 2018.

The Group has applied the exemption in SFRS(I) 1 allowing it not to restate comparative information for 2018. Accordingly, the information presented for the year ended 31 March 2018 is presented, as previously reported under FRS 39 *Financial Instruments: Recognition and Measurement,* except for the reclassification of reversal of impairment loss from 'other operating expenses' to 'impairment loss reversed on trade and other receivables and contract assets' in the consolidated statement of profit or loss. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 April 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except as described below.

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - The designation of an equity investment that is not held-for-trading as at FVOCI; and
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

31 EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

Notes to the reconciliations (cont'd)

SFRS(I) 9 (cont'd)

- If a debt investment has low credit risk at 1 April 2018, the Group had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The impact on adoption of SFRS(I) 9 are described below.

(i) Classification and measurement: financial assets and financial liabilities

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held to maturity, loans and receivables and available for sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, see note 3.5.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies related to financial liabilities, as well as the classification and measurement of financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's financial assets as at 1 April 2018.

	Note	Original classification under FRS 39	New classification under SFRS(I) 9	Original carrying amount under FRS 39 $'000	New carrying amount under SFRS(I) 9 $'000
Financial assets					
Convertible notes		FVTPL	Mandatorily at FVTPL	120	120
Equity securities	(i)	Available-for-sale	FVOCI – equity	794	169
Trade and other receivables#	(ii)	Loans and receivables	Amortised cost	49,515	50,666
Cash and cash equivalents		Loans and receivables	Amortised cost	18,726	18,726
Total financial assets				69,155	69,681

Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

31 EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

Notes to the reconciliations (cont'd)

SFRS(I) 9 (cont'd)

(i) Classification and measurement: financial assets and financial liabilities (cont'd)

(i) These equity securities represent investments that are not held for trading but which the Group intends to hold for the long term strategic purposes. As permitted by SFRS(I) 9, the Group has designated these investments at the date of initial application as measured at FVOCI. A shareholder's loan of $625,000 was reclassified from other investments to trade and other receivables as a result of the adoption of SFRS(I) 9.

(ii) Trade and other receivables that were classified as loans and receivables under FRS 39 are now classified at amortised cost. Shareholder's loans of $1,610,000 were reclassified from investments in associates and other investments as a result of the adoption of SFRS(I) 9. An increase of $459,000 in the allowance for impairment over these receivables was recognised in opening retained earnings at 1 April 2018 on transition to SFRS(I) 9.

The following table reconciles the carrying amounts of financial assets under FRS 39 to the carrying amounts under SFRS(I) 9 on transition to SFRS(I) on 1 April 2018.

	FRS 39 carrying amount at 31 March 2018 $'000	Reclassification $'000	Remeasurement $'000	SFRS(I) 9 carrying amount at 1 April 2018 $'000
Financial assets				
Trade and other receivables#				
Brought forward: Loans and receivables	49,515	–	–	49,515
Reclassification from investments in associates	–	985	–	985
Reclassification from other investments	–	625	–	625
Remeasurement	–	–	(459)	(459)
Carried forward: Amortised cost	49,515	1,610	(459)	50,666
Financial assets				
Equity securities				
Brought forward: Available-for-sale (held at cost)	794	–	–	794
Reclassification to amortised cost	–	(625)	–	(625)
Carried forward: FVOCI-equity	794	(625)	–	169

Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

31 EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

Notes to the reconciliations (cont'd)

SFRS(I) 9 (cont'd)

(ii) Impairment

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss (ECL) model. The new impairment model applies to financial assets measured at amortised cost, debt investments at FVOCI, but not to equity instruments.

As a result of the adoption of SFRS(I) 9, the Group presented impairment loss related to trade receivables and contract assets, separately in the statement of profit or loss. As a result, the Group reclassified reversal of impairment loss amounting to $161,000, recognised under FRS 39, from 'other operating expenses' to 'impairment loss reversed on trade and other receivables and contract assets' in the consolidated statement profit or loss for the year ended 31 March 2018.

The application of SFRS(I) 9 impairment requirements at 1 April 2018 results in additional allowances for impairment as follows:

	As adjusted $'000
Loss allowance at 31 March 2018 under FRS 39	13,555
Additional impairment recognised at 1 April 2018 on:	
– Trade and other receivables as at 31 March 2018	459
– Contract assets recognised on adoption of SFRS(I) 15	–
Loss allowance at 1 April 2018 under SFRS(I) 9	14,014

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Additional information about how the Group and the Company measure the allowance for impairment is described in note 26.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

32 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 January 2019:

Applicable to 2020 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

Applicable to 2022 financial statements

- *SFRS(I) 17 Insurance Contracts*

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

The Group is still in the process of assessing the impact of the new SFRS(I), amendments to and interpretations of SFRS(I) on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

32 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONT'D)

SFRS(I) 16

SFRS(I) 16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied. SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2020 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities. The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 April 2019. Accordingly, existing lease contracts that are still effective on 1 April 2019 continue to be accounted for as lease contracts under SFRS(I) 16. The Group has performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangements (refer to note 27).

Until 2020, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

(i) The Group as lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. The operating lease commitments on an undiscounted basis amount to approximately 5.5% of the consolidated total assets and 9.2% of consolidated total liabilities. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

(ii) The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Company continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

SHAREHOLDINGS STATISTICS

As at 10 June 2019

Class of equity security	:	Ordinary Shares
No of Treasury Shares Held	:	20,520,000
No of Subsidiary Holdings Held	:	Nil
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 10 June 2019, 47.39% 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	50	0.53	1,470	0.00
100 – 1,000	205	2.17	159,801	0.01
1,001 – 10,000	2,867	30.38	21,316,044	0.91
10,001 – 1,000,000	6,206	65.77	467,025,041	19.89
1,000,001 and above	108	1.15	1,859,460,190	79.19
	9,436	100.00	2,347,962,546	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% *
1	Citibank Nominees Singapore Pte Ltd	836,327,103	35.93
2	Phillip Securities Pte Ltd	508,849,918	21.86
3	Khoo Yok Kee or Chiu Hong Keong	70,000,000	3.01
4	DBS Nominees Pte Ltd	22,806,870	0.98
5	Woo Yin Mae	18,132,000	0.78
6	Maybank Kim Eng Securities Pte Ltd	17,090,366	0.73
7	Ong Kian Kok	15,460,000	0.66
8	DBSN Services Pte Ltd	15,000,000	0.64
9	CGS-CIMB Securities (S) Pte Ltd	14,687,506	0.63
10	UOB Kay Hian Pte Ltd	14,540,266	0.62
11	KGI Securities (Singapore) Pte Ltd	13,285,300	0.57
12	United Overseas Bank Nominees Pte Ltd	12,195,008	0.52
13	HSBC (Singapore) Nominees Pte Ltd	11,033,332	0.47
14	Phang Chu Mau	10,499,800	0.45
15	Loo Lip Giam	10,000,000	0.43
16	Poh Chee Kuan or Luo Taohong	9,999,333	0.43
17	Goh Guan Siong (Wu Yuanxiang)	9,621,700	0.41
18	Ting Lay Choon	8,226,600	0.35
19	Suey Hueh King	8,192,600	0.35
20	OCBC Nominees Singapore Pte Ltd	7,302,295	0.31
		1,633,249,997	**70.13**

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 10 June 2019 of 2,327,442,546 (which excludes 20,520,000 shares which are held as treasury shares representing approximately 0.88% of the total number of issued shares excluding treasury shares).

SHAREHOLDINGS STATISTICS

As at 10 June 2019

SUBSTANTIAL SHAREHOLDERS

	No. of Shares			
Substantial Shareholders	Direct Interest	% [1]	Deemed Interest	% [1]
TH Investments Pte Ltd [2]	–	–	1,036,477,309	44.53
Chwee Cheng & Sons Pte Ltd [2]	–	–	1,036,477,309	44.53
Ng Sun Ho Tony [2]	–	–	1,036,477,309	44.53
Ng San Wee David [2]	–	–	1,036,477,309	44.53
Ng Sun Giam Roger [2]	–	–	1,036,477,309	44.53
Ng San Tiong [2][3]	–	–	1,048,753,308	45.06
Ng Chwee Cheng Corporation[4]	131,755,099	5.67	–	–
BOS Trustee Limited [4]	–	–	131,755,099	5.67
Ng Chwee Cheng[5]	3,760,000	0.16	133,105,099	5.72
Chiu Hong Keong or Khoo Yok Kee [6]	202,590,900	8.70	319,100	0.01

Notes:

(1) The percentage of shareholdings was computed based on the issued share capital of the Company as at 10 June 2019 of 2,327,442,546 shares (which excludes 20,520,000 shares which are held as treasury shares representing approximately 0.88% 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.

(4) Ng Chwee Cheng Corporation is a company wholly owned by a revocable trust in which Mr Ng Chwee Cheng has control and he is deemed to be interested in the shares held by the Ng Chwee Cheng Corporation. BOS Trustee Limited is the trustee of the revocable trust.

(5) Mr Ng Chwee Cheng is also deemed interested in 1,350,000 shares held through nominees.

(6) Dr Chiu Hong Keong or Mdm Khoo Yok Kee is deemed interested in 319,100 Shares held by their son through nominees.

SHAREHOLDINGS STATISTICS

As at 10 June 2019

ANALYSIS OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 – 99	21	2.80	915	0.00
100 – 1,000	9	1.20	4,830	0.00
1,001 – 10,000	17	2.27	124,825	0.01
10,001 – 1,000,000	620	82.67	119,700,420	9.20
1,000,001 and above	83	11.07	1,181,897,635	90.79
	750	100.00	1,301,728,625	100.00

TOP 20 WARRANTHOLDERS

S/No.	Name of Warrantholder	No. of Warrants	%
1	Khoo Yok Kee or Chiu Hong Keong	309,213,500	23.75
2	Citibank Nominees Singapore Pte Ltd	296,982,885	22.81
3	UOB Kay Hian Pte Ltd	119,286,130	9.16
4	DBSN Services Pte Ltd	25,000,000	1.92
5	Ong Kian Kok	25,000,000	1.92
6	DBS Nominees Pte Ltd	24,250,425	1.86
7	Lim & Tan Securities Pte Ltd	22,192,730	1.70
8	Lin Qian Jun	20,000,000	1.54
9	Ong Tiew Siam	15,000,000	1.15
10	DB Nominees (S) Pte Ltd	12,150,000	0.93
11	Poh Chee Kuan or Luo Taohong	11,911,665	0.92
12	Phua Soo Sing Roy	11,835,000	0.91
13	HSBC (Singapore) Nominees Pte Ltd	11,416,725	0.88
14	Soh Kay Min	11,000,000	0.85
15	Soh Cheng Geek	10,370,000	0.80
16	Seah Tee Peng @ Sia Tee Peng	10,000,000	0.77
17	Wee Siew Tin	10,000,000	0.77
18	Raffles Nominees (Pte) Limited	9,616,315	0.74
19	Maybank Kim Eng Securities Pte Ltd	9,548,480	0.73
20	Ellpha Investments Pte Ltd	9,500,000	0.73
		974,273,855	**74.84**

NOTICE OF 22ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 22nd 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, 24 July 2019 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 2019 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Teo Beng Teck, 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 Teo Beng Teck will, upon re-election as a Non-Executive Director of the Company remain as the member of the Audit Committee, Remuneration Committee and Risk Management Committee and will be considered non-independent.

3. To re-elect Dr Leong Horn Kee, retiring pursuant to Regulation 108 of the Constitution of the Company and who, being eligible, offers himself for re-election. **(Resolution 3)**

   Dr Leong Horn Kee *will, upon re-election as a Non-Executive Director of the Company remain as the chairman of the Board, member of the Audit Committee, Remuneration Committee and Nomination Committee and will be considered independent.*

4. To re-elect Mr Ong Tiew Siam, retiring pursuant to Regulation 108 of the Constitution of the Company and who, being eligible, offers himself for re-election. **(Resolution 4)**

   Mr Ong Tiew Siam *will, upon re-election as a Non-Executive Director of the Company remain as the chairman of the Audit Committee and Risk Management Committee and member of the Remuneration Committee and will be considered independent.*

5. To re-appoint Messrs KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

6. To approve the payment of Directors' Fees of $334,300 for the year ending 31 March 2020. **(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

NOTICE OF 22ND ANNUAL GENERAL MEETING

(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 and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (3) 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 and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below);

(2) notwithstanding paragraph (1) above, the aggregate number of shares to be issued pursuant to a pro-rata renounceable rights issue shall not exceed one hundred per cent (100%) of the total number of issue shares (excluding Treasury Shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below);

(3) (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-paragraphs (1) and (2) above, the total number of issued shares (excluding Treasury Shares and subsidiary holdings) shall be based on the total number of issued shares (excluding Treasury Shares and subsidiary holdings) 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;

(4) 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

(5) 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." **(Resolution 7)**

[See Explanatory Note (i)]

By Order of the Board

Lee Quang Loong
Company Secretary

Singapore
9 July 2019

NOTICE OF 22ND ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(i) 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 and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company, save that issues of shares pursuant to a pro-rata renounceable rights issue shall not exceed one hundred per cent (100%) of the issued share capital of the Company (excluding Treasury Shares and subsidiary holdings) provided that the pro-rata renounceable rights shares must be listed and issued no later than 31 December 2019.

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.

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. 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 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 seventy-two (72) hours before the time appointed for holding the AGM.

NOTICE OF 22ND ANNUAL GENERAL MEETING

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.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Teo Beng Teck ,Dr Leong Horn Kee and Mr Ong Tiew Siam are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 24 July 2019 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR TEO BENG TECK	DR LEONG HORN KEE	MR ONG TIEW SIAM
Date of Appointment	24 November 2003	28 July 2018	28 July 2018
Date of last re-appointment	26 July 2017	*	*
Age	72	66	66
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Teo Beng Teck for reappointment as the Non-Executive Director of the Company. The Board have reviewed and concluded that Mr Teo Beng Teck possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Dr Leong Horn Kee for reappointment as the Non-Executive Independent Chairman of the Company. The Board have reviewed and concluded that Dr Leong Horn Kee possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Ong Tiew Siam for reappointment as the Non-Executive Independent Director of the Company. The Board have reviewed and concluded that Mr Ong Tiew Siam possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director, Member of the Risk Management Committee, Audit Committee and Remuneration Committee	Non-Executive Independent Chairman, Member of the Audit Committee, Remuneration Committee and Nominating Committee	Non-Executive Independent Director, Chairman of the Audit Committee and Risk Management Committee and member of the Remuneration Committee

* Dr Leong Horn Kee and Mr Ong Tiew Siam will be seeking re-election pursuant to Regulation 108 of the Company's Constitution at the forthcoming Annual General Meeting.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	DR LEONG HORN KEE	MR ONG TIEW SIAM
Professional qualifications	Bachelor of Engineering and a Master of Science in Construction Engineering from the University of Singapore	1. Degree (Honours) in Production Engineering from Loughborough University, UK; 2. Degree (Honours) in Economics from the University of London, UK; 3. Degree in Chinese Language and Literature from Beijing Normal University; 4. Master of Business Administration degree from INSEAD, France; 5. Master in Business Research from University of Western Australian; and 6. Doctorate in Business Administration from University of Western Australian	1. Bachelor of Commerce (Accountancy) (Honours) degree from the former Nanyang University, Singapore; and 2. Fellow member of the Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	1. Director of CMC Construction Pte Ltd (Jan 2010 to Dec 2016); and 2. Director of Linair Technologies Limited (Aug 2010 to Sep 2013)	1. Chairman of BJ Development Pte Ltd (May 2016 till present); 2. Chairman of CapitalCorp Partners Pte Ltd (April 2008 till present); and 3. Singapore's Non-Resident High Commisioner to Cyprus (July 2014 till present)	Executive Director – Finance of Tat Hong Holdings Ltd (year 1999 to 2009)
Shareholding interest in the listed issuer and its subsidiaries	Yes	No	Yes
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	DR LEONG HORN KEE	MR ONG TIEW SIAM
Other Principal Commitments* Including Directorships#			
Past (for the last 5 years)	Director of CMC Construction Pte Ltd	Director of: 1. Amtek Engineering Ltd; 2. Bamboo System Technology Pte Ltd; 3. CapitalCorp Consulting Group Pte Ltd; 4. China Energy Ltd; 5. ECS Holdings Limited; 6. Linair Technologies Limited; 7. Orita Sinclair School of Design, New Media and the Arts Pte Ltd; 8. PeopleWorldwide Academy Pte Ltd; 9. Tat Hong Holdings Ltd; 10. Viva Industrial Trust Management Pte Ltd which is the management company of listed company, Viva Industrial Trust; 11. Viva Asset Management Pte Ltd; and 12. Wilmar International Limited	Director of: 1. Ace Achieve Infocom Limited; 2. Design Studio Group Ltd; 3. Fung Choi Media Group Limited; 4. Lizhong Wheel Group Ltd; 5. Ng Chwee Cheng Foundation Limited (formerly known as Thomson Ng Chwee Cheng Foundation Limited); 6. Tat Hong Holdings Ltd; 7. Tat Hong Equipment Services Co. Ltd; 8. Tat Hong Properties Pte Ltd; and 9. Tiong Hua Whee Pte Ltd

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	DR LEONG HORN KEE	MR ONG TIEW SIAM
Present	–	Director of: 1. Austin International Management School Pte Ltd; 2. BJ Development Pte Ltd; 3. CapitalCorp Assets Pte Ltd; 4. CapitalCorp Partners Pte Ltd; 5. ESR Funds Management (S) Limited which is the management company of listed company, ESR Reit; 6. HLU Holdings Pte Ltd; 7. IGG Inc.; 8. PeopleWorldwide Consulting Private Limited; 9. SAC Capital Pte Ltd; 10. SPH Reit Management Pte Ltd which is the management company of listed company, SPH Reit; and 11. 3dsense Media School Pte Ltd	Director of Valuetronics Holdings Limited

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

	MR TEO BENG TECK	DR LEONG HORN KEE	MR ONG TIEW SIAM
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	Yes. Please refer to CSC Holdings Limited's announcement dated 6 July 2018 on the appointment of Mr Ong Tiew Siam as a Non-Executive Independent Director for more details.
c) Whether there is any unsatisfied judgment against him?	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	DR LEONG HORN KEE	MR ONG TIEW SIAM
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR TEO BENG TECK	DR LEONG HORN KEE	MR ONG TIEW SIAM
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Disclosure applicable to the appointment of Director only			
	MR TEO BENG TECK	DR LEONG HORN KEE	MR ONG TIEW SIAM
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Yes Mr Teo Beng Teck served several years as:- 1. Executive Director of Lee Metal Group Ltd; and 2. Director of Linair Technologies Limited.	Yes Dr Leong Horn Kee served several years as Director of:- 1. Amtek Engineering Ltd; 2. China Energy Ltd; 3. ECS Holdings Limited; 4. IGG Inc.; 5. Linair Technologies Limited; 6. Tat Hong Holdings Ltd; 7. Viva Industrial Trust Management Pte Ltd which is the management company of listed company, Viva Industrial Trust; and 8. Wilmar International Limited.	Yes Mr Ong Tiew Siam served several years as Director of:- 1. ACE Achieve Inforcom Limited; 2. Design Studio Group Ltd; 3. Fung Choi Media Group Limited; 4. Lizhong Wheel Group Ltd; 5. Tat Hong Holdings Limited; and 6. Valuetronics Holdings Limited.

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CSC HOLDINGS LIMITED

Company Registration No. 199707845E
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. 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 9 July 2019.

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 defined below) as my/our proxy/proxies to vote for me/us on my/our behalf at the 22nd Annual General Meeting (the "Meeting") of the Company to be held at the 4th Floor, No. 2 Tanjong Penjuru Crescent, Singapore 608968 on Wednesday, 24 July 2019 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 2019		
2	Re-election of Mr Teo Beng Teck as a Director		
3	Re-election of Dr Leong Horn Kee as a Director		
4	Re-election of Mr Ong Tiew Siam as a Director		
5	Re-appointment of KPMG LLP as Auditors		
6	Approval of Directors' Fees amounting to $334,300, for the year ending 31 March 2020		
7	Authority to issue shares		

Dated this ____________ day of ______________2019

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 72 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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